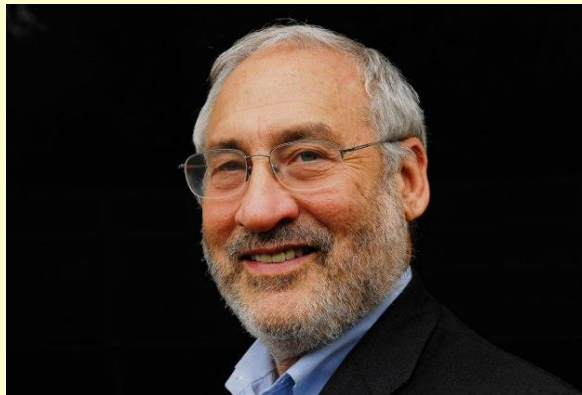


Who said this?

“I don’t think in the last 20 years or so one can say that governments have driven corporation tax policy. It’s the **large companies that have driven the direction of corporate tax policy.**”



Jeremy Corbyn?



Joseph Stiglitz?



Bernie Sanders?

Who said this?

“I don’t think in the last 20 years or so one can say that governments have driven corporation tax policy. It’s the large companies that have drive the direction of corporate tax policy.”

Dr Philip Baker QC

Who he?

THE INSIDER

One of Europe’s top tax barristers. Leading authority on tax treaty law. Advises MNCs and governments



Luxembourg and Amazon

How does one of Europe's smallest country become regional HQ of one of the fastest growing multinationals in the world in 2004?



Luxembourg and Amazon

“Young people without money but with plenty of ideas heralded the information revolution in the basements and garages of American suburbs. Microsoft, Apple, AOL eBay and other came into existence. They were not even meant for us. But now they are here. Because **we went to fetch them** when they were looking for a foothold in Europe.” - Luxembourg’s prime minister 2006

We went to fetch them

Luxembourg and Amazon

5 January 2003 Jean-Claude Juncker tells parliament Amazon will bring HQ to Lux as a result of “a correct tax policy, of a correct infrastructure policy, but also as a result of tough negotiations... I did not lead them alone...”



2004 Amazon shift European HQ to Lux, routing sales in all major markets through the Grand Duchy

Luxembourg and Amazon

Mr Comfort gets a comfort letter!

Bob Comfort, Amazon head of tax in 2004: “The Lux government presents itself as business partners, and I think it’s an accurate description: it helps solve problems.”

Comfort on Juncker: “His message was: ‘If you encounter problems I’ll try to help’”



Bob Comfort, long-serving head of tax at Amazon

Luxembourg and Amazon

Bob Comfort retired as Amazon head of tax in 2014. But shortly before that, Lux made him its:

Honorary consul for the Seattle region

“I am rarely called upon... There are only four Luxembourgers in all of Washington state.”



Luxembourg and Amazon

But what was in Comfort's 2003 comfort letter?

7 October 2014 Days before Juncker took office as head of European Commission, the EC announced a state aid investigation into Amazon's suspected sweetheart tax deal with Luxembourg

Billion in royalties pour into a Lux partnership. (Transparent in Lux, opaque in US)



Joaquin Almunia
former competition
commissioner

Reaction to 2007 UK plans for tougher CFC rules

Four headlines from the Financial Times

Reaction to UK plans for tougher CFC rules

October 5, 2007 4:28 am

Foreign groups in tax warning

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April 16, 2008 3:00 am

Shire shifts tax base to Ireland to escape new Treasury regime

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April 30, 2008 3:00 am

UK starts tax review to prevent business exodus

Reaction to UK plans for tougher CFC rules

October 5, 2007 4:28 am

Foreign groups in tax warning

April 16, 2008 3:00 am

Shire shifts tax base to Ireland to escape new Treasury regime

April 30, 2008 3:00 am

UK starts tax review to prevent business exodus

September 28, 2008 6:45 pm

WPP to move tax domicile to Ireland

Resulting CFC tax reform

23 March 2011: UK
chancellor George
Osborne releases plans for
more generous CFC rules

“I want Britain to be a
place international
businesses go to, not the
place they leave”

And right on queue...

