

More good news from the EU Parliament

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Good news is coming in waves from the EU.

First there [was support for country-by-country reporting](#).

Then [support for a Robin Hood Tax](#).

And third - [yesterday the EU Parliament passed a resolution](#) calling for more EU tax-related assistance and clamp downs on tax evasion and tax fraud to boost revenue and efficiency in the developing countries. As the Parliament noted (slightly edited):

The tax and development resolution, drafted by Development Committee Chair Eva Joly (Greens/EFA, FR), says that EU and developing countries should seek to boost their tax revenues by combating tax evasion and harmful tax practices. This, it says, will not only reduce poverty but also eventually lead to a "governance dividend".

The tax and development resolution calls for more tax-related development assistance from EU Member States and a clampdown on tax havens. Developing countries should at the same time reduce their reliance on foreign aid, by putting in place viable tax systems, it adds. Recent studies suggest that revenue loss due to tax fraud amounts to ten times the development aid injected into the economy. As much as €800 billion is lost annually from developing countries to tax havens and illicit financial flows, it adds.

Multinationals should be prevented from "transferring their profits to countries with the most favourable tax regimes" and should pay their taxes in the countries where they actually generated the profits, says the tax and development resolution. One way to combat harmful tax structures would be to withdraw banking licences from banks that work with tax havens, say MEPs.

The Parliament's tax and development resolution criticizes a European Commission paper on promoting good governance in tax matters for ignoring the fact that trade liberalisation, and in particular economic partnership agreements, substantially reduce the customs revenues of low-income countries.

The Joly report was adopted by a show of hands.

I know this is non-binding. But it's a powerful statement of political support for these issues and I warmly welcome that as another important step forward in beating tax abuse and tax havens and the drain they put on developing countries.