

Transatlantic tussles: EU cases against US firms

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The EU says Apple owes Ireland 13 billion euros in back taxes

The EU's <u>decision to slap Amazon</u> with a multi-million euro tax bill and take Ireland to court for not complying with a landmark case against Apple are the latest in a string of competition cases against US firms.

Here are the main European Union competition investigations targeting the US that Silicon Valley and Washington have slammed as unfair.



Google

In June, the EU hit Google with a record fine of 2.4 billion euros (\$2.7 billion) for skewing search results in favour of its own shopping service.

This is only one of three concurrent investigations into the US web giant, which controls about 90 percent of the search market in Europe.

In April 2016, the commission also opened a probe into whether Google gives unfair prominence to its own Android apps such as search, maps and music streaming in deals with mobile manufacturers that include Samsung and Huawei.

Then in July last year, Brussels targeted Google's advertising business, saying it had restricted some websites from displaying ads from competitors.

In all the cases, Google risks a fine of 10 percent of worldwide global sales for one year.

Apple

Brussels came down hard last year on the world's most valuable company, Apple, ordering it to repay Ireland a record 13 billion euros (\$14.3 billion) in back taxes.

The August 2016 ruling found that Apple had benefited from a series of Irish sweetheart tax deals that were illegal.

The US Treasury Department roundly rejected the reasoning of the commission's decision, and Apple and the government of Ireland both filed appeals.



In the wake of the LuxLeaks tax scandal the EU launched further inquiries into the practice of countries offering extremely low corporation tax rates in an effort to attract multinationals.

Amazon

Brussels on Wednesday ordered Amazon to pay 250 million euros in back taxes linked to an "illegal tax break" that Luxembourg granted the internet shopping giant.

The case hinges on the belief that a tax deal between Luxembourg and Amazon in 2003 constituted illegal state aid, giving the company an unfair advantage over competitors.

Starbucks

In October 2015 the EU ordered US coffee maker Starbucks to repay the Netherlands 30 million euros in back taxes.

McDonald's

The EU launched a formal investigation in December 2015 into tax deals between US fast food giant McDonald's and Luxembourg, saying its preliminary assessment was that the arrangements breached state aid rules.

The case against McDonald's stemmed from a complaint by trade unions and the charity War on Want that accused McDonald's of avoiding around one billion euros (\$1.1 billion) in taxes between 2009 and 2013, by shifting profits from one corporate division to another, and paying no local tax in Luxembourg.



Microsoft

In a historic case in March 2013, the European Commission fined US giant Microsoft 561 million euros (\$638 million) for failing to comply with an order to provide clients with a choice of internet browsers for Windows 7, as it had promised to do.

It also fined the company 899 million euros in 2008, subsequently reduced to 860 million euros, for failing to comply with an order to share product information with rivals so that their software could work with Windows.

Facebook

The EU in May fined US social media giant Facebook 110 million euros (\$120 million) for providing incorrect and misleading information on its takeover of WhatsApp, imposing its biggest penalty for such a breach.

The admonishment came after EU regulators cleared the then \$19 billion Facebook acquisition of WhatsApp in late 2014, a decision that faced criticism in Europe.

Intel

Intel, the world's biggest chipmaker, was fined a record 1.06 billion euros in May 2009. The EU says it abused its stranglehold on the semiconductor market to crush its main rival, AMD.

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