



Committee of Inquiry to investigate alleged contraventions and maladministration in the application of Union law in relation to money laundering, tax avoidance and tax evasion

05/09/2017

AMENDMENTS: 140

Petr Ježek, Jeppe Kofod

Report on the inquiry into Money Laundering, Tax Avoidance and Tax Evasion

Motion for a resolution PE604.514 - 2017/2013(INI)

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Amendments per language:

EN: 140

Amendment 1

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution
Citation 1 a (new)

Motion for a resolution

Amendment

- *having regard to Article 116 of the Treaty on the Functioning of the European Union (TFEU),*

Or. en

Amendment 2

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution
Citation 15 a (new)

Motion for a resolution

Amendment

- *having regard to the EU FIU Platform mapping exercise and gap analysis on EU FIUs' powers and obstacles for obtaining and exchanging information (15 December 2016),*

Or. en

Amendment 3

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution
Citation 15 b (new)

Motion for a resolution

Amendment

- ***having regard to the European Parliament reports of the Special Committees TAXE1 and TAXE2 on “Tax rulings and other measures similar in nature or effect”***

Or. en

Amendment 4

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution

Citation 15 c (new)

Motion for a resolution

Amendment

- ***having regard to the European Parliament report on “Bringing transparency, coordination and convergence to corporate tax policies in the Union”***

Or. en

Amendment 5

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution

Citation 15 d (new)

Motion for a resolution

Amendment

- ***Having regard to the Council of Europe Warsaw Convention (16 May 2005);***

Or. en

Amendment 6

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé

on behalf of the Verts/ALE Group

Motion for a resolution

Recital C

Motion for a resolution

C. whereas maladministration means poor or failed administration that occurs, for instance, if an institution fails to respect the principles of good administration, and whereas examples of maladministration include administrative irregularities and omissions, abuse of power, unfairness, malfunction or incompetence, discrimination, avoidable delays, refusal of information, negligence, and other shortcomings that reflect a malfunctioning in the application of Union law in any area covered by this law;

Amendment

C. whereas maladministration means poor or failed administration that occurs, for instance, if an institution fails to respect the principles of good administration, and whereas examples of maladministration include administrative irregularities and omissions, abuse of power, unfairness, **unlawful procedures**, malfunction or incompetence, discrimination, avoidable delays, **lack or** refusal of information, negligence, and other shortcomings that reflect a malfunctioning in the application of Union law in any area covered by this law;

Or. en

Amendment 7

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé

on behalf of the Verts/ALE Group

Motion for a resolution

Recital D

Motion for a resolution

D. whereas money laundering involves concealing illicit money to disguise the identity of illegally obtained proceeds so that they appear to have originated from legitimate sources; whereas such offences are known as predicate offences, and, under the Financial Action Task Force (FATF) 2012 Recommendations and the 4th Anti-Money Laundering Directive (AMLD), applicable as of 26 June 2017,

Amendment

D. whereas money laundering involves concealing illicit money to disguise the identity of illegally obtained proceeds so that they appear to have originated from legitimate sources; whereas such offences are known as predicate offences, and, under the Financial Action Task Force (FATF) 2012 Recommendations and the 4th Anti-Money Laundering Directive (AMLD), applicable as of 26 June 2017,

include tax *crime*;

include tax *crimes*;

Or. en

Amendment 8

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé

on behalf of the Verts/ALE Group

Motion for a resolution

Recital K

Motion for a resolution

K. whereas tax fraud and tax evasion constitute illegal activities involving evading tax liabilities, while, on the other hand, tax avoidance is the legal but improper utilisation of the tax regime to reduce or avoid tax liabilities, and aggressive tax *planning* consists in taking advantage of the technicalities of a tax system, or of mismatches between two or more tax systems, for the purpose of reducing tax liability;

Amendment

K. whereas tax fraud and tax evasion constitute illegal activities involving evading tax liabilities, while, on the other hand, tax avoidance is the legal but improper utilisation of the tax regime to reduce or avoid tax liabilities, and aggressive tax *avoidance* consists in taking advantage of the technicalities of a tax system, or of mismatches between two or more tax systems, for the purpose of reducing tax liability; *whereas the Panama papers demonstrated that the scope of offshore companies registered by Mossack Fonseca exceeded privacy concerns and tax fraud attempts to also include cases of VAT carousel fraud, drug trafficking, illegal immigration, cybercrimes or terrorism financing*;

Or. en

Amendment 9

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé

on behalf of the Verts/ALE Group

Motion for a resolution

Recital L

Motion for a resolution

L. whereas as a result of data leaks in recent years the awareness of money

Amendment

L. whereas as a result of data leaks in recent years the awareness of money

laundering, tax evasion, tax fraud schemes and corruption has increased considerably and these issues have become a major focus of international political concern;

laundering, tax evasion, tax fraud schemes and corruption has increased considerably and these issues have become a major focus of international political concern *as well as raised concern of EU citizens*;

Or. en

Amendment 10

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution

Recital M

Motion for a resolution

M. whereas unreported and untaxed income is reducing national tax revenues and is a threat to the stability of the financial system¹⁶; whereas money laundering, tax avoidance and tax evasion undermine the fair distribution of tax contributions in the EU Member States; whereas massive tax avoidance by high net worth individuals and enterprises not only penalises ordinary taxpayers, public finances and social spending, but also threatens good governance, macroeconomic stability and social cohesion;

Amendment

M. whereas unreported and untaxed income is reducing national tax revenues and is a threat to the stability of the financial system¹⁶; whereas ***tax evasion and tax avoidance creates unfair competition, especially towards small and medium enterprises and large companies not using complex structures to go against the spirit or letter of the law***; whereas money laundering, tax avoidance and tax evasion undermine the fair distribution of tax contributions in the EU Member States; whereas massive tax avoidance by high net worth individuals and enterprises not only penalises ordinary taxpayers, public finances and social spending, but also threatens good governance, macroeconomic stability and ***security, social cohesion and public trust in the institutions***;

¹⁶ *ECB hearing.*

¹⁶ *See for example Anna Meyendorff - Designing financial systems in transition economies : strategies for reform in Central and Eastern Europe, S. 102" giving an example for Russia; or "Tax evasion, the underground economy and financial development":*

Amendment 11

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé

on behalf of the Verts/ALE Group

Motion for a resolution

Recital P

Motion for a resolution

P. whereas some governments and jurisdictions have specialised in creating extremely preferential tax regimes to the benefit of multinational companies and **high net worth** individuals, who do not in fact have **a real presence** within these jurisdictions but are merely represented by shell companies;

Amendment

P. whereas some governments and jurisdictions have specialised in creating extremely preferential tax regimes to the benefit of multinational companies and **rich** individuals, who do not in fact have **economic substance** within these jurisdictions but are merely represented by shell companies;

Amendment 12

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé

on behalf of the Verts/ALE Group

Motion for a resolution

Recital Q

Motion for a resolution

Q. whereas the European Commission has cited previous estimates according to which the annual revenue losses owing to tax evasion and tax fraud amount to at least EUR 1 trillion within the European Union alone;

Amendment

Q. whereas the European Commission has cited previous estimates according to which the annual revenue losses owing to tax evasion and tax fraud amount to at least EUR 1 trillion within the European Union alone ^{1a};

^{1a}

https://ec.europa.eu/taxation_customs/fig-ht-against-tax-fraud-tax-evasion/a-huge-

Amendment 13

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé

on behalf of the Verts/ALE Group

Motion for a resolution

Recital R

Motion for a resolution

R. whereas as of 2014, at least 7.6 trillion of the world's total financial private wealth of USD 95.5 trillion was unaccounted for; whereas worldwide, 8 % of financial private wealth is held offshore, leading to global tax revenue losses of USD 190 billion; whereas an estimated USD 2.6 trillion of financial private wealth in Europe is held offshore, leading to tax revenue losses of USD 78 billion annually¹⁷ ;

¹⁷ Gabriel Zucman, 'The Hidden Wealth of Nations – The Scourge of Tax Havens', University of California, 2015.

Amendment

R. whereas as of 2014, at least **USD** 7.6 trillion of the world's total financial private wealth of USD 95.5 trillion was unaccounted for; whereas worldwide, 8 % of financial private wealth is held offshore, leading to global tax revenue losses of USD 190 billion; whereas an estimated USD 2.6 trillion of financial private wealth in Europe is held offshore, leading to tax revenue losses of USD 78 billion annually¹⁷ ;

¹⁷ Gabriel Zucman, 'The Hidden Wealth of Nations – The Scourge of Tax Havens', University of California, 2015.

Amendment 14

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé

on behalf of the Verts/ALE Group

Motion for a resolution

Recital S

Motion for a resolution

S. whereas in 2011 an estimated USD 3.1 trillion globally were lost each year via tax evasion and tax avoidance of large

Amendment

S. whereas in 2011 an estimated USD 3.1 trillion globally were lost each year via tax evasion and tax avoidance of large

companies *owing to secrecy*¹⁸ ;

companies ¹⁸ ;

¹⁸ Tax Justice Network, November 2011.

¹⁸ Tax Justice Network, November 2011.

Or. en

Amendment 15

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution

Recital T

Motion for a resolution

T. whereas money laundering **amounts to an estimated 2 %-5 % of GDP worldwide;**

Amendment

T. *whereas the United Nations estimated the total amount of criminal proceeds in 2009 at approximately USD 2.1 trillion, equivalent to 3.6% of global GDP ^{1a}; whereas money laundering cases are increasing according to Eurojust statistics ^{1b} and necessitates a coordinated response across multiple jurisdictions to fight such transnational offenses;*

^{1a} *http://europa.eu/rapid/press-release_MEMO-16-4452_en.htm*

^{1b} *148 money laundering cases in 2012, 202 cases in 2013, 221 cases in 2014, and 285 cases in 2015*

Or. en

Amendment 16

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution

Recital W

Motion for a resolution

W. whereas 79 countries so far, or one-third of all nations, have announced a total of 150 inquiries, audits or investigations by police, customs, financial crime and mafia prosecutors, judges and courts, tax authorities and parliaments, and by means of corporate reviews, according to global media reports and official statements; whereas **thousands of** taxpayers and companies **are under investigation**; whereas over the past eight months this has led to national authorities having already recovered tens of millions of dollars in taxes on previously undeclared funds²⁰ ;

²⁰ ICIJ 2017, ‘Where Are They Now? A Year Later, Mixed Fortunes For Panama Papers Line-Up’.

Amendment

W. whereas 79 countries so far, or one-third of all nations, have announced a total of 150 inquiries, audits or investigations by police, customs, financial crime and mafia prosecutors, judges and courts, tax authorities and parliaments, and by means of corporate reviews, according to global media reports and official statements; whereas **Member States identified more than 3000 EU-based** taxpayers and companies **linked to the Panama papers**; **whereas Member States have collectively launched at least 1300 inquiries, audits and investigations into Panama Papers revelations**; whereas over the past eight months this has led to national authorities having already recovered tens of millions of dollars in taxes on previously undeclared funds²⁰ ;

²⁰ ICIJ 2017, ‘Where Are They Now? A Year Later, Mixed Fortunes For Panama Papers Line-Up’.

Or. en

Amendment 17

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution
Paragraph 2

Motion for a resolution

2. Recognises that offshore financial centres generally present the following features: 1) a primary orientation of business toward non-residents; 2) **a favourable regulatory environment (low supervisory requirements and minimal information disclosure)**; 3) the existence of

Amendment

2. Recognises that offshore financial centres generally present the following features: 1) a primary orientation of business toward non-residents; 2) **low or moderate supervisory and financial requirements and/or** minimal information disclosure; 3) the existence of low

low (unspecified) or zero taxation schemes²¹ ;

(unspecified) or zero taxation schemes²¹ ;
4) Financial systems with external assets and liabilities out of proportion to domestic financial intermediation; 5) the existence of very specific and restricted tax advantages or certain administrative practices that provide selective advantages for tax planners;

²¹ ‘Offshore activities and money laundering: recent findings and challenges’, Prof. Dr. Brigitte Unger, Utrecht University School of Economics, The Netherlands, February 2017.

²¹ ‘Offshore activities and money laundering: recent findings and challenges’, Prof. Dr. Brigitte Unger, Utrecht University School of Economics, The Netherlands, February 2017.

