Question for written answer P-007581/2017/rev.1
to the Commission
Rule 130
Eva Joly (Verts/ALE)

Subject: Airbnb and the facilitation of tax avoidance via pre-paid cards

An investigation by Radio France revealed the existence of a financial package proposed by Airbnb that allows persons renting their property through this platform to hide income from the national tax authorities. Under an agreement with Airbnb, the company Payoneer issues reloadable MasterCard credit cards from Gibraltar, into which the hosts' fees are paid directly by Airbnb from the United Kingdom. This income can then be used anonymously without scrutiny by the tax authorities. Even if Airbnb finally pledged not to make use of the Payoneer prepaid card on the French market, the use of such mechanisms remains possible and problematic.

Given that this kind of prepaid card is not covered by information exchange obligations for the purposes of taxation, does the Commission intend to close this loophole as part of the ongoing revision of the Directive 2011/16/EU or by any other means?

Are the tax practices of Airbnb and the payment mechanism via Payoneer covered by the ongoing investigation into illegal state aid in Gibraltar launched by the Commission?

Since an EU initiative is expected on the taxation of digital companies, does the Commission intend to require digital platforms to automatically transmit to the competent tax authorities any data on revenues transferred?

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Answer given by Mr Moscovici
on behalf of the Commission
(5.2.2018)

The Commission is aware that in at least one Member State such a prepaid card as outlined in the question may not be covered by the information exchange obligations of Directive 2011/16/EU, as amended in 2014. This could occur when a card issuer is considered to be outside the definition of a depositary institution in the Directive. We do not have sufficient information to confirm if this is the case in the quoted example. Possible shortcomings in the operation of the Directive are constantly reviewed and, if necessary and appropriate, improvements may be proposed in the future.

In the tax domain, the state aid rules prohibit, in principle, a Member State from granting selective preferential treatment to certain companies established in its territory. The ongoing investigation is linked with certain tax benefits put in place by Gibraltar, not the practices of particular companies in relation to its customers or the use of certain means of payment.

At the December 2017 Economic and Financial Affairs Council (ECOFIN) meeting, the Council encouraged the reporting of the relevant information by the digital platforms and marketplaces to appropriate tax authorities, and invited the Commission and the Organisation for Economic Co-operation and Development (OECD) to further explore the opportunities for co-operation on tax compliance. As announced in its Communication of September 2017, the Commission will continue to analyse the various options as part of its ongoing work on the taxation of the digital economy in preparation for proposals in spring 2018.