European Parliament

Committee on Economic and Monetary Affairs
The Chair

D (2026) 7280

Mr Bogdan Rzońca
Chair
Committee on Petitions
SCHOLL 00U009

Subject: Petition 0870 by Remo Pulcini (Italian) calling for an investigation into the tax practices and working conditions of large companies in the EU

Dear Mr Rzońca,

Thank you for transmitting petition No 0870 to the Committee on Economic and Monetary Affairs for information.

The petitioner describes a recent investigation by the Italian TV programme Report, which documented serious irregularities involving major international brands. In particular, it alleged that the Kering Group had engaged in widespread tax evasion to the tune of EUR 1.5 billion by artificially transferring its assets to Switzerland, as well as illegally employing large numbers of Chinese workers to manufacture luxury bags in inhumane conditions in illicit factories. The petitioner also refers to shady commercial dealings such as undisclosed donations and transactions involving well-known brands. He believes that such activities undermine public trust, social justice and the rule of law and infringe upon workers' rights. The petitioner calls on the European Parliament to set up a dedicated unit under EU auspices to investigate the tax practices of large companies, to increase the financial penalties for tax evasion and exploitation, and to improve transparency and oversight.

We would like to inform the petitioner that the European Parliament already set up a Subcommittee on Tax Matters (FISC) for tax-related matters, and particularly the fight against tax fraud, tax evasion and tax avoidance, as well as financial transparency for taxation purposes[1]. Before the establishment of the permanent FISC subcommittee, the European Parliament has increasingly voiced its opinions on tax matters through temporary committees. In 2015, the Committee on Tax Rulings and Other Measures Similar in Nature or Effect (TAXE) was set up in the wake of the LuxLeaks revelations. It called for the systematic sharing of tax rulings between tax administrations. TAXE was followed by the TAX2 Committee, which focused on harmful corporate tax regimes and

[1] https://www.europarl.europa.eu/doceo/document/TA-9-2020-0159_EN.html

practices. It notably called for counter-measures to be applied on transactions with non-cooperative tax jurisdictions. The next committee in line was the PANA Inquiry Committee. It was established in the wake of the Panama Papers. The Committee addressed the fight against money laundering and tax evasion and called for more financial transparency for taxation purposes. Finally, the Committee on Financial Crimes, Tax Evasion and Tax Avoidance (TAX3)[2].

On 27 November 2018, TAX3 invited the Kering Group to a public hearing on "Alleged aggressive tax planning schemes within the EU", where the Kering Group replied to questions from Members of the European Parliament on their tax practices[3].

We would further like to point out to the petitioner that pursuant to the EU Treaties, the power to levy, collect or claw back taxes resides with the Member States. The EU's powers in this area are strictly limited to the proper functioning of the internal market (TFEU, Title VII, Chapter 2). In particular, the section on 'Tax provisions' (Articles 110-113), in addition to prohibiting undue taxation of products from other Member States (Articles 110-112), provides scope to harmonise legislation to the extent that it is 'necessary to ensure the establishment and functioning of the internal market and to avoid distortion of competition' (Article 113)[4]. Thereby tax audits are made by national tax authorities.

The fight against tax avoidance and evasion, as well as financial transparency has been a priority of the EU for a while. Therefore, several Directives were adopted to further this cause, such as the following:

- Council Directive (EU) 2022/2523 of 14 December 2022 on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the Union[5];

- Council Directive (EU) 2016/1164 (Anti-Tax Avoidance Directive – ATAD), which aims to clamp down on tax avoidance practices that directly affect the functioning of the internal market[6]. To that end, the directive establishes a number of limitations on aggressive tax planning, notably the way in which corporations exploit discrepancies between national tax systems;

- Council Directive 2011/16/EU on administrative cooperation in the field of taxation (DAC), which is designed to improve the exchange of tax information, with particular regard to crypto-assets and e-currency[7] and all following revisions to this Directive up until DAC 9[8];

[2] https://www.europarl.europa.eu/news/en/press-room/20260211IPR34502/meps-express-frustration-with-commission-over-taxation-files
[3] https://www.europarl.europa.eu/committees/en/public-hearing-on-alleged-aggressive-tax/product-details/20181113CHE05341
[4] https://www.europarl.europa.eu/factsheets/en/sheet/92/general-tax-policy https://eur-lex.europa.eu/summary/chapter/taxation.html?locale=en&root_default=SUM_1_CODE D%3D21
[5] https://eur-lex.europa.eu/eli/dir/2022/2523/oj/eng
[6] https://eur- lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02016L1164-20220101&qid=1740387725442
[7] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02011L0016-20240101&qid=1740388175912
[8] https://eur-lex.europa.eu/legal- content/EN/TXT/?uri=CELEX:52024PC0497&qid=1736269833640

- Council Directive (EU) 2025/50 of 10 December 2024 on faster and safer relief of excess withholding taxes[9];

- Council Directive (EU) 2018/822, which lays down transparency rules for intermediaries engaged in tax planning (e.g. tax advisers, accountants, banks and lawyers)[10];

- Directive 2013/34/EU on income tax disclosure by certain types of undertakings and subsidiaries[11].

In addition, we would like to inform the petitioner that during the 10th legislative period the FISC Subcommittee of the European Parliament has heard experts on 15 May 2025 on *"The future of EU anti-avoidance tax rules, including simplification"*[12] and discussed the ECA Special Report on *"Combatting harmful tax regimes and corporate tax avoidance"*[13] on 3 December 2024[14].

Finally, taking into account the content of the petition, and in particular the mentioning of the employment of large numbers of Chinese workers by the Kering Group to manufacture luxury bags in inhumane conditions in illicit factories, it may be useful to send this petition to the EMPL Committee.

You may inform the petitioner along these lines.

Yours sincerely,

Aurore Lalucq

Cc. Pasquale Tridico, FISC Chair

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[9] https://eur-lex.europa.eu/eli/dir/2025/50/oj/eng
[10] https://eur- lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018L0822&rid=1
[11] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02013L0034-20240528&qid=1740389177839
[12] https://www.europarl.europa.eu/committees/en/the-future-of-eu-anti-avoidance-tax-rule/product-details/20250428CHE13082
[13] https://www.eca.europa.eu/en/publications/SR-2024-27
[14] https://www.europarl.europa.eu/committees/en/eca-special-report-on-combatting-harmful/product-details/20241126EOT08561