Or. en

Amendment 18

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution Paragraph 2 a (new)

Motion for a resolution

Amendment

2 a. Notes that academic literature distinguishes between sink-OFCs - which attract and retain foreign capital - and conduit-OFCs- which are attractive intermediate destinations in the routing of international investments and enable the transfer of capital without taxation; Underlines that five countries – the Netherlands, the United Kingdom, Ireland, Singapore and Switzerland – canalize the majority of corporate offshore investment as conduit-OFCs, specialising either by geographical area or industrial sector^{1a}

^{1a} University of Amsterdam, “Uncovering Offshore Financial Centers: Conduits and Sinks in the Global Corporate

Amendment 19

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution
Paragraph 4 a (new)

Motion for a resolution

Amendment

4 a. Notes that projects managed by the European Investment Bank involved Mossack Fonseca and that the European Commission blocked 18 projects in 2016, preventing €1 billion to end up in tax havens;

Or. en

Amendment 20

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution
Paragraph 4 b (new)

Motion for a resolution

Amendment

4 b. Notes the jurisprudence of the Court of Justice of the European Union regarding the principle of abuse of law in relation to taxation, ruling that nationals of a Member State cannot attempt improperly or fraudulently to take advantage of provisions of EU law; Adds that several Member States apply the concept of abuse of law to taxation issues^{1a};

Amendment 21

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé

on behalf of the Verts/ALE Group

Motion for a resolution

Paragraph 5

Motion for a resolution

5. Welcomes the fact that the Council is aiming to establish by the end of 2017 a ‘Common EU List of Non-Cooperative Tax Jurisdictions’, with the aim of addressing external risks to Member States’ tax bases posed by third countries that refuse to adhere to international tax good governance standards;

Amendment

5. Welcomes the fact that the Council is aiming to establish by the end of 2017 a ‘Common EU List of Non-Cooperative Tax Jurisdictions’, with the aim of addressing external risks to Member States’ tax bases posed by third countries that refuse to adhere to international tax good governance standards; ***deplores, however, that only third countries outside the EU will be scrutinized and that the European Parliament is not involved in the screening process, which is carried out by the Council Code of Conduct Group on Business Taxation suffering from opaque proceedings and inefficient decision rules; Stresses that the above-mentioned list should be realistic and objective in order to be credible and to restore confidence in EU actions to fight tax havens;***

Amendment 22

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé

on behalf of the Verts/ALE Group

Motion for a resolution

Paragraph 7

Motion for a resolution

7. Welcomes the fact that in May 2016, the Council endorsed the proposed listing process and called for an EU list to be ready in 2017;

Amendment

7. Welcomes the fact that in May 2016, the Council endorsed the proposed listing process and called for an EU list to be ready in 2017; ***Regrets however that despite support from the European Parliament and the European Commission, Member States did not agree that low or no taxation rates should be considered as a specific criterion to assess unfair tax competition when screening third country jurisdictions*** ^{1a}

^{1a} See Written answers by Commissioner Jourova, November 2016

Or. en

Amendment 23

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution
Paragraph 8

Motion for a resolution

8. ***Recalls*** that the OECD Common Reporting Standard (CRS) requires jurisdictions to obtain information from their financial institutions and automatically exchange that information with other jurisdictions on an annual basis; regrets that ***this has been implemented recently only by a small number of jurisdictions***; recalls that on 15 February 2011 the Economic and Financial Affairs Council (ECOFIN) adopted Council Directive 2011/16/EU on administrative cooperation in the field of taxation and repealing Directive 77/799/EEC (DAC 1); recalls that this Directive makes it mandatory for national tax administrations

Amendment

8. ***Welcomes*** that the OECD Common Reporting Standard (CRS) requires jurisdictions to obtain information from their financial institutions and automatically exchange that information with other jurisdictions on an annual basis; regrets that ***the United States are not committed to this new international standard; points out that also the CRS has weaknesses and welcomes that the OECD is working on refining the standard to make it more effective***; recalls that on 15 February 2011 the Economic and Financial Affairs Council (ECOFIN) adopted Council Directive 2011/16/EU on administrative cooperation in the field of

to supply information concerning a taxpayer of another Member State on request, even if this information is held only by a bank or other financial institution; notes that on 1 January 2013 the national laws, regulations and administrative provisions implementing this directive entered into force, with the exception of the provisions relating to automatic exchange of information for certain categories²³, which entered into force on 1 January 2015;

²³ Income from employment, directors' fees, dividends, capital gains, royalties, certain life insurance products, pensions, and ownership of and income from immovable property.

taxation and repealing Directive 77/799/EEC (DAC 1); recalls that this Directive makes it mandatory for national tax administrations to supply information concerning a taxpayer of another Member State on request, even if this information is held only by a bank or other financial institution; notes that on 1 January 2013 the national laws, regulations and administrative provisions implementing this directive entered into force, with the exception of the provisions relating to automatic exchange of information for certain categories²³, which entered into force on 1 January 2015;

²³ Income from employment, directors' fees, dividends, capital gains, royalties, certain life insurance products, pensions, and ownership of and income from immovable property.

Or. en

Amendment 24

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution Paragraph 13

Motion for a resolution

13. Welcomes the Commission proposal on DAC 6 for mandatory automatic exchange of information in the field of taxation in relation to reportable cross-border arrangements;

Amendment

13. Welcomes the Commission proposal **of 21 June 2017** on DAC 6 for mandatory automatic exchange of information **by intermediaries and tax advisors** in the field of taxation in relation to reportable cross-border arrangements;

Or. en

Amendment 25

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé

Motion for a resolution
Paragraph 14

Motion for a resolution

14. Observes that offshore entities are often set up as shell companies²⁴, **without underlying economic rationale or substance** within the country of establishment;

²⁴ As the OECD defines it, a shell company is a company that is formally registered, incorporated or otherwise legally organised in an economy but which does not conduct any operations in that economy other than in pass-through capacity.

Amendment

14. ***Notes that companies, foundations and trusts are the main tools used by money launderers and tax evaders, according to Panama papers data and that these structures are often used in combination to obfuscate ownership of assets; Stresses the risks of increased use of trusts for money laundering purposes, as these instruments do not have legal personality and are not subject to reporting and disclosure requirements;*** Observes that offshore entities are often set up as shell companies²⁴, ***which do not have to have real economic substance*** within the country of establishment; ***Deplores that there is no European or international minimum standards regarding the definition of corporate substance or aggressive tax planning; notes that in July 2017, a French court ruled that Google had no permanent establishment in France despite employing more than 700 persons in a 10000 square meters office located on “Rue de Londres” leading to no taxable presence in France while there is no European binding definition of a permanent establishment;***

²⁴ As the OECD defines it, a shell company is a company that is formally registered, incorporated or otherwise legally organised in an economy but which does not conduct any operations in that economy other than in pass-through capacity.

Or. en

Amendment 26

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé

on behalf of the Verts/ALE Group

Motion for a resolution

Paragraph 15

Motion for a resolution

15. Underlines that motivations for the establishment of offshore entities most often include obscuring the origins of money and assets and concealing the identity of the ultimate beneficial owner (UBO)²⁵, the avoidance or evasion of inheritance or *savings* tax in the countries where the UBOs are residents²⁶, shielding assets from creditors or heirs, the evasion of sanctions, masking criminal activity and money laundering, or transferring assets from an individual or company to a new company without incurring the liabilities of the former;

²⁵ The ultimate beneficial owner is the natural person who is ultimately responsible for the entity.

²⁶ See, for example, Nordea (2016), ‘Report on Investigation of Nordea Private Banking in Relation to Offshore Structures’, joint report by Nordea Group Compliance, Nordea Operational Risk and Mannheimer Swartling Advokatbyrå.

Amendment

15. Underlines that motivations for the establishment of offshore entities most often include obscuring the origins of money and assets and concealing the identity of the ultimate beneficial owner (UBO)²⁵, the avoidance or evasion of inheritance or ***income or capital gains*** tax in the countries where the UBOs are residents²⁶, shielding assets from creditors or heirs, the evasion of sanctions, masking criminal activity and money laundering, or transferring assets from an individual or company to a new company without incurring the liabilities of the former;
Notes that several documents from the Panama papers demonstrated the knowledge by intermediaries and Mossack Monseca of these motivations;

²⁵ The ultimate beneficial owner is the natural person who is ultimately responsible for the entity.

²⁶ See, for example, Nordea (2016), ‘Report on Investigation of Nordea Private Banking in Relation to Offshore Structures’, joint report by Nordea Group Compliance, Nordea Operational Risk and Mannheimer Swartling Advokatbyrå.

Or. en

Amendment 27

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé

on behalf of the Verts/ALE Group

Motion for a resolution
Paragraph 16

Motion for a resolution

16. Adds that in the case of multinational corporations, shell and letterbox companies are also used as part of corporate tax optimising strategies, to facilitate transfer pricing;

Amendment

16. Adds that in the case of multinational corporations, shell and letterbox companies are also used as part of corporate tax optimising strategies, to facilitate transfer pricing; ***Notes that aggressive tax planning is not compatible with Corporate Social Responsibility principles and recalls its request to Commission to include this element in an updated Corporate Social Responsibility EU strategy;***

Or. en

Amendment 28

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution
Paragraph 17

Motion for a resolution

17. States that among the EU Member States, the United Kingdom had the largest number of offshore entities revealed in the Panama Papers (17 973 entities), followed by Luxembourg (10 877 entities) and Cyprus (6 374 entities), as well as Latvia, Ireland, Spain, Estonia and Malta²⁷ ;

Amendment

17. States that among the EU Member States, the United Kingdom had the largest number of offshore entities revealed in the Panama Papers (17 973 entities), followed by Luxembourg (10 877 entities) and Cyprus (6 374 entities), as well as Latvia, Ireland, Spain, Estonia and Malta²⁷ ; ***Stresses that out of the 21 countries used most by Mossack Fonseca to set up shell companies or other complex structures, 12 countries, in addition to the UK are British Overseas Territories, British Crown Dependencies or members of the Commonwealth;***

²⁷ 'Role of advisors and intermediaries in

²⁷ 'Role of advisors and intermediaries in

the schemes revealed in the Panama Papers', Willem Pieter de Groen, Centre for European Policy Studies, April 2017.

the schemes revealed in the Panama Papers', Willem Pieter de Groen, Centre for European Policy Studies, April 2017.

Or. en

Amendment 29

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution Paragraph 17 a (new)

Motion for a resolution

Amendment

17 a. Notes with concern that the Football Leaks revelations and the several individual cases of tax evasion in the world of football recently discovered have shown that many loopholes and mismatches still exist in national legislation regarding the taxation of image rights and the taxation of footballers' international transfers;

Or. en

Amendment 30

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution Paragraph 17 b (new)

Motion for a resolution

Amendment

17 b. Recommends that while exercising their tax sovereignty, countries should take into account the impact of their actions more globally, especially in so far as they restrict the exercise of tax sovereignty of other countries; Notes that such 'spillover' analyses are not often done by European Member States for

example;

Or. en

Amendment 31

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé

on behalf of the Verts/ALE Group

Motion for a resolution

Paragraph 19

Motion for a resolution

19. Underlines that *at the time the data were leaked, 55 728 entities were still active and approximately 90 % were based in the British Virgin Islands (BVI), Panama and the Seychelles;*

Amendment

19. Underlines that *the British Virgin Islands (BVI), Panama and the Seychelles constituted the top three countries where 90% of entities were created;*

Or. en

Amendment 32

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé

on behalf of the Verts/ALE Group

Motion for a resolution

Paragraph 20

Motion for a resolution

20. Notes that in offshore jurisdictions company registers and authorities often do not require the information necessary to identify beneficial owners, *or do not share it*; notes that the identification of UBOs in some countries relies only on self-declaration of beneficial ownership information, without any *further verification*²⁹ ;

Amendment

20. Notes that in offshore jurisdictions *and in some EU Member States* company registers and authorities often do not require *or do not share* the information necessary to identify beneficial owners, *qualified shareholders, supervisory board members, management board members and general managers nor information on balance sheet as well as profit and loss statement*; notes that the identification of UBOs in some countries relies only on self-declaration of beneficial ownership information, without any *further verification*²⁹ ;

²⁹ Intervention by Daniel Thelesklaf, Chairman of the Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL) in PANA Committee hearing on 13 October 2016.

²⁹ Intervention by Daniel Thelesklaf, Chairman of the Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL) in PANA Committee hearing on 13 October 2016.

Or. en

Amendment 33

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution Paragraph 21

Motion for a resolution

21. Notes that in most offshore destinations tax and reporting obligations are non-existent;

Amendment

21. Notes that in most offshore destinations tax and reporting obligations are non-existent ^{1a}; ***Is concerned that several of these jurisdictions include in their national legislation or administrative practice obstacles to exchange information with foreign competent authorities;***

***1a OECD SECRETARY-GENERAL
REPORT TO G20 FINANCE
MINISTERS, Baden-Baden, Germany,
March 2017:
<http://www.oecd.org/tax/oecd-secretary-general-tax-report-g20-finance-ministers-march-2017.pdf>***

Or. en

Amendment 34

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution
Paragraph 22

Motion for a resolution

22. Notes that none of the three above-mentioned jurisdictions, namely the BVI, Panama and the Seychelles, are currently listed as ‘uncooperative tax havens’ by the OECD’s Committee on Fiscal Affairs; recalls that the BVI, the Seychelles and Panama were taken off the list between 2000 and 2002 after having made formal commitments to implement the OECD’s global standards of transparency and exchange of information;

Amendment

22. Notes that none of the three above-mentioned jurisdictions, namely the BVI, Panama and the Seychelles, are currently listed as ‘uncooperative tax havens’ by the OECD’s Committee on Fiscal Affairs; recalls that the BVI, the Seychelles and Panama were taken off the list between 2000 and 2002 after having made formal commitments to implement the OECD’s global standards of transparency and exchange of information; ***Deplores that the OECD list of tax havens contains only one country since July 2017;***

Or. en

Amendment 35

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution
Paragraph 25

Motion for a resolution

25. Notes that most of the offshore constructions revealed in the Panama Papers were set up from ***Luxembourg***, the United Kingdom and Cyprus and that these countries could have suspected that this implied a loss of the tax base of other Member States where the UBOs were resident – ***in Luxembourg, for example, many offshore companies were set up purely to circumvent the withholding tax³¹ (which only applied to natural persons, not to offshore companies), and some of those were still active after the entry into force of DAC I;***

Amendment

25. Notes that most of the offshore constructions revealed in the Panama Papers were set up from the United Kingdom, ***Luxembourg*** and Cyprus and that these countries could have suspected that this implied a loss of the tax base of other Member States where the UBOs were resident; ***Notes that due to the ‘ne bis in idem’ principle, legal action cannot always be started in a Member State because of the dual system of administrative and criminal sanctions existing in many countries;***

³¹ See, for example, Nordea (2016), ‘Report on Investigation of Nordea Private Banking in Relation to Offshore Structures’, joint report by Nordea Group Compliance, Nordea Group Operational Risk and Mannheimer Swartling Advokatbyrå. This was also confirmed by the Belgian National Committee of Inquiry in a meeting with a PANA delegation.

