



## McDonald's new menu: less transparency, more tax havens

*Press Release – 14th May 2018*

(May 14 2018) Today we release a new report on McDonald's tax practices, focusing on the company's use of tax avoidance mechanisms in Europe and low-tax and secrecy jurisdictions around the world. It shows how in the midst of a tax probe and the day after the Brexit, McDonald's changed its tax structure.

In February 2015, our coalition of European and American trade unions unveiled a report about McDonald's deliberate avoidance of over €1 billion in corporate taxes in Europe (from 2009 to 2013).

Three years later, this update shows that McDonald's has significantly changed its corporate structure after the European Commission started investigating its tax dealings with Luxembourg and is less transparent on tax and more reliant on well-known tax-havens.

The [Unhappy Meal report](#) outlined in detail the tax avoidance strategy adopted by McDonald's and its tax impact both throughout Europe and in major markets like France, Italy, Spain and the UK.

The [new report 'Unhappier Meal'](#) (attached) is co-authored by EPSU, EFFAT, and SEIU– the coalition of European and American trade unions, representing 15 million workers in different sectors of the economy across almost 40 countries.

Since the European Commission launched its state aid probe, McDonald's has moved from Luxembourg to Delaware in the USA using a myriad of intermediate companies in Singapore, Hong Kong and the UK while making use of companies in the Cayman Islands, Bermuda and Guernsey.

The new corporate structure is so untransparent that the new tax base is currently unknown. It does not allow for public scrutiny of the companies' accounts, including taxes owed and paid.

Jan Willem Goudriaan, EPSU General Secretary says that *“McDonald's recent move shows why we need strong global public country-by-country reporting. The European Council must take up its responsibility and protect our communities from corporate tax dodging. We call on the Commission to continue and deepen its investigation of the company and on national tax authorities to conduct joint audits.”* He adds *“The European Union cannot let companies like McDonald's act with total impunity; the EU's credibility is at stake.”*



Harald Wiedenhofer, EFFAT General Secretary, states: *“This report adds insult to injury, after the successful McStrike actions in the UK, demanding a pay rise to £10 per hour, an end to zero-hour contracts and trade union rights and recognition, and several investigations at national and European level concerning workers’ rights. McDonald’s has to pay its fair share of taxes, and needs to guarantee decent working conditions, fair wages and proper information and consultation rights to all its workers, otherwise the credibility of Social Europe is jeopardised.”*

SEIU Executive Vice President Rocio Sáenz said: *“It’s clear that McDonald’s will do whatever it takes to hide its abusive tax practices from public scrutiny. McDonald’s tax avoidance is just one example of how the company inflates its profits at the expense of everyone else, including workers, consumers and taxpayers. We urge the European Commission to vigilantly investigate McDonald’s continued tax avoidance and hold the company accountable for the damage done by its misconduct.”*

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**About EPSU:**

EPSU is the European Federation of Public Service Unions. It is the largest federation of the ETUC and comprises 8 million public service workers from over 265 trade unions; EPSU organises workers in the energy, water and waste sectors, health and social services and local, regional and central government, in all European countries including the EU’s Eastern Neighbourhood. EPSU is the recognized regional organization of Public Services International (PSI).

**About EFFAT:**

EFFAT is the European Federation of Trade Unions in the Food, Agriculture and Tourism sectors. As a European Trade Union Federation representing 120 national trade unions from 35 European countries, EFFAT defends the interests of more than 2.6 million members towards the European Institutions, European employers’ associations and transnational companies. EFFAT is a member of the ETUC and the European regional organization of the IUF.

**About SEIU:**

The Service Employees International Union (SEIU) unites 2 million diverse members in the United States, Canada and Puerto Rico. SEIU members working in the healthcare industry, public sector and in property services believe in the power of joining together on the job to win higher wages, benefits and create better communities, while fighting for a more just society and an economy that works for all of us, not just corporations and the wealthy.