

EU tech regulation**EU competition commissioner looking again at Apple tax structure**

Margrethe Vestager criticises technology companies for undermining democracy



Margrethe Vestager: 'The motives that are breaching competition law are as old as Adam and Eve. It's about greed. Fear. And when you combine that with power you get a very poisonous cocktail.' © Bloomberg

NOVEMBER 7, 2017 Aliya Ram in Lisbon and Rochelle Toplensky in Brussels

Margrethe Vestager has announced she is taking another look at Apple's tax affairs after hitting out at technology companies for undermining democracy and allowing "fear" and "greed" to drive anti-competitive behaviour.

The European competition commissioner said she had raised questions about Apple's tax structure before new details were revealed about its affairs in the [Paradise Papers](#) leak.

"I have been asking for an update on the arrangement made by Apple, the recent way they have been organised, in order to get the feeling whether or not this is in accordance with our European rules," she said.

Ms Vestager ruled in summer 2016 that Ireland had granted Apple a sweetheart tax deal that was illegal under Europe's rules to limit state aid, and ordered Dublin to [collect €13bn in back taxes](#). The company and Ireland deny the charges and have appealed against the decision.

Beyond tax cases, Brussels has also [fined Google](#) for allegedly abusing its dominance in search; [Facebook for providing misleading information](#) in its acquisition of messaging service WhatsApp; and [Amazon over its ebooks](#) practices.

Speaking at the Web Summit technology conference in Lisbon, Ms Vestager said that Europe was "different" from the US in recognising the limitations of free markets.

"We want free markets but we understand the paradox of free markets which is that sometimes we have to intervene. We have to believe that it's not the law of the jungle but the law of democracy that works," she said.

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Margrethe Vestager

Last month, the European Commission's competition watchdog ordered Amazon to pay €250m in back taxes in Luxembourg for benefiting from illegal state aid. Amazon and Luxembourg have long denied any wrongdoing and could appeal against the ruling.

Technology companies have come under increased scrutiny for their tax arrangements in recent years as the public mood shifts against businesses that use complex accounting or special deals with governments to minimise their tax bills.

Ebay and Netflix, two US technology groups with millions of British customers, collectively [paid less than £1.9m in UK tax](#) last year, according to recently filed accounts.

Nonetheless, Ms Vestager has attempted to distance herself from accusations of anti-American bias following last year's Apple ruling.

That decision, and a separate case against Google for abusing its market dominance, have both come under criticism from US politicians and technology companies. Google is appealing against a €2.42bn fine, which was ordered in June.

On Monday, however, Ms Vestager criticised the US for not going further to regulate big technology companies. "I never feel more European than when I am in the States," she said. "Because we are different."

This article has been amended to reflect the fact that Brussels has brought a market dominance case against Google only.

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