³¹ See, for example, Nordea (2016), ‘Report on Investigation of Nordea Private Banking in Relation to Offshore Structures’, joint report by Nordea Group Compliance, Nordea Group Operational Risk and Mannheimer Swartling Advokatbyrå. This was also confirmed by the Belgian National Committee of Inquiry in a meeting with a PANA delegation.

Or. en

Amendment 36

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution Paragraph 25 a (new)

Motion for a resolution

Amendment

25 a. Notes that in Luxembourg, for example, many offshore companies were set up purely to circumvent the withholding tax^{1a} (which only applied to natural persons, not to offshore companies), and some of those were still active after the entry into force of DAC 1; recalls that Luxembourg, thanks to intensive blocking and lobbying in the Council of Member States, obtained a concession in the EU Savings Tax Directive (EUSTD) to not automatically exchange information allowing tax evaders to hide their money from the tax authorities of their residence; deplors that Luxembourg tolerated the creation of a tax avoidance business on its territory helping wealthy individuals to formally move the ownership of their funds into offshore companies located in tax havens and thus escaping the scope of the EUSTD; is concerned that until today Luxembourg does not cooperate effectively in order to help its partner countries to bring their tax evaders to

justice; Notes that the Commission reviews of the Savings Directive, carried out in 2008 and 2011, identified the use of legal entities and arrangements and the exposure of European financial institutions towards such structures in offshore centres as an issue; Recalls that the Commission made an updated proposal in 2009 which did not receive political support by Member States;

^{1a} See, for example, Nordea (2016), ‘Report on Investigation of Nordea Private Banking in Relation to Offshore Structures’, joint report by Nordea Group Compliance, Nordea Group Operational Risk and Mannheimer Swartling Advokatbyrå. This was also confirmed by the Belgian National Committee of Inquiry in a meeting with a PANA delegation.

Or. en

Amendment 37

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution
Paragraph 25 b (new)

Motion for a resolution

Amendment

25 b. Notes that in the UK, more than 75% of corruption cases involving property investigated by the authorities involved anonymous companies registered in secrecy jurisdictions; Adds that of these, 78% of the companies involved were registered in either the UK’s overseas territories or crown dependencies; Notes that the United Kingdom government can invoke special prerogatives that would force British overseas territories and crown dependencies to introduce central

*public registers of company ownership
and end their tax secrecy;*

Or. en

Amendment 38

**Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala,
Michel Reimon, Jordi Solé**
on behalf of the Verts/ALE Group

**Motion for a resolution
Paragraph 25 c (new)**

Motion for a resolution

Amendment

25 c. Points out that within the European Union, special economic zones like Madeira are abused by large companies and wealthy individuals to stash profits without paying taxes; Sees, therefore, a need for the European Commission to review the status of these schemes if the initial objectives haven't been met and also to review the guidelines for EU regional aid with stricter tax conditions;

Or. en

Amendment 39

**Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala,
Michel Reimon, Jordi Solé**
on behalf of the Verts/ALE Group

**Motion for a resolution
Paragraph 25 d (new)**

Motion for a resolution

Amendment

25 d. Notes that little progress has been achieved on the revision of the mandate and transparency of the Code of Conduct Group on Business Taxation since the Parliament's reports on the Luxleaks revelations; Recalls its requests to make mandatory to the Code of Conduct Group the approval of new tax measure adopted

by the Member States; Points out that due to a lack of political will, Member States have been unable to agree on abolishing a number of harmful tax measures which are under discussion in the Code of Conduct Group on Business Taxation for several years; notes that French and Italian patent box regimes are still not compliant with the Code of Conduct Group criteria and no action has been taken by the Council nor the Commission; notes that the Code of Conduct Group's Anti-abuse Subgroup started its work on inbound profit transfers in 2009 but hasn't agreed yet on a switchover clause for foreign untaxed income entering the EU; notes that the Code of Conduct Subgroup on outbound profit transfers started to work at least since 2010 on the problem of untaxed profit distributions from the EU to a third country but no agreement has yet been reached; notes that, as regards taxation applicable to interest and royalty payments made between associated companies of different Member States, despite a Commission proposal presented in November 2011 to recast Council Directive 2003/49/EC of 3 June 2003, Member States haven't been able to agree on solving shortcomings resulting from the limited scope of the Directive by including a Minimum Effective Taxation (MET) clause in the Directive; notes that, as regards investment funds, Member States denied in September 2011 to continue the discussion about these schemes' alleged and potential harmfulness;

Or. en

Amendment 40

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution
Paragraph 26

Motion for a resolution

26. Notes the lack of adequate human and financial resources available to regulators, supervisors and applicable tax law enforcement bodies;

Amendment

26. Notes the lack of adequate human and financial resources available to regulators, supervisors and applicable tax law enforcement bodies; ***Notes for example that only the EBA is allocating resources to ensure ALM coordination with other EU financial authorities but only have 0.8 person in charge of this issue; Regrets the lack of common European definitions for tax evasion and tax avoidance, which would ease cooperation between Member States; Points out that administrative cooperation and legal assistance in criminal matters between two or more Member States with regard to tax evasion, tax fraud and money laundering are hampered by mismatched national legislation; regrets that in some Member States, like in Luxembourg for example, simple tax evasion was or still is not treated as an aggravated crime and therefore prevents cross-border administrative cooperation and legal assistance in criminal matters; regrets that in some Member States, like in Luxembourg for example, the time of the commitment of the crime was or still is considered as the starting point for calculating the limitation period potentially preventing cross-border administrative cooperation and legal assistance in criminal matters; welcomes that some Member States, for example Luxembourg, already have or plan to modify their national law in order to remove obstacles to cross-border administrative cooperation and legal assistance in criminal matters;***

Or. en

Amendment 41

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution
Paragraph 26 a (new)

Motion for a resolution

Amendment

26 a. Notes that 18 infringement cases were open by the Commission against Member States regarding the lack of transposition of DAC1 ^{1a}, 13 cases regarding the implementation of DAC2 ^{1b} and 8 cases regarding the implementation of DAC3; Recalls that the Directive on administrative cooperation 4 on country-by-country reporting between tax administration had to be implemented in national law by Member States by 4 June 2017; Notes that actions with regard to 11 Member States (Bulgaria, Cyprus, Croatia, Estonia, Greece, Hungary, Malta, Poland, Portugal, Czech Republic, Slovakia) are still pending ^{1c};

^{1a} 14 actions were initiated for non-communication of domestic provisions by Member States (not meeting the 01 January 2013 deadline for transposition). Another infringement case was initiated for non-transposition (including the spontaneous exchange of information) and six actions were initiated for possible incorrect transposition of DAC1. Out of these six actions, three cases are still ongoing.

^{1b} Deadline for transposition was 01 January 2016

^{1c} Cases for Greece and Portugal should be closed soon

Or. en

Amendment 42

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution

Paragraph 27

Motion for a resolution

27. Stresses that this lack of resources in tax administrations impedes the capacity to effectively comply with the spontaneous exchange of information under DAC, and that this is a systemic problem in the EU;

Amendment

27. Stresses that this lack of resources in tax administrations impedes the capacity to effectively comply with the spontaneous exchange of information under DAC, and that this is a systemic problem in the EU;
Notes that the distinction between administrative tax offences and criminal tax offences is often blurred at member States level, creating sometimes obstacles to good cooperation between member States; Recalls its proposal to amend DAC in order to improve Member States' coordination on tax audits;

Or. en

Amendment 43

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution

Paragraph 28

Motion for a resolution

28. Concludes that the DAC provisions, especially Articles 1, 2 and 8(1) – on spontaneous information exchange – were not implemented ***effectively***; highlights that Member States had grounds for supposing that there had been a loss of tax in other Member States owing to offshore constructions, but did not report this tax information to those other Member States;

Amendment

28. Concludes that the DAC provisions, especially Articles 1, 2 and 8(1) – on spontaneous information exchange – were not implemented ***constituting cases of maladministration by negligence or omission***; highlights that Member States had grounds for supposing that there had been a loss of tax in other Member States owing to offshore constructions, but did not report this tax information to those other Member States; ***points out that***

already in 2012, the Council Code of Conduct Group on Business Taxation acknowledged the lack of exchange of information on rulings on a spontaneous basis^{1a}; Concludes that the Commission failed to enforce DAC provisions effectively;

^{1a} Council Code of Conduct on Business Taxation, Background document from 10 September 2012: “The monitoring exercise discussed at the 17 April 2012 Code meeting showed that in practice no information on rulings was exchanged on a spontaneous basis”

Or. en

Amendment 44

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution Paragraph 29

Motion for a resolution

29. Recalls that the FATF set the global standards for Anti-Money Laundering and Countering Financing of Terrorism (AML/CFT), and that all its members, including the main offshore financial centres cited in the Panama Papers (BVI, Panama and the Seychelles), committed to implementing these standards;

Amendment

29. Recalls that the FATF set the global standards for Anti-Money Laundering and Countering Financing of Terrorism (AML/CFT), and that all its members, including the main offshore financial centres cited in the Panama Papers (BVI, Panama and the Seychelles), committed to implementing these standards; ***recalls that FATF recommendations were latest amended in 2012 and should be revised as soon as possible according to new risks of money laundering or money laundering practices highlighted in the Panama Papers;***

Or. en

Amendment 45

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution
Paragraph 29 a (new)

Motion for a resolution

Amendment

29 a. Notes that the Council of Europe Warsaw Convention constitutes the most comprehensive international convention on money laundering, asking parties to adopt legislative measures to facilitate the prevention, investigation and prosecution of money laundering as well as the effective freezing and confiscation of proceeds and instrumentalities of crime; Regrets that the Warsaw Convention has been ratified by only 18 Member States so far; ^{1a}

^{1a} Belgium, Bulgaria, Croatia, Cyprus, France, Germany, Hungary, Italy, Latvia, Malta, The Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, and the United Kingdom.

Or. en

Amendment 46

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution
Paragraph 30

Motion for a resolution

Amendment

30. Acknowledges that the EU framework for AML is the Anti-Money Laundering Directive (AMLD), which identifies the money laundering risks at three levels, namely supranational level,

30. Acknowledges that the EU framework for AML is the Anti-Money Laundering Directive (AMLD), which identifies the money laundering risks at three levels, namely supranational level,

Member State level and the level of the **reporting** entities as part of their customer due diligence (CDD);

Member State level and the level of the **obliged** entities as part of their customer due diligence (CDD); **Regrets however the lack of greater harmonisation in Member States' approaches to fighting financial crimes;**

Or. en

Amendment 47

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution Paragraph 32

Motion for a resolution

32. Notes that AMLD IV improves the scope of enhanced CDD for undertaking business with high-risk countries and the definitions and obligations concerning politically exposed persons and UBOs, lowers the cash payment threshold from EUR **15 000** to EUR **10 000** and extends the scope of **reporting** entities to include the entire gambling sector, and not just casinos; recalls that **the threshold** for identifying beneficial owners of corporate entities is a shareholding of 25 % plus one share or an ownership interest of more than 25 %; recalls that AMLD IV entered into force on **26 June 2017**;

Amendment

32. Notes that AMLD IV improves the scope of enhanced CDD for undertaking business with high-risk countries and the definitions and obligations concerning politically exposed persons and UBOs, lowers the cash payment threshold from EUR **15 000** to EUR **10 000** and extends the scope of **obliged** entities to include the entire gambling sector, and not just casinos; recalls that **one criterion** for identifying beneficial owners of corporate entities is a shareholding of 25 % plus one share or an ownership interest of more than 25 %; recalls that AMLD IV entered into force on **26 June 2017 but only six Member States have notified full implementation into national legislation in due time to the European Commission**^{1a};

^{1a} **The six countries are: Czech Republic, Germany, Italy, Slovenia, Sweden and the UK. Austria, France, Hungary, Ireland, Latvia, Slovakia and Spain have notified partial implementation only.**

Or. en

Amendment 48

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution
Paragraph 32 a (new)

Motion for a resolution

Amendment

32 a. Welcomes the European Commission proposal on controls on cash entering or leaving the Union and calls for greater harmonisation of cash restrictions at the European level;

Or. en

Amendment 49

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution
Paragraph 34

Motion for a resolution

Amendment

34. Points to the fact that this is a duplicate of the list produced by the FATF;

34. Points to the fact that this is a duplicate of the list produced by the FATF; ***Questions why Panama was taken out of the FATF list of non-cooperation jurisdictions in 2016 before GALIFAT has conducted its peer-review evaluation on Panama and analysed the proper enforcement of FATF standards; Notes that Panama was rated as ‘non-compliant’ by the Global Forum at the end of 2016;***

Or. en

Amendment 50

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé

on behalf of the Verts/ALE Group

Motion for a resolution

Paragraph 35

Motion for a resolution

35. Recalls that the Commission proposed to amend the list by removing Guyana and adding Ethiopia; reiterates Parliament's objections to these delegated acts, of 19 January and 17 May 2017;

Amendment

35. Recalls that the Commission proposed to amend the list by removing Guyana and adding Ethiopia; reiterates Parliament's objections to these delegated acts, of 19 January and 17 May 2017, ***due to dissatisfaction with the list not containing any single important offshore financial centre and with the aim to urge the Commission to allocate more staff to combat money laundering and terrorist financing allowing for an own and independent EU assessment of third countries;***

