

## McDonald's representatives to appear before special tax committee

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News

The fast food chain is the subject of a European Commission investigation following allegations of tax evasion.



*Photo credit: Press Association*

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Fast food chain McDonald's is set to appear before Parliament's special committee on financial crimes, tax evasion and tax avoidance in what has been described as an unprecedented appearance by a multinational corporation before the committee.

Representatives from the company will attend the meeting on 21 June.

The summons follows a recent report on how McDonald's allegedly dismantled its tax structure amid

an ongoing investigation by the European Commission into claims of tax avoidance.

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While the company has strongly denied any wrongdoing, critics say this effectively inhibited scrutiny of the company's accounts.

The European Commission opened an investigation into McDonald's in late 2015, following allegations by a coalition of European and American trade unions and the UK antipoverty organisation War on Want, that the company had evaded more than €1bn in taxes from 2009 to 2013.

In May 2018, a report entitled 'Unhappier meal' authored by the trade unions EPSU, EFFAT and SEIU, outlined how McDonald's had allegedly responded to tax scrutiny over the past two years by "making its corporate structure more opaque and more complex."

The report claimed that this included relocating its international tax base from Luxembourg to the UK.

The same report alleged that many of its new entities "have no or minimal required public financial disclosures, including of taxes owed and paid."

At previous hearings before the European Parliament, McDonald's was accused of failing to respond to questions asked by MEPs.

Ahead of the committee hearing, EPSU, EFFAT and SEIU are now urging MEPs to demand McDonald's provide more specified information on its tax structure, including details on its new tax base for European operations and the reason why the company decided to relocate to the UK following the UK decision to quit the EU.

Jan Willem Goudriaan, EPSU general secretary, said, "The fact that Parliament has asked them to come shows that they have a lot to answer for. It is a major problem that they benefit from Europe's cash-strapped public services but refuse to contribute to them."

Harald Wiedenhofer, EFFAT General Secretary, agreed, saying, "This invitation of McDonald's to a hearing on their tax avoidance practices coincides with a parliamentary motion for a resolution on 'Responding to petitions on tackling precariousness and the abusive use of fixed-term contracts'.

"This motion tabled by Parliament's committee on petitions followed up a series of petitions linked to a campaign by McDonald's workers fighting for better working conditions and an end to precarious contracts, which were discussed by the same committee last November."

Further comment came from SEIU executive Vice President Rocio Sáenz, who said, "McDonald's undercuts workers and communities all across the world in order to inflate its profits. MEPs should demand McDonald's answer questions about its tax dodging scheme and hold the company

accountable for the one billion euros in taxes it owes.”

With estimated sales in 2017 of US\$90bn, McDonald’s is the world’s largest fast food company with Europe being its largest market outside the U.S.

No one from McDonald’s was immediately available for comment.

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Martin Banks is a senior reporter for the Parliament Magazine

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