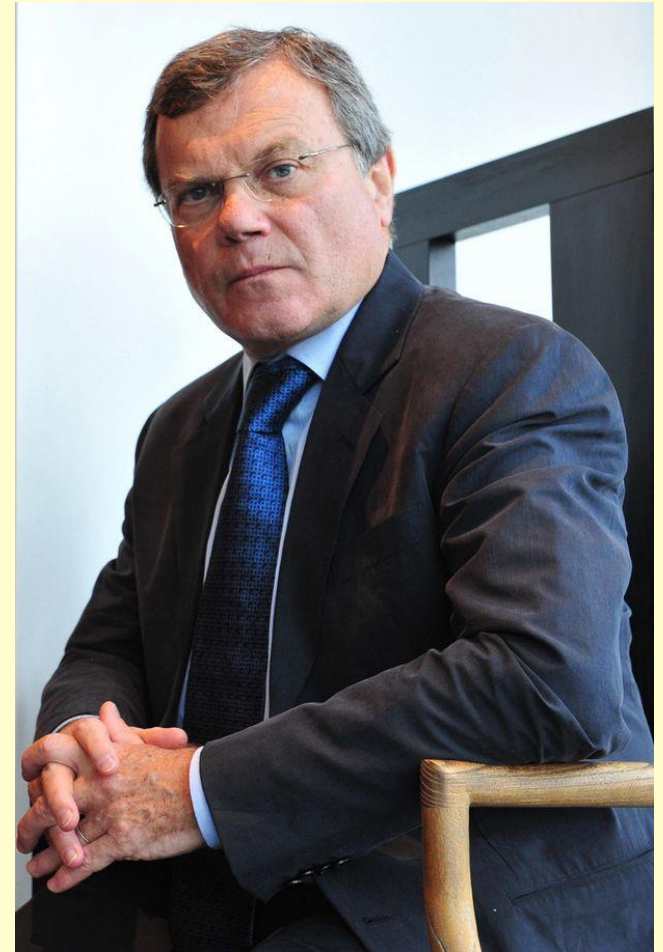


George Osborne
UK Chancellor

Resulting CFC tax reform

24 March 2011 WPP boss:
“We’ll look at coming back
to the UK.”

“...Following the coalition
govt’s implementation of
a new regime for the tax
of foreign profits the
concerns WWP had in
2008 no longer apply.”



WPP boss Sir Martin Sorrell

Resulting CFC tax reform

2 January 2013: WPP boss
Sir Martin Sorrell:

“You can have a
procurement department
offshore, you can have a
brand operation offshore...
All of the [tax]
contributions you make
are a **question of
judgment.**”



Can the tax man take a bite out of Apple?

“You shifted that golden goose to Ireland. You shifted it to 3 companies that do not pay taxes in Ireland. These are the crown jewels of Apple Inc. Folks, that’s not right.” – 2013 Sen. Carl Levin, then chair of US senate subcommittee on investigations tells Apple CEO Tim Cook



Sen. Carl Levin

Can the tax man take a bite out of Apple?

“There is no [profit] shifting going on at all that I see. We have built up a significant skills base [in Ireland]” – 2013 Tim Cook tells Sen Levin.

But he had another message for Washington too...



Tim Cook –
Apple CEO

Can the tax man take a bite out of Apple?

“Under the current US corporate tax system, it would be very expensive to repatriate [offshore] cash. Unfortunately **the tax code has not kept up with the digital age.**” – 2013 Tim Cook tells Sen Levin.



This story will NEVER end

“We are seeing countries taking steps to ensure that they remain attractive jurisdictions for inward investment. Inter-country tax competition is rife. 83% of respondents feel that **tax competition will increase over the next five years.**” Taxand survey of tax advisors

This story will NEVER end

“We are seeing countries taking steps to ensure that they remain attractive jurisdictions for inward investment. Inter-country tax competition is rife. 83% of respondents feel that **tax competition will increase over the next five years.**” Taxand survey of tax advisors

Perhaps they mean “fair competition” on the rate?

Er, no: “68% do not think a cut in corporate tax rates is more appealing than other tax incentives”