Or. en

Amendment 51

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé

on behalf of the Verts/ALE Group

Motion for a resolution

Paragraph 36

Motion for a resolution

36. Notes that the FATF has reviewed more than 80 countries since 2007 in terms of their compliance and deficiencies and that **59** countries have been put on the public list; reiterates the FATF's claims that since then, **49 countries have made significant progress in terms of** putting in place legal and regulatory frameworks and reforms, committing themselves to upholding international tax standards such as the OECD's common reporting standards, **so as** to be taken off the list;

Amendment

36. Notes that the FATF has reviewed more than 80 countries since 2007 in terms of their compliance and deficiencies and that **61** countries have been put on the public list **identifying countries with strategic AML/CFT deficiencies** ; reiterates the FATF's claims that since then, **51 countries have since made the necessary reforms to address them, such as** putting in place legal and regulatory frameworks and reforms, committing themselves to upholding international tax standards such as the OECD's common reporting standards, **and** to be taken off the

list; *highlights that being delisted from the public list should not take place only after commitments to reforms but after a thorough FATF evaluation ensuring changes in practice;*

Or. en

Amendment 52

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé

on behalf of the Verts/ALE Group

Motion for a resolution

Paragraph 37

Motion for a resolution

37. Recalls that under AMLD III each Member State is obliged to establish an FIU in order to combat money laundering and terrorist financing, that each national FIU must be given adequate resources to fulfil its tasks, and that the FIUs have to be equipped to ensure timely access to the financial, administrative and law enforcement information they require to properly carry out their tasks;

Amendment

37. Recalls that under AMLD III each Member State is obliged to establish an FIU in order to combat money laundering and terrorist financing, that each national FIU must be given adequate resources to fulfil its tasks, *taking into account factors such as the exposure to money laundering risks, the number of corporate headquarters located in the country, the possession of offshore territories, the volume of tax collection of the jurisdiction as well as the number of offshore entities identified in the Panama papers or other leaked information* and that the FIUs have to be equipped to ensure timely access to the financial, administrative and law enforcement information they require to properly carry out their tasks;

Or. en

Amendment 53

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé

on behalf of the Verts/ALE Group

Motion for a resolution

Paragraph 40

Motion for a resolution

40. Notes and welcomes the establishment of the FIU.net cooperation in the framework of Europol; recalls that the Egmont Group, an international body for the cooperation of FIUs, is composed of 154 FIUs worldwide;

Amendment

40. Notes and welcomes the establishment of the FIU.net cooperation in the framework of Europol ***but is concerned by still existing legal and technical barriers preventing or/and significantly delaying cooperation between EU FIUs; Regrets that several FIUs in Europe are still not allowed according to their national legal framework to exchange data directly with foreign law enforcement; regrets that Europol is lacking investigation powers to prosecute tax evasion and money laundering***; recalls that the Egmont Group, an international body for the cooperation of FIUs, is composed of 154 FIUs worldwide;

Or. en

Amendment 54

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution
Paragraph 41

Motion for a resolution

41. Observes that a number of intermediaries did not adequately carry out the mandatory enhanced CDD measures, whether upon the establishment of the business relationship with their clients or during that business relationship, even when there was a suspicion of money laundering; highlights, therefore, the lack of reporting by obliged entities of suspicions of money laundering to the ***competent FIUs***³³ ;

Amendment

41. Observes that a number of intermediaries , ***such as the Berenberg bank in Germany or the Pilatus bank in Malta***, did not adequately carry out the mandatory enhanced CDD measures, whether upon the establishment of the business relationship with their clients or during that business relationship, even when there was a suspicion of money laundering; highlights, therefore, the lack of reporting by obliged entities of suspicions of money laundering to the ***competentFIUs***³³ ;

³³ The investigation into the private banking activities of Nordea showed that the bank did not comply with internal guidelines or regulatory requirements in Luxembourg. More specifically, it did not classify customers in the appropriate high-risk category, and the subsequent enhanced due diligence (EDD) reporting was incomplete. The EDD requirements include, for instance, collecting information on the source of the funds and the purpose of the accounts. Moreover, due diligence needs to be repeated regularly and reassessed. This so-called ‘ongoing due diligence’ (ODD) was, however, not systematically conducted. The information was in many cases not up to date according to the internal investigation of the bank (Nordea, 2016). Similar implementation and enforcement problems were indicated by a former compliance officer of the German Berenberg Bank that testified for the PANA Committee.

³³ The investigation into the private banking activities of Nordea showed that the bank did not comply with internal guidelines or regulatory requirements in Luxembourg. More specifically, it did not classify customers in the appropriate high-risk category, and the subsequent enhanced due diligence (EDD) reporting was incomplete. The EDD requirements include, for instance, collecting information on the source of the funds and the purpose of the accounts. Moreover, due diligence needs to be repeated regularly and reassessed. This so-called ‘ongoing due diligence’ (ODD) was, however, not systematically conducted. The information was in many cases not up to date according to the internal investigation of the bank (Nordea, 2016). Similar implementation and enforcement problems were indicated by a former compliance officer of the German Berenberg Bank that testified for the PANA Committee.

Or. en

Amendment 55

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution

Paragraph 42

Motion for a resolution

42. Finds that in many cases no, or insufficient, inquiries were carried out to identify the UBOs of offshore entities; highlights the consequential failure to define the ownership and control structure of the entity and/or to obtain information on the purpose and intended nature of the business relationship³⁴ ;

Amendment

42. Finds that in many cases no, or insufficient, inquiries were carried out to identify the UBOs of offshore entities; highlights the consequential failure to define the ownership and control structure of the entity and/or to obtain information on the purpose and intended nature of the business relationship³⁴ ; ***Stresses that public documents from the Panama Papers show that Mossack Fonseca was aware that customer due diligence was***

not always properly done by some of its clients or subsidiaries ^{1a}; Highlights that Mossack Fonseca admitted that in some cases, they did not know who the beneficial owners of the registered entities were; ^{1b}

^{1a} In an email from 24 September 2010, Jürgen Mossack wrote ‘it would appear that Mossfon UK are not doing their due diligence thoroughly (or maybe none at all) and maybe from now on we ourselves will have to do the DD on all clients that Mossfon UK have with us, present and future!’

^{1b} In an email relating an exchange between Mossack Fonseca and UBS, the representative from Mossack Fonseca said: “He explained that UBS had never been a contracting partner of ours. I disagreed at this issue and added that in some cases we even don’t know who the BO is. (...) I answered that in the past, we specifically, on demand of UBS and other banks, were not supplied with the identity of the BO”.

³⁴ For 25 % of the MosFon entities that were still active in 2015, the UBO was unknown or anonymous.

³⁴ For 25 % of the MosFon entities that were still active in 2015, the UBO was unknown or anonymous.

Or. en

Amendment 56

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution Paragraph 42 a (new)

Motion for a resolution

Amendment

42 a. Condemns the fact that in order to accommodate the special uses of their clients, Mossack Fonseca charged more

expensive services with no proper due diligence checks while deliberately knowing these services entailed a higher risk of money laundering; ^{1a}

^{1a} In an email from 05 May 2009, a representative from Mossack Fonseca explained that the price for creating two foundations “is higher basically for the special use the client will make with the Foundation and the special flexible service that we are providing (without much due diligence) as definitively entail a higher risk.”

Or. en

Amendment 57

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution Paragraph 43

Motion for a resolution

43. Underlines that ***as a result***, insufficient documentation is available to national FIUs or other competent authorities to conduct the appropriate investigations and analysis in accordance with national law;

Amendment

43. Underlines that insufficient documentation is available to national FIUs or other competent authorities to conduct the appropriate investigations and analysis in accordance with national law, ***especially regarding the identification of the ultimate beneficial owners; Regrets that certain European FIUs did not receive Suspicious Transaction Reports related to the Panama Papers before the scandal was made public by ICIJ journalists, showing the under-reporting of money laundering risks by certain obliged entities; Regrets that the requirement of dual criminality provisions (both in the country requesting information and in the country receiving the request for cooperation) has preventing good cooperation among Member States to***

fight tax evasion and money laundering;

Or. en

Amendment 58

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé

on behalf of the Verts/ALE Group

Motion for a resolution

Paragraph 44

Motion for a resolution

44. Notes that the lack of documentation and inquiry also applies to certain life insurance policies granted by insurance companies and offered to clients via insurance intermediaries or any other entity identified as a financial institution under AMLD III;

Amendment

44. Notes that the lack of documentation and inquiry also applies to certain life insurance policies granted by insurance companies and offered *systematically* to clients via insurance intermediaries or any other entity identified as a financial institution under AMLD III;

Or. en

Amendment 59

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé

on behalf of the Verts/ALE Group

Motion for a resolution

Paragraph 45 a (new)

Motion for a resolution

45 a. Recalls the request expressed by some FIUs to have greater access to information through increased cooperation with their counterparts and access to more resources of information like centralised bank accounts data or registries for real estate or life insurance products;

Or. en

Amendment 60

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution

Paragraph 46

Motion for a resolution

46. Notes that EU FIUs have different structures, powers and often a lack of resources across the Member States, and that these differences affect the ways in which EU FIUs collect **and analyse** information, and ultimately impact the exchange of information between them; underlines that this leads to fragmented, asymmetric and incomparable responses from the EU FIUs³⁶ ;

³⁶ EU FIU Platform mapping exercise and gap analysis on EU FIUs' powers and obstacles for obtaining and exchanging information, 15 December 2012.

Amendment

46. Notes that EU FIUs have different structures, **sizes**, powers and often a lack of resources across the Member States, and that these differences affect the ways in which EU FIUs collect, **analyse and disseminate** information, and ultimately impact the exchange of information between them; underlines that this leads to fragmented, asymmetric and incomparable responses from the EU FIUs³⁶ ; **Recalls the importance of having independent and autonomous FIUs receiving STRs directly and exclusively, which is not the case in all Member states;**

³⁶ EU FIU Platform mapping exercise and gap analysis on EU FIUs' powers and obstacles for obtaining and exchanging information, 15 December 2016.

Or. en

Amendment 61

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution

Paragraph 47

Motion for a resolution

47. Regrets that the Commission is not able to conduct its own proper assessment of money laundering high-risk third countries as it does not have sufficient

Amendment

47. Regrets that the Commission is not able to conduct its own proper **and independent** assessment of money laundering high-risk third countries as it

qualified staff to fulfil this obligation under the AMLD;

does not have sufficient qualified staff to fulfil this obligation under the AMLD;

Or. en

Amendment 62

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution Paragraph 48

Motion for a resolution

48. Points in particular to the increasing number of STRs driven by *new* legislation and to the fact that *the lack of resources implies that the FIUs can deal with only a fraction of the problem*³⁷ ;

Amendment

48. Points in particular to the increasing number of STRs driven by *stricter* legislation and to the fact that *FIUs urgently need to step up their resources in order to deal not only with a fraction of the problem*³⁷ ; *Notes that according to Europol statistics, two countries alone (UK and the Netherlands ^{1a}) account for 67% of all STRs filed in the EU and that the level of STRs in certain countries ^{1b} does not appear to be commensurate with the activities of the regulated sectors, including offshore financial services or online gambling; Notes that certain European FIUs receive threshold-based reports which are a useful tool to enrich the FIUs' information basis;*

^{1a} UK FIU may be the recipient of some of the highest reporting volumes in the EU as it is one of the largest financial markets in Europe and operates a Suspicious Activity Regime. Reporting volumes in The Netherlands are anomalously high and can be explained by way of the fact that they do not receive STRs, but rather Unusual Transaction Reports (UTRs), the vast majority of which stem from exchange/remittance institutions who are obliged to report all

transactions in excess of 2000 Euros

^{1b} Notably Cyprus, Malta and Luxembourg, which receive very few STRs compared to the size of the regulated sectors in their jurisdictions.

³⁷ PANA FIU hearing of 21 June 2017.

³⁷ PANA FIU hearing of 21 June 2017.

