

GOOGLE'S COVERT TAX EVASION SCHEME BUSTED

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GOOGLE'S COVERT TAX EVASION SCHEME BUSTED

Google accounts show 11 billion euros moved via low tax 'Dutch sandwich' in 2014

AMSTERDAM/LONDON | By [Toby Sterling](#) and [Tom Bergin](#)

Google's new Canadian engineering headquarters in Kitchener-Waterloo, Ontario January 14, 2016.
Reuters/Peter Power

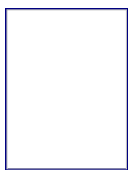
Google moved 10.7 billion euros (\$12 billion) through the Netherlands to Bermuda in 2014, as part of a structure which allows it to earn most of its foreign income tax free. Accounts for Google Netherlands Holdings BV published on Thursday show the unit transferred almost all its revenue, mainly royalties from an Irish affiliate through which most non-U.S. revenue is channeled, to a Bermuda-based, Irish-registered affiliate called Google Ireland Holdings. The tax strategy is known to accountants as the "double Irish, Dutch Sandwich". It allows Google, now part of holding company Alphabet Inc, to avoid triggering U.S. income taxes or European withholding taxes on the funds, which represent the bulk of the group's overseas profits. A Google spokesman said the company follows the tax rules in all the countries where it operates. The decade-old arrangement allowed Alphabet to enjoy an effective tax rate of just 6 percent on its non-U.S. profits last year, around a quarter the average tax rate in its overseas markets. Bermuda charges companies no income tax. Corporate tax avoidance has risen to the top of the political agenda in Europe in recent years and Google in particular has been under pressure for the low tax it pays on profits generated from sales in the continent. Last week Google was called to testify to a UK parliamentary committee about a 130 million pounds (\$186 million) back tax bill, agreed with the British tax authority in January, that the Opposition Labour party described as "derisive". The deal brought Google's total British tax bill for 2005 to 2015 to around 200 million pounds, whereas its UK revenue amounted to 24 billion pounds. Google Netherlands Holdings NV, which has no employees, had a Dutch tax bill of just 2.8 million euros, its accounts showed.

(Reporting by Toby Sterling in Amsterdam and Tom Bergin in London; Editing by David Holmes)

As Solyndra taught us: when you might be about to go to jail BUY PROPERTY.

Google unit stakes biotech claim with lease of entire Onyx campus in order to create defensible asset for when Eric Schmidt and Larry Page are arrested

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[Ron Leuty](#) Reporter *San Francisco Business Times*

Google's life sciences business is about to get a new space in the heart of the biotech industry for as many as 1,000 employees.

Verily Life Sciences plans to lease the entire 400,000-square-foot home of the former [Onyx Pharmaceuticals Inc.](#), according to people familiar with the deal. The transaction isn't finalized but could be by the end of the week, according to a source, with Verily moving aggressively to start shifting the first of 400 employees from Mountain View by the end of the year.

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The three buildings on the South San Francisco campus of the former Onyx Pharmaceuticals... [more](#)

Ron Leuty

The deal is important for a couple of reasons beyond the potential job numbers. Verily's move 30 miles north to one of the global biotech industry's hubs from the headquarters of [Alphabet Inc.](#) (NASDAQ: GOOG) — the holding company for search engine-technology company Google — would help it emerge from Google's shadow. Secondly, the deal takes a high-profile chunk of space off the market at a time when Bay Area biotech real estate is tight and comes at a premium.

What's more, the deal helps [Amgen Inc.](#) (NASDAQ: AMGN) achieve its promise to shareholders to shed unneeded property. The biotech giant last year shut down the Onyx site at 249-279 E. Grand Ave. after its 2013 acquisition of the cancer drug developer for \$9.7 billion and is in the process of subleasing nearly 700,000 square feet of excess South San Francisco space.

The uptake of the biotech space shuffle is that Genentech Inc. remains the 800-pound gorilla of the Bay Area biotech scene but, as one source familiar with the Verily deal said, the former Google Life Sciences now is the 400-pound version and growing.

Verily didn't respond to a request to comment for this story, but a source said the deal is a sublease with Amgen, not a direct lease with landlord [Alexandria Real Estate Equities Inc.](#) (NYSE: ARE).

The deal also apparently includes land that Onyx in 2012 or 2013 purchased for future expansion.

Verily — the word means "truly" or "certainly" — is a big company of big people doing big things. Its collection of life sciences projects, acquired or in development under the Google/Alphabet banner, range from research into cancer and neurodegenerative diseases to a shake-controlling spoon for Parkinson's disease patients and a glucose-sensing contact lens for diabetes. It also is working on a project, called Baseline, designed to no less than determine the model for a healthy human being.

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[Double Irish arrangement - Wikipedia, the free encyclopedia](#)

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The double Irish arrangement is a tax avoidance strategy that some multinational ... This part of the scheme is referred to as the "Dutch sandwich". ... However, companies such as Google, Oracle and FedEx are declaring fewer of their ongoing ...
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Revenue Recognition, including Electronic Commerce Issues Dealt With by the Emerging Issues Task Force (EITF) Bob Jensen at Trinity University
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[Google Tax Avoidance - Huffington Post](#)

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Google's chairman says he is "proud" of the way his company avoids paying taxes. "It's called capitalism," ... Google Under Fire Over UK Tax Avoidance Scheme.
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12 Dec 2012 ... Google's Chairman Eric Schmidt said £2.5 billion tax avoidance 'is called ... But Mr Schmidt said such schemes were legitimate and the ...
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[Apple faces 'billions of euros' costs in tax avoidance ...](#)

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23 Jan 2016 ... Google is to pay £130m to settle a tax dispute with the British Government ... account of multinational tax avoidance schemes for The Register.
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The Organisation for Economic Co-operation and Development (OECD) identifies three key factors in considering whether a jurisdiction is a tax haven: [16]
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[Google's Schmidt 'very proud' of tax avoidance scheme | ZDNet](#)

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13 Dec 2012 ... Google chairman Eric Schmidt has said he is proud of the company's tax structure, which has been heavily criticised by lawmakers around the ...
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[Google boss Eric Schmidt says he is 'proud' of the company's multi ...](#)

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