

# French tax police raid Google's Paris offices

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French investigators swarmed Google's Paris offices on Tuesday as part of a tax fraud investigation, with the US Internet giant saying it is "cooperating fully" with the probe.

Prosecutors said police, tax officials and 25 computer experts took part in the raid.

"These searches are part of a preliminary investigation opened in June 16, 2015, into aggravated tax fraud and conspiracy to conceal (it), following a complaint by the French tax administration," the national financial prosecution service (PNF) said in a statement.

A Google spokeswoman told AFP: "We respect French legislation and are fully cooperating with the authorities to answer their questions."

French authorities believe the Californian group owes 1.6 billion euros (\$1.7 billion) in back taxes, a source close to the matter said in February.

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Its European operations are headquartered in Ireland, which has some of the lowest corporate tax rates in the region.

The PNF said the probe aimed to "check" whether Google Ireland Limited "has a stable establishment in France and whether by not declaring part of its activity carried out on French territory it has failed in its tax obligations, notably in terms of company tax and value added tax".

Google France received a "notification" of the investigation back in March 2014, which did not give any precise figures.

It has been raided by French authorities before, in June 2011, during an investigation into transfers to its Irish headquarters.

In January, Google agreed to pay £130 million (170 million euros) in back taxes to Britain following a government inquiry.



A police car leaves the Paris offices of US Internet giant Google on May 24, 2016

Italy has demanded more than 200 million euros from Google, accused of perpetrating tax fraud there for years.

## **Friendly 'tax rulings'**

Authorities in the United States and several European countries have begun cracking down on so-called "tax optimisation" practices thought to rob their coffers of billions of euros in potential revenue every year.

The European Union has also been investigating "tax rulings" by some member states that benefit multi-nationals.

Brussels is probing online retailer Amazon's tax arrangements in Luxembourg, one of a series of such probes targeting major global firms, including Apple, Starbucks and Fiat.

Google CEO Sundar Pichai defended the Internet giant's tax practices during a visit to Paris in February.

"We're a global company. We have to abide by tax laws everywhere, we do abide by local tax laws in every single country," he said.

"We're advocating strongly for a simpler global tax system," he added.

France has previously refused to negotiate the amount of back taxes it would request.

However, a source inside France's [tax](#) authority said in February that bargaining may still be possible.

"This does not mean that Google will ultimately pay 1.6 billion," the source told AFP. "There will be appeals, and perhaps a negotiation in the end, in particular on penalties."

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