Or. en

Amendment 63

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé

on behalf of the Verts/ALE Group

Motion for a resolution

Paragraph 49

Motion for a resolution

49. Regrets that the current FIU.net platform under Europol is not efficient enough owing to the varying levels of use by the Member States and the lack of resources and competences at EU level;

Amendment

49. Regrets that the current FIU.net platform under Europol is not efficient enough owing to the varying levels of use by the Member States and the lack of resources and competences at EU level; *Notes that FIUs in the Union often have scarce human and financial resources and face increasing workload to properly carry out their mission of receiving, analyzing and disseminating suspicious reports;*

Or. en

Amendment 64

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé

on behalf of the Verts/ALE Group

Motion for a resolution

Paragraph 50

Motion for a resolution

50. Notes that time delays in responses to requests affect FIUs' cooperation and that the replies to these requests are often

Amendment

50. Notes that time delays in responses to requests affect FIUs' cooperation and that the replies to these requests are often

of poor quality and lacking in detail, thus constituting an obstacle to international cooperation by FIUs themselves;

of poor quality and lacking in detail, thus constituting an obstacle to international cooperation by FIUs themselves; ***Regrets that certain FIUs limit the usage of transmitted information, including prohibiting their use for judicial prosecution or fiscal investigations; Notes that some European FIUs have seen their request for cooperation with non-European counterparts hindered because of legal or administrative obstacles in third-country jurisdictions;***

Or. en

Amendment 65

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution Paragraph 51

Motion for a resolution

51. ***Notes*** that not all EU FIUs are empowered to approach obliged entities with requests for information, and that in many cases these requests are conditional upon the prior receipt of STRs; notes, therefore, that some FIUs cannot request information from reporting entities on behalf of foreign FIUs if they do not have related suspicious transactions recorded in their database;

Amendment

51. ***Regrets*** that not all EU FIUs are empowered to approach obliged entities with requests for information, and that in many cases these requests are conditional upon the prior receipt of STRs; notes, therefore, that some FIUs cannot request information from reporting entities on behalf of foreign FIUs if they do not have related suspicious transactions recorded in their database;

Or. en

Amendment 66

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution Paragraph 52

Motion for a resolution

52. Notes that in some Member States there are no clear guidelines on mutual cooperation between national FIUs and national tax authorities in order to ensure tax compliance;

Amendment

52. Notes that in some Member States there are no clear guidelines on mutual cooperation between national FIUs and national tax authorities in order to ensure tax compliance; ***Regrets that there are still frequent cases of refusal to provide cooperation by some FIUs (in full or in part) in response to requests by their counterparts and considers that the capacity to exchange for FIUs should be broadened and made unconditional by narrowing down the possibility of exemptions to exceptional circumstances only; Suggests that European FIUs' cooperation would benefit from a more homogeneous categorisation of their responsibilities and tasks;***

Or. en

Amendment 67

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution
Paragraph 53

Motion for a resolution

53. Notes that tax crimes have only recently been recognised as a predicate offence of money laundering under AMLD IV, the deadline for transposition of which expired on 26 June 2017; points out that the directive explicitly indicates that differences between national law definitions of tax crimes will not impede the ability of FIUs to exchange information; ***notes, however,*** that international cooperation between FIUs can still be refused on the grounds of the significant differences across Member States as to how predicate offences to

Amendment

53. Notes that tax crimes have only recently been recognised as a predicate offence of money laundering under AMLD IV, the deadline for transposition of which expired on 26 June 2017; points out that the directive explicitly indicates that differences between national law definitions of tax crimes will not impede the ability of FIUs to exchange information; ***regrets the lack of a common European definition of tax crimes^{1a} which so far has hampered investigation and prosecution of tax crime related cases in the Union and the fact that several***

money laundering are defined and criminalised;

European countries consider only very serious tax offences as tax crimes; notes that international cooperation between FIUs can still be refused on the grounds of the significant differences across Member States as to how predicate offences to money laundering are defined and criminalised;

1^a whether tax crime is criminalized when committed as a positive act, by omission or both and whether tax crime is dealt with by administrative bodies or by judicial authorities

Or. en

Amendment 68

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution Paragraph 53 a (new)

Motion for a resolution

Amendment

53 a. Notes that judicial cooperation between Member States can be improved, especially regarding the execution of mutual legal assistance requests, which often involves multiple sub-requests for which different national authorities might be competent to execute; Notes that obstacles to effective judicial cooperation can arise when national legislation requires that the predicate offence for money laundering is precisely established and because there is no uniform definition on predicate offences across the Union;

Or. en

Amendment 69

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala,

Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution
Paragraph 54

Motion for a resolution

54. Notes that the obligation to establish central UBO registers is included in AMLD IV; regrets that to date this obligation has not been fulfilled by all Member States and that not all FIUs have access to this information on UBOs;

Amendment

54. Notes that the obligation to establish central UBO registers is included in AMLD IV; regrets that to date this obligation has not been fulfilled by all Member States and that not all FIUs have access to this information on UBOs; ***sees a strong need for interconnecting central UBO registers and for establishing full public access to effectively scrutinise illicit behaviour;***

Or. en

Amendment 70

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution
Paragraph 55

Motion for a resolution

55. ***Notes*** that the EU's FIU platform identified several shortcomings in its mapping exercise and gap analysis on FIUs; ***points out that this is owing to the non-implementation of AMLD III provisions, notably access to bank account information, and to significant discrepancies between national approaches;***

Amendment

55. ***Stresses*** that the EU's FIU platform identified several shortcomings ***and inadequate implementation of European legislation*** in its mapping exercise and gap analysis on FIUs, ***concluding to breaches of implementation of AMLD III provisions; notes that it especially highlights insufficient capacity of foreign counterparts to provide information either because of lack of domestic access to relevant sources or due to constraints in the capacity to share available information; Notes also that the report highlighted the lack of capacity for FIUs to carry out joint analysis of cross border cases to identify money laundering and***

terrorist financing threats, risks and trends; deplores that by May 2016, only 16 Member States had or were in the process of putting in place automated mechanisms that enable them to identify holders of bank and payment accounts;^{1a}

^{1a} Italy, Spain, Belgium, Bulgaria, Croatia, Greece, France, Czech Republic, Poland, Germany, Lithuania, Portugal, Romania, Slovenia, The Netherlands, and Austria.

Or. en

Amendment 71

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution
Paragraph 55 a (new)

Motion for a resolution

Amendment

55 a. Highlights that the mapping exercise by the EU's FIU platform also concludes to a lack of sufficiently detailed and harmonised European rules when it comes to fighting money laundering;

Or. en

Amendment 72

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution
Paragraph 56

Motion for a resolution

Amendment

56. Highlights that some Member State institutions in charge of implementing and enforcing rules as regards tax fraud and

56. Highlights that some Member State institutions in charge of implementing and enforcing rules as regards tax fraud and

money laundering appear to be not entirely independent from political influence³⁸ ;

money laundering appear to be not entirely independent from political influence³⁸ ; *points out that the discretionary power of the police in some Member States whether or not to investigate information received from and confirmed by the FIU can qualify as maladministration in case of inaction; Notes that the Maltese FIU produced report on suspicions of money laundering involving Maltese Politically Exposed Persons, which has not led to police investigation so far; is concerned about allegations regarding possible non-compliance of competent authorities with anti-money laundering provisions enshrined in the Capital Requirements Directive IV, in particular requirements for qualifying shareholders and the fit & proper requirements for the management bodies when granting a banking licence;*
1a

³⁸ PANA mission report to Malta – 20 February 2017.

1a Leaked Reports of the Financial Intelligence and Analysis Unit (FIAU) in Malta.

³⁸ PANA mission report to Malta – 20 February 2017.

Or. en

Amendment 73

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution Paragraph 56 a (new)

Motion for a resolution

Amendment

56 a. Notes that at least one Member State - Malta - had a Minister in government, as part of the Politically Exposed Persons mentioned in the Panama Papers; Notes that for most

Member States the Committee visited with a fact-finding mission ^{1a}, inquiries were started after the Panama Papers revelations; Regrets however, that in some countries, like in Malta, there has been no police investigation despite evidence from the FIU of serious risks of money laundering; Regrets that this lack of investigation prevented the possibility to identify and if necessary sanction intermediaries in Malta, which may have not be compliant with their obligations, including customer due diligence; Draws attention on the online gambling sector and its licencing procedures in Malta, which may not be compliant with the law as online gambling is a high-risk sector due to the huge volumes of transactions/financial flows and non-face to face elements, as identified in its supra-national risks assessment ^{1b}; Condemns that the Commission didn't investigate further on possible non-compliance by Malta to the AMLD, despite having brought this to its attention;

^{1a} the United Kingdom, Luxembourg, Malta, Portugal, Cyprus

^{1b} COM(2017) 340 final page 5

Or. en

Amendment 74

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution Paragraph 57

Motion for a resolution

57. Highlights that infringement letters were sent to *several* Member States for failing to implement AMLD III and that six

Amendment

57. *Expresses concerns at the low level of compliance by some EU Member States with international AML/CFT standards,*

Member States (Belgium, France, Spain, Ireland, Poland and Sweden) were brought to court; notes that the Polish case was withdrawn but that the other five Member States were sanctioned for failing to implement the directive on time; stresses, however, that this raises questions as to whether infringement procedures are sufficient to verify the quality of implementation by Member States;

as showed in FATF or Moneyval peer-reviews; Highlights that infringement letters were sent to 22 Member States for failing to implement AMLD III and that six Member States (Belgium, France, Spain, Ireland, Poland and Sweden) were brought to court; notes that the Polish case was withdrawn but that the other five Member States were sanctioned for failing to implement the directive on time; stresses, however, that this raises questions as to whether infringement procedures are sufficient to verify the quality of implementation by Member States *and suggests to further explore the possibility of economic sanctions for non-compliance with European Directives*;

Or. en

Amendment 75

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution Paragraph 58

Motion for a resolution

58. Concludes that by not responding adequately to these shortcomings, Member States have allegedly failed to enforce AMLD III effectively; points also to the fact that the Commission has potentially failed to enforce these provisions by not initiating infringement procedures;

Amendment

58. Concludes that by not responding adequately to these shortcomings, Member States have allegedly failed to enforce AMLD III effectively; *Concludes that by not empowering FIUs to cooperate as foreseen in AMLD III, Member States have breach article 4 of the Lisbon Treaty on sincere cooperation*; points also to the fact that the Commission has potentially failed to enforce these provisions by not initiating infringement procedures;

Or. en

Amendment 76

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala,

Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution
Paragraph 60

Motion for a resolution

60. Recalls that according to AMLD IV, the current definition of obliged **reporting** entities includes financial and credit institutions, auditors, accountants and tax advisors, notaries, trust and company service providers, real estate agents, providers of gambling services and other independent legal professionals;

Amendment

60. Recalls that according to AMLD IV, the current definition of obliged entities includes financial and credit institutions, auditors, accountants and tax advisors, notaries, trust and company service providers, real estate agents, providers of gambling services and other independent legal professionals; ***Recalls that according to AMLD IV, Member States are required to ensure that their competent authorities responsible for supervision have the adequate financial, human and technical resources to perform their functions (Article 37 3 AMLD and Article 484 AMLD) and notes that deficiencies relating to resources have been detected through FATF's and Moneyval's Mutual Evaluation Reports;***

Or. en

Amendment 77

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution
Paragraph 62

Motion for a resolution

62. Recalls that enhanced CDD is required notably for clients who are politically exposed persons (PEPs), in order to establish the source of wealth and source of funds; recalls that credit and financial institutions are required to have systems in place that enable them to respond fully and rapidly to enquiries from

Amendment

62. Recalls that enhanced CDD is required notably for clients who are politically exposed persons (PEPs) ***and other high-risk customers***, in order to establish the source of wealth and source of funds; recalls that credit and financial institutions are required to have systems in place that enable them to respond fully and

FIUs, in accordance with their national law;

rapidly to enquiries from FIUs, in accordance with their national law;

Or. en

Amendment 78

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution Paragraph 64

Motion for a resolution

64. Underlines that in many Member States tax evasion, facilitated by those enablers, is not a predicate crime for money laundering, since it does not fall under serious crime in their penal code, and that in some Member States tax evasion is a misdemeanour and therefore would only be considered an administrative offence; *notes* that AMLD IV, the transposition deadline for which expired on 26 June 2017, *aims* to harmonise *this point*;

Amendment

64. Underlines that in many Member States tax evasion, facilitated by those enablers, is not a predicate crime for money laundering, since it does not fall under serious crime in their penal code, and that in some Member States tax evasion is a misdemeanour and therefore would only be considered an administrative offence; *welcomes* that AMLD IV, the transposition deadline for which expired on 26 June 2017, *aims to harmonise predicate crimes for money laundering; notes that the European Parliament's mandate for the triilogue negotiations on AMLD V includes the decoupling of tax crimes from the requirement of being punishable by deprivation of liberty or a detention order; points out the need to harmonise tax crimes at EU level by a distinct criminal law instrument to be adopted under Article 83(2) TFEU or ultimately under Article 116 TFEU if Member States are unable to agree on eliminating distortion of the conditions of competition in the internal market*;

Or. en

Amendment 79

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé

on behalf of the Verts/ALE Group

Motion for a resolution

Paragraph 66

Motion for a resolution

66. Welcomes the Commission's proposal on the automatic exchange of *tax* schemes proposed by intermediaries, published on 21 June 2017;

Amendment

66. Welcomes the Commission's proposal on the automatic exchange of ***cross-border aggressive tax avoidance*** schemes proposed by intermediaries, published on 21 June 2017; ***encourages Member States to extend the scope of the Directive to purely domestic cases;***

Or. en

Amendment 80

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé

on behalf of the Verts/ALE Group

Motion for a resolution

Paragraph 67

Motion for a resolution

67. Recalls that Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (CRD IV) requires Member States to ensure that administrative penalties for financial institutions found liable for a serious breach of the national provisions adopted pursuant to AMLD III are applied;

Amendment

67. Recalls that Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (CRD IV) requires Member States to ensure that administrative penalties for financial institutions found liable for a serious breach of the national provisions adopted pursuant to AMLD III are applied; ***recalls that CRD IV requires competent authorities to refuse authorisation to commence the activity of a credit institution if, taking into account the need to ensure the sound and prudent management of a credit institution, they are not satisfied as to the suitability of the shareholders or members, i.e. inter alia if there are reasonable grounds to suspect that money laundering or terrorist financing is being or has been committed***

or attempted, or that the proposed acquisition could increase the risk thereof;

Or. en

Amendment 81

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution
Paragraph 71 a (new)

Motion for a resolution

Amendment

71 a. Stresses the multiplication of tax and money laundering revelations since the setting-up of this committee, including the latest to date involving Scottish limited partnerships which acted as shell companies to channel several billions from Azerbaijan into the UK between 2012 and 2014; Is concerned that the UK decided in June 2017 only to require such limited partnerships to disclose their ownership information to the UK register for companies; Calls on the Commission to assess the money laundering risks at Union level of limited partnership structures in member States as more than half of such structures in the UK declared to have no information on their beneficial owners;

Or. en

Amendment 82

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution
Paragraph 72

Motion for a resolution

72. Notes that law firms, accountants, trust and fiduciary companies and banks are the most prevalent types of intermediaries but that many other self-regulated and non-regulated professionals can also provide *these* services;

Amendment

72. Notes that law firms, accountants, trust and fiduciary companies and banks are the most prevalent types of intermediaries but that many other self-regulated and non-regulated professionals can also provide *tax and financial* services, *such as offshore incorporation and tax planning*;

Or. en

Amendment 83

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution
Paragraph 73

Motion for a resolution

73. Notes that wealth managers in particular remain insufficiently regulated in EU law, and in Member States' and third countries' national laws; finds that the multinational nature of their services provides a particular challenge for correct and proper monitoring and sanctioning of their activities;

Amendment

73. Notes that wealth managers in particular remain insufficiently *defined and* regulated in EU law, and in Member States' and third countries' national laws; finds that the multinational nature of their services provides a particular challenge for correct and proper monitoring and sanctioning of their activities;

Or. en

Amendment 84

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution
Paragraph 75

Motion for a resolution

75. Observes that trusts and fiduciary companies as well as company service

Amendment

75. Observes that trusts and fiduciary companies as well as company service

providers form the most important group demanding the creation of offshore entities from Mossack Fonseca, followed by accountants, tax advisors, lawyers and consultants, who are responsible for about one third of the established offshore entities⁴² ;

providers form the most important group demanding the creation of offshore entities from Mossack Fonseca, followed by accountants, tax advisors, lawyers and consultants, who are responsible for about one third of the established offshore entities⁴² ; ***Recalls that Mossack Fonseca mostly gained clients under the recommendation of intermediaries and that these new clients were only lightly checked under customer due diligence;***^{1a}

⁴² Based on a mapping exercise of intermediaries responsible for about 86 % of the entities in the ICIJ database.

