ROOSEVELT 2012

Boycott tax havens

By using public purchase orders for leverage

According to a European Parliament report, 1 to 1.5% GDP is lost in tax revenue in each EU Member State, due to flight of capital to tax havens. In France, about 20 to 30 billion euros are lost every year. But beyond the rhetoric, no serious action has been initiated as yet to fight against tax havens.

On November 4, 2011, at the end of the G20 summit, Nicolas Sarkozy appealed to world public opinion, declaring "we don't want any more tax havens". He promised to “ban remaining tax havens from the international community,” Panama was one of the countries signaled out in this very vigorous speech, but **two weeks later, on his way out of the Palais de l’Elysee, Panama’s president claimed** that the French president had assured him that the agreement signed between the two countries “to avoid double taxation” would be ratified by the French Parliament by the end of 2011 ... And when a journalist expressed concerns about this doublespeak, an adviser to the president replied that" the President was speaking at Cannes as chair of the G20. It was by no means a statement made in a national capacity."

Given the severity of the public finance crisis, **this doublespeak is no longer acceptable**. Rather than submitting populations to austerity policies that aggravate the crisis, the State must declare war on tax havens:

- by making mandatory full transparency of corporate accounts: all companies must account for their activities country by country, and declare the existence of any subsidiaries in tax havens or off-shore locations;

- **by boycotting companies with subsidiaries in tax havens:** the State and all local authorities (regions, municipalities, etc....) should no longer grant any public contract to a company (banks, civil engineering companies, information technology -IT- systems suppliers...) which has subsidiaries in tax havens and thus avoids paying taxes that fund schools, health care, police or pensions;

- by ending tax optimisation of international groups via transfer pricing. We must transpose for adoption in Europe the apportionment existing in the U.S., which requires every trans-state company to declare its payroll, turnover, and investments State by State. The level of taxation is then calculated based on these three parameters instead of on the declared profit alone, which is systematically transferred to fiscally attractive areas.

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