



EDUSKUNTA

PARLIAMENT OF FINLAND

Helsinki, 9 June, 2015

Dear Mr Lamassoure,

I wish to express my regret that due to the ongoing post-election reorganisation process in the Eduskunta we are unable to send participants to the Interparliamentary Committee Meeting *Aggressive tax planning and democratic control: the role of parliaments* to be held in Brussels on 17 June 2015. Despite our absence we would like to contribute to the meeting by sharing the following information on the work of the Eduskunta concerning problems caused by tax evasion and tax avoidance.

The **Finance Committee** of the Eduskunta has discussed these issues at many different occasions. Being the committee responsible for all tax related issues, it has issued reports on a number of legislative actions and international agreements dealing with tax evasion/avoidance (e.g. legislation on reverse VAT liability in the construction sector, agreements on exchange of information with tax havens). It has also issued opinions on a number of relevant Government Communications, e.g. the Government's White Paper on Development in which case the committee highlighted the difficulties that international tax evasion causes in developing countries.

The **Tax Subcommittee of the Finance Committee** meets regularly with tax and customs administrations to discuss topical issues such as tax inspections and transfer pricing. Through these meetings the Finance Committee receives information on tax rulings and on efforts made to prevent unjustified transfers of profits by multinational companies. In 2012, the tax administration launched a project to limit such transfers by increased tax monitoring. The results of this project have been promising although there have also been some setbacks due to certain rulings by the Supreme Administrative Court of Finland.

The **Audit Committee** of the Eduskunta has also been active in the field of preventing tax evasion/avoidance. It has commissioned a study on combating unreported employment and published a report based partly on the findings of the study. One part of the report refers to the Government's Action Plan on Combating International Tax Evasion and points out, for example, that many of the aims of the Action Plan can only be achieved through international cooperation and thus urges the government to shift its focus from national to international level.

I hope you find this contribution useful and wish you a fruitful meeting!

Sincerely yours,

Timo Kalli
Chair of the Finance Committee
Parliament of Finland (Eduskunta)