^{1a} ***In an email from Mossack Fonseca on 03 February 2012, a representative of the company explains that there has been an agreement with HSBC private Bank Lux to work directly with Mossack Fonseca and that the new clients will only receive a « DDlight » based on information provided by the bank***

⁴² Based on a mapping exercise of intermediaries responsible for about 86 % of the entities in the ICIJ database.

Or. en

Amendment 85

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution Paragraph 76

Motion for a resolution

76. Highlights that intermediaries help establish shell companies and open accounts, often providing a nominee director to manage the assets working on behalf of the real beneficiary, resulting in anonymity for the UBO;

Amendment

76. Highlights that intermediaries help establish shell companies and open accounts, often providing a nominee director to manage the assets working on behalf of the real beneficiary, resulting in anonymity for the UBO; ***Recalls evidence provided by the French FIU that banks, law firms, accountants and other intermediaries are the main architects***

designing offshore structures and networks for their clients, Mossack Fonseca being mostly a service provider to implement them;

Or. en

Amendment 86

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution

Paragraph 77

Motion for a resolution

77. Highlights that the real estate market provides a significant avenue for individuals to launder or invest illicitly gained funds, as property is purchased through anonymous shell companies or trusts without being subject to proper due diligence;

Amendment

77. Highlights that the real estate market provides a significant avenue for individuals to launder or invest illicitly gained funds, as property is purchased through anonymous shell companies or trusts without being subject to proper due diligence, *as evidenced for example for the London property market;*

Or. en

Amendment 87

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution

Paragraph 77 a (new)

Motion for a resolution

77 a. Highlights that insurance products, particularly life insurance, provide a very attractive and simple means of laundering money and that money launderers and terrorist organisations take extreme measures to hide their financial activities and make them indistinguishable from legitimate

Amendment

transactions;

Or. en

Amendment 88

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé

on behalf of the Verts/ALE Group

Motion for a resolution

Paragraph 78

Motion for a resolution

78. Highlights that obliged entities outsourced their CDD obligations to third parties in some cases, which often resulted in little or no CDD being carried out;

Amendment

78. Highlights that obliged entities outsourced their CDD obligations to third parties in some cases, which often resulted in little or no CDD being carried out; ***highlights that anti-money laundering obligations apply only to obliged entities within the scope of AMLD IV and not to third parties; points out that the European Parliament's mandate for the trialogue negotiations on AMLD V suggests Member States to require competent authorities to monitor effectively activities of persons whom AML/CFT related tasks are delegated by obliged entities and self-regulatory bodies;***

Or. en

Amendment 89

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé

on behalf of the Verts/ALE Group

Motion for a resolution

Paragraph 80

Motion for a resolution

80. Notes that in some countries tax evasion is not a criminal offence ***and*** that tax advisors ***are expected to identify the cheapest tax constructions for their clients,*** as they otherwise make themselves

Amendment

80. Notes that in some countries tax evasion is not a criminal offence, ***which risks amplifying the phenomenon; Regrets*** that tax advisors ***have a duty to advise their clients with all possibilities to***

liable to pay damages to their clients;

*minimize taxation, including with risky schemes that could be considered illegal, as they otherwise make themselves liable to pay damages to their clients; **Worryingly notes that according to legislation in certain member states, some intermediaries are not liable to prosecution for being complicit in a tax evasion offence if such offence is taking place in another country;***

Or. en

Amendment 90

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution

Paragraph 82

Motion for a resolution

82. Stresses that the EU legislation in place is not sufficiently enforced and that this allows intermediaries to formally fulfil their duties, such as CDD and other reporting obligations, while circumventing the spirit of the rules;

Amendment

82. Stresses that the EU legislation in place is not sufficiently enforced and that this allows intermediaries to formally fulfil their duties, such as CDD and other reporting obligations, while circumventing the spirit of the rules; ***Deplores that intermediaries, especially financial entities adopt a decentralized approach where anti-money laundering standards varied too much from branch to branch; Believe that the headquarter of an intermediary should always be responsible for ensuring the proper implementation of AML standards in all business areas and branches;***

Or. en

Amendment 91

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution
Paragraph 83

Motion for a resolution

83. Notes that banks, other financial institutions and wealth managers set up approximately one sixth of the entities revealed in the Panama Papers; highlights that banks intermediated in about 9 % of the offshore entities that were incorporated by Mossack Fonseca;

Amendment

83. Notes that banks, other financial institutions and wealth managers set up approximately one sixth of the entities revealed in the Panama Papers; highlights that banks intermediated in about 9 % of the offshore entities that were incorporated by Mossack Fonseca; ***Notes that several banks appearing in the Panama Papers have been bailed out with public money between 2008 and 2012;***

Or. en

Amendment 92

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution
Paragraph 84

Motion for a resolution

84. Recognises that banks were involved in four broad activities, namely providing and managing offshore structures, delivering bank accounts to offshore entities, providing other financial products and correspondence banking⁴³ ;

Amendment

84. Recognises that banks were involved in four broad activities, namely providing and managing offshore structures, delivering bank accounts to offshore entities, providing other financial products and correspondence banking⁴³ ; ***Stresses the importance to make legislation on correspondence banking clearer and stricter regarding remittance of funds to offshore and non-cooperative jurisdictions, with the obligation to cease activities if beneficial information is not provided;***

⁴³ Obermayer & Obermaier, 2016.

⁴³ Obermayer & Obermaier, 2016.

Or. en

Amendment 93

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution

Paragraph 85

Motion for a resolution

85. Stresses that banks are key actors in detecting suspicious transactions and reporting these to national FIUs;

Amendment

85. Stresses that banks are key actors in detecting suspicious transactions and reporting these to national FIUs; ***Notes evidence presented to the Committee that certain banks had opened accounts for their clients before finalising CDD requirements and identifying the beneficial owners; Notes that several banks mentioned in the Panama papers have been fined by supervisors for not complying with AML/CFT standards but sanctions imposed remain lower than those enacted in the United States for similar breaches; Regrets that fines given to financial obliged entities by supervisors are tax-deductible;***

Or. en

Amendment 94

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution

Paragraph 86

Motion for a resolution

86. Acknowledges that the intermediation by banks in the setting up of offshore constructions has significantly decreased since 2007, when it was revealed that banks were promoting the evasion of the European Savings Directive (2005) on a large scale; notes that reputational and regulatory risks in the aftermath of the

Amendment

86. Acknowledges that ***for the Panama Papers, revelations*** the intermediation by banks in the setting up of offshore constructions has significantly decreased since 2007, when it was revealed that banks were promoting the evasion of the European Savings Directive (2005) on a large scale; notes that reputational and

financial crisis have also added to the decline in the offshore entities intermediated by banks *since 2008*⁴⁴ ;

regulatory risks in the aftermath of the financial crisis have also added to the decline in the offshore entities intermediated by banks *since 2008*⁴⁴ ; *Acknowledges however, that at the global level, statistical data show that there is no general decline in the funds channelling through tax havens at least until 2014*^{1a} *but more a reorganization of jurisdictions and instruments used; notes that in parallel to the progressive rise in withholding tax levied by Luxembourg, Austria and Belgium (until 2009) from 15% in 2005, 20% in 2008 to 35% in 2011, offshore money was increasingly allocated to letterbox companies in jurisdictions like Bahamas, Singapore and Hong Kong; Notes however, that the intermediation business has been taken over by other professions, namely lawyers, as demonstrated in the Panama papers;*

⁴⁴ Report on Investigation of Nordea Private Banking in Relation to Offshore Structures, 20 June 2016, and mission to the Belgian Parliamentary Inquiry Committee, 26 April 2017.

^{1a} *According to data from the IMF, the Bank of International Settlements, the European Commission and Economist Gabriel Zucman*

⁴⁴ Report on Investigation of Nordea Private Banking in Relation to Offshore Structures, 20 June 2016, and mission to the Belgian Parliamentary Inquiry Committee, 26 April 2017.

Or. en

Amendment 95

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution Paragraph 88

Motion for a resolution

88. Highlights that private banking

Amendment

88. Highlights that private banking

institutions did not always comply with their own internal guidelines or regulatory requirements (CDD), and that banks sometimes failed to classify customers in the appropriate high-risk category, and the subsequent enhanced due diligence (EDD) reporting was incomplete⁴⁵ ;

⁴⁵ PANA Committee hearing, 9 February 2017.

institutions did not always comply with their own internal guidelines or regulatory requirements (CDD), and that banks sometimes failed to classify customers in the appropriate high-risk category, and the subsequent enhanced due diligence (EDD) reporting was incomplete⁴⁵ ; ***Notes with concern cases of financial institutions - including in European Member States - being owned or managed by PEPs or PEPs' acquaintances, influencing how they conduct their due diligence checks;***

⁴⁵ PANA Committee hearing, 9 February 2017.

Or. en

Amendment 96

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution Paragraph 89 a (new)

Motion for a resolution

Amendment

89 a. Notes that some answers provided by intermediaries to the Committee seem to be in contradiction with information retrieved from the Panama Papers^{1a} ; condemns any possible false statements made to the Committee;

^{1a} For example, Société Générale said to the committee that they were not the beneficial owners of two foundations Rousseau and Valvert they requested Mossack Fonseca to create but this was contradicted by Panama Papers documents published by journalists from the ICIJ consortium; similarly Maltese intermediary Nexia BT answered to written questions from our committee

stating that one of their founders had no relations with Mr Keith Schembri, chief of staff of Maltese Prime Minister while he signed a reference letter to Mossack Fonseca explaining he has a business and personal relationship with Mr Schembri for many years;

Or. en

Amendment 97

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé

on behalf of the Verts/ALE Group

Motion for a resolution

Paragraph 90

Motion for a resolution

90. Notes that supervisory action carried out by competent authorities after the Panama Papers varied from a full cross-check of all supervised banks, to random checks, to no action at all;

Amendment

90. Notes that supervisory action carried out by competent authorities *in Member States* after the Panama Papers varied from a full cross-check of all supervised banks, to random checks, to no action at all;

Or. en

Amendment 98

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé

on behalf of the Verts/ALE Group

Motion for a resolution

Paragraph 91

Motion for a resolution

91. Points out that in some Member States, competent authority powers are limited to supervising the existence of anti-money laundering controls;

Amendment

91. Points out that in some Member States, competent authority powers are limited to supervising the existence of anti-money laundering controls; *Notes that divergence in powers granted to financial supervisors in different Member States hinders full implementation of AML/CFT standards and good cooperation; notes*

that the ECB, the biggest prudential supervisor within the EU, is not competent under the SSM for AML/CFT supervision which is preventing competent authorities from exchanging confidential information with the ECB;

Or. en

Amendment 99

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution
Paragraph 95

Motion for a resolution

95. Observes that Member State authorities failed to effectively supervise financial institutions even before the Panama Papers revelations, and that they did not adequately sanction the financial institutions subject to CRD IV that were found liable for serious breach of the national provisions adopted pursuant to AMLD III;

Amendment

95. Observes that Member State authorities failed to effectively supervise financial institutions even before the Panama Papers revelations, and that they did not adequately sanction the financial institutions subject to CRD IV that were found liable for serious breach of the national provisions adopted pursuant to AMLD III; *Notes that the Azerbaijan Laundromat revelations demonstrates the failure of some financial supervisors to ensure financial institutions respect their AMLD obligations, even after the adoption of new FATF recommendations in 2012;*

Or. en

Amendment 100

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution
Paragraph 96

Motion for a resolution

96. Notes that over 20 competent EU bank supervisory authorities took supervisory action directly as a result of the publication of the Panama Papers⁴⁷ ;

⁴⁷ PANA Committee written answer contributions by EBA, PANA hearing, 13 October 2016.

Amendment

96. Notes that over 20 competent EU bank supervisory authorities took supervisory action directly as a result of the publication of the Panama Papers⁴⁷ ; ***Regrets however that the European Banking Authority only has limited powers and resources to ensure proper implementation of enforcement of its standards and cannot start an investigation without obtaining information from a third party, with no grounds to take the initiative with such investigations beyond peer-reviewing the rules; Notes that while EBA standards on internal governance and AML/CFT exist, they require updating to provide more targeted provisions, including on doing business with jurisdictions with low level of AML/CFT compliance;***

⁴⁷ PANA Committee written answer contributions by EBA, PANA hearing, 13 October 2016.

