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Dear Mr Dijsselbloem, Sut Jonen,

Thank you for your letter regarding the Panama Papers. I fully agree that these developments further underline the importance of the EU agenda against tax evasion, avoidance and money laundering and I welcome your plan to organise a high level political discussion on the issue at the Informal Ecofin meeting in Amsterdam.

We should use this opportunity to thoroughly review the progress made so far in our joint fight against tax abuse and to determine what further action needs to be taken, and by whom.

Under my Commission's priority of a fairer internal market, we have already presented several important initiatives to the European Parliament and to the Council, and the recent revelations highlight more than ever how relevant this work has been.

The common EU listing process that we have proposed in June 2015 is a powerful tool to identify and sanction third countries that willingly enable tax abuse. The majority of third countries in which the offshore firms mentioned in the Panama Papers were located actually featured on the pan-EU list. I therefore expect Member States to provide their unequivocal support in the Council for the new EU listing process as quickly as possible, so that this list can be properly employed.

We must also reach a swift and ambitious agreement on the Anti-Tax Avoidance Directive, presented on 28 January 2016. It has the potential to counteract corporate tax planning and prevent offshore profit-shifting through artificial structures.

The EU is already leading the way internationally when it comes to **tax transparency**: we have in place binding measures to prevent the concealment of offshore funds. From next year, Member States will automatically exchange an extensive amount of financial account information with each other, under the revised Administrative Cooperation Directive. We have also recently signed landmark tax transparency agreements with Switzerland, Liechtenstein, Andorra and San Marino, and will soon do the same with Monaco. The Commission has continued to push for as much tax transparency as possible with its proposals on **tax rulings and country-by-country reporting** between tax authorities. We are delighted that Member States agreed on this important legislation so quickly, on 8 March 2016, and trust that the new measures will be fully and properly implemented.

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Mr Jeroen DIJSSELBLOEM Minister of Finance of the Netherlands Still, more must be done to increase tax transparency on companies, individuals and third countries. On 12 April, the Commission will present a **proposal for public country-by-country reporting**. This will respond to the intense public demand to combine openness on company accounts and the level of taxes actually paid with the need to safeguard the competitiveness of EU businesses. In our proposal, we will pay particular attention to tax information relating to countries that do not respect good governance standards.

I would also like to recall that the Anti-Money Laundering Directive has introduced an obligation for Member States to introduce public registers on beneficial ownership. It is now essential that Member States rapidly transpose these commitments in their national legal order. As you know, the Commission is currently revising this Directive, with a view to present a proposal under the Dutch Presidency, and I would be interested in your views on how this framework could usefully be strengthened in this context.

The Commission will play its role in delivering any initiatives necessary to tighten the EU's defences against such tax abuse. We trust that Member States, under your Presidency, and the European Parliament will show a similar commitment to deliver rapidly on their side. At the same time, the EU must continue to put political pressure on all our international partners to play their part in the fight against tax evasion and avoidance, particularly through the G20. The Commission will also liaise closely with the OECD to ensure the full and meaningful implementation of international good governance standards globally.

I welcome the Dutch Presidency's strong commitment to advance the abovementioned Commission proposals and have full confidence in your ability to ensure the necessary progress on these files.

I have asked Vice-President Dombrovskis to coordinate our internal work so that the Commission can present substantial input to the discussions at the Informal Ecofin meeting in Amsterdam.

Yours sincerely,