Or. en

Amendment 101

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution
Paragraph 97

Motion for a resolution

97. Points to the difficulties of regulating lawyers and law firms involved in setting up and maintaining offshore structures, as they often operate cross-border and in some cases are not subject to specific legislative requirements;

Amendment

97. Points to the difficulties of regulating lawyers and law firms involved in setting up and maintaining offshore structures, as they often operate cross-border and in some cases are not subject to specific legislative requirements ***or customer due diligence checks;***^{1a}

^{1a} As in Switzerland, when lawyers act as nominee directors, they are not obliged to carry CDD according to Swiss law.

Or. en

Amendment 102

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé

on behalf of the Verts/ALE Group

Motion for a resolution

Paragraph 101

Motion for a resolution

101. Notes that members of the legal profession are subject to strict sanctions (civil and sometimes criminal) for any failure to adhere to AMLD obligations; notes also, however, that these strict disciplinary procedures rarely lead to being struck off the bar⁴⁹ ;

⁴⁹ Rules on independence and responsibility regarding auditing, tax advice, accountancy, account certification services and legal services, Ian Roxan and Saipriya Kamath (London School of Economics) and Willem Pieter De Groen (Centre for European Policy Studies), April 2017.

Amendment

101. Notes that members of the legal profession are subject to strict sanctions (civil and sometimes criminal) for any failure to adhere to AMLD obligations; notes also, however, that these strict disciplinary procedures rarely lead to being struck off the bar⁴⁹ ; ***Deplores that the sanctions against lawyers who act against the letter or the spirit of laws to prevent tax evasion and money laundering are weak and do not include significant threat to livelihood;***

⁴⁹ Rules on independence and responsibility regarding auditing, tax advice, accountancy, account certification services and legal services, Ian Roxan and Saipriya Kamath (London School of Economics) and Willem Pieter De Groen (Centre for European Policy Studies), April 2017.

Or. en

Amendment 103

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé

on behalf of the Verts/ALE Group

Motion for a resolution
Paragraph 106

Motion for a resolution

106. Notes that the role of accounting firms in the schemes revealed in the Panama Papers consisted primarily of advice and maintenance of offshore constructions and that auditors were not actively involved since the offshore entities often do not have an audit requirement;

Amendment

106. Notes that the role of accounting firms in the schemes revealed in the Panama Papers consisted primarily of advice and maintenance of offshore constructions and that auditors were not actively involved since the offshore entities often do not have an audit requirement;
Notes however that the Big 4 accounting firms, dominating the market, have played a role in other tax scandals such as Luxleaks and that their activities of both fiscal advise and auditing presents the possibility of serious conflicts of interest;

Or. en

Amendment 104

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution
Paragraph 108

Motion for a resolution

108. ***Notes*** that the number of STRs by accountants is low⁵⁰ ;

Amendment

108. ***Deplores*** that the number of STRs ***to FIUs*** by accountants is low ***and does not reflect the sector's exposure to money laundering risks***⁵⁰ ;

⁵⁰ See, for example, FATF Mutual Evaluation Reports or 'Fighting tax crimes – cooperation between Financial Intelligence Units', Dr Amandine Scherrer and Dr Anthony Amicelle, European Parliamentary Research Service (EPRS), March 2017.

⁵⁰ See, for example, FATF Mutual Evaluation Reports or 'Fighting tax crimes – cooperation between Financial Intelligence Units', Dr Amandine Scherrer and Dr Anthony Amicelle, European Parliamentary Research Service (EPRS), March 2017.

Or. en

Amendment 105

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution Paragraph 109

Motion for a resolution

109. Recalls that trust and fiduciary companies play an important role in the creation and maintenance of offshore entities;

Amendment

109. Recalls that trust and fiduciary companies play an important role in the creation and maintenance of offshore entities; ***Considers that the legal form of the trust was established in Anglo-Saxon legal systems precisely to facilitate the concealment of wealth and the avoidance of tax;***

Or. en

Amendment 106

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution Paragraph 113

Motion for a resolution

113. Stresses that trusts could become an even bigger instrument for misuse in the future as they are not legal entities and therefore, unlike companies, not subject to any form of accounting or legal disclosure requirements, for example of their annual accounts;

Amendment

113. Stresses ***the imminent risk*** that trusts could become an even bigger instrument for misuse in the future as they are not legal entities and therefore, unlike companies, not subject to any form of accounting or legal disclosure requirements, for example of their annual accounts;

Or. en

Amendment 107

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution
Paragraph 114

Motion for a resolution

114. Recalls that the collection of UBO information for legal entities does not currently constitute an obligation according to legislation in some third countries⁵¹ ;

⁵¹ PANA mission report to USA – 21 to 24 March 2017.

Amendment

114. Recalls that the *centralized* collection of UBO information for legal entities does not currently constitute an obligation according to legislation in some third countries, *like in the United States from example*⁵¹ ; *Notes evidence that certain countries, including Panama, are not always cooperating with European countries especially to provide relevant information concerning tax-related matters, which may hamper the fight against money laundering related to tax crimes; Stresses that some non-European jurisdictions share information on UBO with European FIUs for intelligence purposes only, but do not respond to international requests for cooperation, thus preventing the use of the information before courts;*

⁵¹ PANA mission report to USA – 21 to 24 March 2017.

Or. en

Amendment 108

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution
Paragraph 115 a (new)

Motion for a resolution

Amendment

115 a. Notes that several countries, including some Member States ,have recently developed citizenship programmes for non-EU residents, providing citizenship in exchange of financial investments in their country;

Considers that the contravenes the spirit of EU citizenship law, which is not a transactional arrangement; Stresses that such programmes must be compliant with AML standards, especially as to verifying the source of wealth and source of funds of individuals benefitting from these programmes; Stresses that dual-citizenship resulting from these programmes may also undermine the objectives of automatic exchange of tax information;

Or. en

Amendment 109

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution
Paragraph 115 b (new)

Motion for a resolution

Amendment

115 b. Stresses that the Brexit negotiations are likely to have an impact on the corporate tax strategy of the UK after it leaves the Union; Stresses the importance to the Union of defending the highest standards of tax governance and requires the UK to be required to meet these standards before any FTA or other close trading relationship can be agreed;

Or. en

Amendment 110

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution
Paragraph 116

Motion for a resolution

116. Observes that ***although US legislation on AML and UBO transparency is less ambitious than in the EU, the US enforcement is more effective;***

Amendment

116. Observes that ***US has a less ambitious AML legislation than in the EU, especially on UBO transparency where no centralised UBO register exists, but has a better track record of effectively implementing it; notes that in contrast to the 40+9 FATF recommendations and due to the common internal market rules, EU Member States do not treat each other as third countries, potentially leading to AML loopholes; observes that due to a lack of human resources by the Commission, Member States' compliance with AML legislation is not properly monitored;***

Or. en

Amendment 111

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution
Paragraph 117 a (new)

Motion for a resolution

Amendment

117 a. Points to the AML legislation in Switzerland, which does not consider lawyers acting as or using nominee directors as obliged entities having to carry customer due diligence, which seems contrary to FATF recommendations; Regrets that Switzerland has not changed its legislation since the publication of the Panama Papers; Highlights the low number of STRs in Switzerland reported to the FIU and the lack of power by the Swiss FIU to investigate a request from a counterpart, if no prior STR has been filed, hindering international

cooperation;

Or. en

Amendment 112

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution
Paragraph 117 b (new)

Motion for a resolution

Amendment

117 b. Highlights that real estate, tax planning structures and transactions as well as securities are three areas of high risk of money laundering for several third countries, as highlighted for example in the Gibraltar national risks assessment;

Or. en

Amendment 113

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution
Paragraph 117 c (new)

Motion for a resolution

Amendment

117 c. Notes that the European Commission provides comments for each evaluation by FATF or Moneyval of Member States and suggests these comments are made public in the future;

Or. en

Amendment 114

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

**Motion for a resolution
Paragraph 117 d (new)**

Motion for a resolution

Amendment

117 d. Recalls its request to enhance the EU's role on the international stage by speaking with one voice and to work on the development of a common EU framework for bilateral treaties in tax matters as a way to tackle treaty shopping; Considers that the setting up of free trade agreements needs to be accompanied by enhanced tax cooperation, provisions preventing tax avoidance and should include principles of good tax governance;

Or. en

Amendment 115

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

**Motion for a resolution
Paragraph 118 a (new)**

Motion for a resolution

Amendment

118 a. Deplores the hypocrisy of some EU politicians criticising corruption in developing countries while their leading corporations are complicit in the deals that allow the draining of wealth through tax avoidance;

Or. en

Amendment 116

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

**Motion for a resolution
Paragraph 120**

Motion for a resolution

120. Emphasises the controversy that some companies, often supported by fraudulent officials, use tax evasion and avoidance, transfer pricing and anonymous company ownership to maximise profits, while millions lack adequate nutrition, health and education⁵⁵ ;

⁵⁵ Marc Tran, 'Tax Evasion Still Crippling Africa as Rich Countries Fail to Deliver Support', The Guardian, 10 May 2013.

Amendment

120. Emphasises the controversy that some companies, often supported by fraudulent officials, use tax evasion and avoidance, transfer pricing and anonymous company ownership to maximise profits, while millions lack adequate nutrition, health and education⁵⁵ ; **Further emphasizes the importance of good corporate governance and the principles of transparency and accountability in state owned enterprises;**

⁵⁵ Marc Tran, 'Tax Evasion Still Crippling Africa as Rich Countries Fail to Deliver Support', The Guardian, 10 May 2013.

Or. en

Amendment 117

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution
Paragraph 121

Motion for a resolution

121. **Takes the view that** developing countries **are excluded from** the OECD system for automatic information exchange, **owing to** lack of technical, human and institutional capacity; notes that regarding global cooperation, a common approach to simple principles is yet to be established so as to have an effective outcome;

Amendment

121. **Is concerned that no** developing countries **will implement** the OECD system for automatic information exchange **as of 2017 or 2018, because of a** lack of technical, human and institutional capacity; notes that regarding global cooperation, a common approach to simple principles is yet to be established so as to have an effective outcome; **Warns against the risk of having a two-speed international system of automatic exchange of information with developing countries being left out because of lacking capacity to commit to reciprocal exchanges;**

Or. en

Amendment 118

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution
Paragraph 121 a (new)

Motion for a resolution

Amendment

121 a. Notes that the work of the UN Tax Committee is seriously under-resourced; Considers that a just global tax regime requires a democratic and adequately resourced policy-making and enforcement body under the auspices of the UN;

Or. en

Amendment 119

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution
Paragraph 123

Motion for a resolution

Amendment

123. Points to the fact that LuxLeaks, the Panama Papers, Swiss Leaks, Bahamas Leaks, Football Leaks and numerous other leaks have shown how crucial a role whistle-blowers can play when it comes to fighting money laundering, fraud, aggressive tax planning or corruption or otherwise shedding light on hidden behaviours; underlines, therefore, that the protection of whistle-blowers can contribute to safeguarding the public interest, promoting good governance and strengthening the rule of law;

123. Points to the fact that LuxLeaks, the Panama Papers, Swiss Leaks, Bahamas Leaks, Football Leaks and numerous other leaks have shown how crucial a role whistle-blowers can play when it comes to fighting money laundering, fraud, aggressive tax planning or corruption or otherwise shedding light on hidden behaviours; underlines, therefore, that the protection of whistle-blowers can contribute to safeguarding the public interest, promoting good governance and strengthening the rule of law; ***notes that as long as obliged entities only risk low fines for not reporting or misreporting suspicions of money laundering to the***

authorities, the prevention of money laundering and terrorist financing is severely hindered;

Or. en

Amendment 120

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution

Paragraph 124

Motion for a resolution

124. Regrets that some countries use the prosecution of whistle-blowers as a means to safeguard secrecy⁵⁷; finds it highly regrettable that in the case of LuxLeaks, so far only the whistle-blowers have been prosecuted while the companies and intermediaries involved in the tax rulings exposed by the LuxLeaks documents remain *unchanged*;

⁵⁷ ‘Overcoming the shadow economy’, Joseph E. Stiglitz and Mark Pieth, November 2016.

Amendment

124. Regrets that some countries use the prosecution of whistle-blowers as a means to safeguard secrecy⁵⁷; finds it highly regrettable that in the case of LuxLeaks, so far only the whistle-blowers have been prosecuted while the *practices of* companies and intermediaries involved in the tax rulings exposed by the LuxLeaks documents remain *untackled*; *recalls that the European Parliament has repeatedly called for improving protection of whistle-blowers*;

⁵⁷ ‘Overcoming the shadow economy’, Joseph E. Stiglitz and Mark Pieth, November 2016.

Or. en

Amendment 121

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution

Paragraph 125

Motion for a resolution

125. Welcomes the fact that the

Amendment

125. Welcomes the fact that the

Commission is currently assessing the scope for **horizontal or further sectorial** action at EU level to strengthen whistle-blower protection; notes that Parliament is in the process of drafting a non-legislative resolution to provide its recommendations on the issue;

Commission is currently assessing the scope for action at EU level to strengthen whistle-blower protection; notes that Parliament is in the process of drafting a non-legislative resolution to provide its recommendations on the issue; ***Requests that Commissions' urgent attention to this resolution and speedy legislative action following its publication;***

Or. en

Amendment 122

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution Paragraph 130

Motion for a resolution

130. Points to the fact that it took six months to reach an agreement with the Commission on the access to non-classified confidential documents and that this delay constituted a major obstacle for the Committee's work; highlights that the documents received are not all updated and often heavily redacted, creating further major obstacles to the work of the Committee;

Amendment

130. Points to the fact that it took six months to reach an agreement with the Commission on the access to non-classified confidential documents and that this delay constituted a major obstacle for the Committee's work; highlights that the documents received are not all updated and often heavily redacted, creating further major obstacles to the work of the Committee; ***Finds it extremely regrettable that no findings from these non-classified documents (either on the intranet or in the reading room) are incorporated in this report, as information provided were considered confidential and the Committee was forbidden to include them in its final report;***

Or. en

Amendment 123

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution
Paragraph 131

Motion for a resolution

131. Notes that the Committee has invited the current and incoming Presidencies on several occasions to participate in hearings to discuss cooperation and the way forward in the area of anti-money laundering, tax evasion and tax avoidance, but that these requests have been declined on all occasions;

Amendment

131. Notes that the Committee has invited the current and incoming Presidencies on several occasions to participate in hearings to discuss cooperation and the way forward in the area of anti-money laundering, tax evasion and tax avoidance, but **regrets** that these requests have been declined on all occasions;

Or. en

Amendment 124

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution
Paragraph 132

Motion for a resolution

132. Notes that despite requests to the Council, no documents have been made available to the Committee; calls into question, therefore, the political will of the Council to enhance transparency and cooperation in the fight against tax evasion, tax avoidance and money laundering; stresses that Parliament feels that citizens should be able to see their respective governments' positions on such important issues;

Amendment

132. Notes that despite requests to the Council, no documents have been made available to the Committee; calls into question, therefore, the political will of the Council to enhance transparency and cooperation in the fight against tax evasion, tax avoidance and money laundering **and the political will to comply with the Treaty and the principle of sincere cooperation**; stresses that Parliament feels that citizens should be able to see their respective governments' positions on such important issues;

Or. en

Amendment 125

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé

on behalf of the Verts/ALE Group

Motion for a resolution

Paragraph 133

Motion for a resolution

133. *Notes* that the Chair of the Council's Code of Conduct Group on Business Taxation declined the invitation to participate in a committee hearing;

Amendment

133. *Deplores* that the Chair of the Council's Code of Conduct Group on Business Taxation declined the invitation to participate in a committee hearing;

Or. en

Amendment 126

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé

on behalf of the Verts/ALE Group

Motion for a resolution

Paragraph 135

Motion for a resolution

135. Concludes, therefore, that there has been a breach of the sincere cooperation principle for the above-mentioned reasons;

Amendment

135. Concludes, therefore, that there has been a breach of the sincere cooperation principle *by the Member States* for the above-mentioned reasons;

Or. en

Amendment 127

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé

on behalf of the Verts/ALE Group

Motion for a resolution

Paragraph 136

Motion for a resolution

136. Concludes that the underlying problem embedded in the Panama Papers is the moving of money between different jurisdictions, both offshore and onshore, and that as long as these practices are tolerated all other efforts will have only

Amendment

136. Concludes that the underlying problem embedded in the Panama Papers is the moving of money between different jurisdictions, both offshore and onshore, *against the spirit and letter of laws* and that as long as these practices are tolerated

limited impact;

all other efforts will have only limited impact; *Acknowledges that the liberalisation of financial flows has facilitated the practices of tax evasion and money laundering and that greater legal control, monitoring and enforcement is urgently required to match the level of transactions that have mushroomed in recent years;*

Or. en

Amendment 128

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution Paragraph 137

Motion for a resolution

137. Finds that through the use of trusts, shell companies, tax havens and complex international financial structures, *some multinational companies and high net worth individuals have successfully shielded their fortunes from, for example, the tax authorities and others with legitimate financial claims against them, thereby rendering themselves immune by positioning their wealth in a legislative vacuum;*

Amendment

137. Finds that through the use of trusts, shell companies, tax havens and complex international financial structures, *tax evasion, corruption, organised crime, drug and people trafficking, terror financing and other money laundering activities have been made possible and that some multinational companies and individuals have broken national and European rules to commit these crimes;*

Or. en

Amendment 129

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution Paragraph 140

Motion for a resolution

140. Recalls that transparency and

Amendment

140. Recalls that transparency and

exchange of information are key instruments in fighting tax evasion, tax avoidance and money laundering;

exchange of information are key instruments in fighting tax evasion, tax avoidance and money laundering;
concludes that public country-by-country reporting of tax information of all large companies is warranted;

Or. en

Amendment 130

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution

Paragraph 141

Motion for a resolution

141. Concludes that the EU legislation in force was not sufficient before the Panama Papers revelations and was not always enforced effectively, thus allowing intermediaries to formally fulfil their duties, such as CDD and other reporting obligations, while circumventing the spirit of the rules; notes that since then a number of reviews have been carried out, for example on the DAC and the AMLD, and that new legislative proposals have been presented, such as country-by-country reporting and the regulation of intermediaries;

Amendment

141. Concludes that the EU legislation in force was not sufficient before the Panama Papers revelations and was not always enforced effectively, thus allowing intermediaries to formally fulfil their duties, such as CDD and other reporting obligations, while circumventing the spirit of the rules; notes that since then a number of reviews have been carried out, for example on the DAC and the AMLD, and that new legislative proposals have been presented, such as country-by-country reporting and the regulation of intermediaries; ***notes that the President of the European Commission has committed to put forward proposals to enhance greater tax cooperation between European Member States through an obligation to answer group requests in tax matters so that one European country can provide all information necessary to others to prosecute cross-border tax evaders and also to make tax reform proposals under Article 116 TFEU, leading to co-decision between the Council and the European Parliament to eliminate distortion of the conditions of***

Amendment 131

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé

on behalf of the Verts/ALE Group

Motion for a resolution

Paragraph 142

Motion for a resolution

142. Concludes in particular that there has been a significant gradual improvement in terms of having a register of UBOs with accessibility based on legitimate interest; underlines that the ongoing AMLD revision aims to enhance the powers of the EU FIUs and to facilitate their cooperation, but that the scope is still too limited and that there is a need to share financial information to tackle all economic *crime*, but also to trace the proceeds from fraud-linked activities;

Amendment

142. Concludes in particular that there has been a significant gradual improvement in terms of having a register of UBOs with accessibility based on legitimate interest; underlines that the ongoing AMLD revision aims to enhance the powers of the EU FIUs and to facilitate their cooperation, but that the scope is still too limited and that there is a need to share financial information to tackle all economic *crimes*, but also to trace the proceeds from fraud-linked activities;

Amendment 132

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé

on behalf of the Verts/ALE Group

Motion for a resolution

Paragraph 143

Motion for a resolution

143. Concludes that proper identification of UBOs remains a key obstacle to stopping illegal tax avoidance schemes and that the international nature of financial flows and company structures uncovered by the PANA Committee exacerbates this problem;

Amendment

143. Concludes that proper identification of UBOs remains a key obstacle to stopping illegal tax avoidance schemes and that the international nature of financial flows and company structures uncovered by the PANA Committee exacerbates this problem; *sees a strong benefit in setting up full public registers for beneficial*

owners of companies and trusts to significantly improve scrutiny of unlawful activities;

Or. en

Amendment 133

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution
Paragraph 146

Motion for a resolution

146. Notes that taxes should be levied at the point and place of profit creation; concludes that the actions and financial constructions revealed in the Panama Papers successfully circumvent this basic principle and that a dedicated EU approach is therefore needed to combat shell companies in third countries;

Amendment

146. Notes that taxes should be levied at the point and place of profit creation; concludes that the actions and financial constructions revealed in the Panama Papers successfully circumvent this basic principle and that a dedicated EU approach is therefore needed to combat shell companies in third countries; *welcomes, therefore, the Commission proposal for a Common Consolidated Corporate Tax Base and urges the Member States to swiftly come to an agreement;*

Or. en

Amendment 134

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution
Paragraph 147

Motion for a resolution

147. Concludes that this was made possible by insufficient implementation of legislation by the Member States and insufficient enforcement by the Commission;

Amendment

147. Concludes that this was made possible by insufficient implementation of legislation by the Member States and insufficient enforcement by the Commission; *notes that the Commission has potentially failed to enforce Union*

law by not initiating infringement procedures despite clear evidence of breaches;

Or. en

Amendment 135

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution

Paragraph 148

Motion for a resolution

148. Notes that the Commission is not sufficiently equipped in terms of resources to ensure full enforcement of EU legislation against money laundering, tax evasion and tax avoidance;

Amendment

148. Notes that the Commission is not sufficiently equipped in terms of resources to ensure full enforcement of EU legislation against money laundering, tax evasion and tax avoidance; ***notes that the President of the European Commission has committed to allocate more resources to the European Commission Task Force to prevent financial crimes; welcomes the Commission roadmap “Towards a new methodology for the EU assessment of High Risk Third Countries under Directive (UE) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing” of 29 June 2017 as an important step forward to come to a credible EU list of high-risk third countries;***

Or. en

Amendment 136

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution

Paragraph 149

Motion for a resolution

149. Concludes that FIUs are key instruments to fight money laundering; observes, however, the differing structures across the EU and the fact that they are not sufficiently equipped with personnel to cope with their tasks, including examining the increasing number of STRs driven by new legislation, and that they can deal only with a fraction of the problem;

Amendment

149. Concludes that FIUs are key instruments to fight money laundering; observes, however, the differing structures across the EU and the fact that they are not sufficiently equipped with personnel to cope with their tasks, including examining the increasing number of STRs driven by new legislation, and that they can deal only with a fraction of the problem; ***concludes that Member State institutions in charge of implementing and enforcing rules as regards tax fraud and money laundering need to be entirely independent from political influence; concludes the necessity to ensure that investigations carried out by FIUs are followed-up through criminal investigations by the police if the situation so warrants, otherwise inaction of the police has to be qualified as maladministration;***

Or. en

Amendment 137

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution
Paragraph 151

Motion for a resolution

151. Concludes that on the basis of the PANA Committee findings, several cases of maladministration of EU legislation can be identified, namely regarding ***the DAC, the AMLD and the*** list of third countries with strategic deficiencies in their anti-money laundering regimes;

Amendment

151. Concludes that on the basis of the PANA Committee findings, several cases of maladministration of EU legislation can be identified, namely regarding:

· failure of Member States authorities to communicate spontaneously tax information to another Member State in

case of grounds for supposing that there may be a loss of tax in the other Member States (Article 9(1) of DAC) and failure of the European Commission to ensure effective implementation of DAC

· failure of Member States authorities to act upon the evidence of serious and persistent failure to identify beneficial owners in the context of customer due diligence and to require that the verification of the identity of the customer and the beneficial owner takes place before the establishment of a business relationship or the carrying-out of the transaction (Article 8(1)(b) , Article9(1) of AMLD III) and failure of the European Commission to ensure effective implementation of AMLD III;

· failure of Member States authorities to ensure that AML obliged entities can be held liable for infringements of the national provisions, including reporting of beneficial ownership information to competent authorities (Article 39(1) of AMLDIII) and failure of the European Commission to ensure effective implementation of AMLD III;

· failure of the Commission to provide a list of third countries with strategic deficiencies in their anti-money laundering regimes;

· failure of Member States authorities to apply administrative penalties and other administrative measures to institutions found liable of serious breach of the national provisions adopted pursuant to AMLD III, as required by Article67(1)(o) and Article 67(2) of Directive 2013/36/EU (CRD IV) and failure of the European Commission to ensure effective implementation of CRD IV;

· failure of Member States to cooperate sincerely in the framework of the Code of Conduct Group on Business taxation and failure to abide by the principle of sincere

cooperation, as required by Article IV of the TFEU; failure of the European Commission to act as Guardian of the Treaty;

Or. en

Amendment 138

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

**Motion for a resolution
Paragraph 152**

Motion for a resolution

152. Regrets the lack of cooperation of certain EU institutions with the PANA Committee; *believes* that this constitutes a breach of the principle of sincere cooperation;

Amendment

152. Regrets the lack of cooperation of certain EU institutions with the PANA Committee; *States* that this constitutes a breach of the principle of sincere cooperation;

Or. en

Amendment 139

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

**Motion for a resolution
Paragraph 153**

Motion for a resolution

153. Concludes that the closed and secretive nature of the Council's Code of Conduct Group on Business Taxation is detrimental to the effective and expeditious formulation, adoption and implementation of vital anti-tax evasion legislation within the EU; underlines, therefore, the need for improved accountability and transparency regarding the actions, statements and positions of the Member States engaged in the group;

Amendment

153. Concludes that the closed and secretive nature *as well as the inefficient decision rules based on broad consensus* of the Council's Code of Conduct Group on Business Taxation is detrimental to the effective and expeditious formulation, adoption and implementation of vital anti-tax evasion legislation within the EU; underlines, therefore, the need for improved accountability and transparency regarding the actions, statements and positions of the Member States engaged in

the *group and for revising the inefficient decision rules of the Code of Conduct* Group;

Or. en

Amendment 140

Molly Scott Cato, Eva Joly, Sven Giegold, Pascal Durand, Ernest Urtasun, Heidi Hautala, Michel Reimon, Jordi Solé
on behalf of the Verts/ALE Group

Motion for a resolution
Paragraph 155

Motion for a resolution

155. Concludes, therefore, that a number of questions remain unanswered in order to fully ascertain the scale of this issue and the methods employed in these schemes.

Amendment

155. Concludes, therefore, that a number of questions remain unanswered in order to fully ascertain the scale of this issue and the methods employed in these schemes *and suggests the continuation of the inquiry tasks within a permanent committee or high level working group within the European Parliament;*

Or. en