

How it unfolded | Apple tax row



## 1980 Apple sets up base in Ireland



Steve Job's visits Cork in 1980 APPLE

With the Irish government keen to boost employment back in 1980, it offered Apple a deal to operate basically tax-free if it set up its European headquarters on the island. Apple announced that it would invest £7m in Ireland and create 700 jobs.

From 1981, because of Ireland's recent membership of the European Economic Community, the country had to accept taxes from new companies arriving. But it continued to offer Apple a deal.

## 1991 First 'sweetheart deal' between Apple and Ireland

The first of two alleged "sweetheart deals" between Apple and the Irish government meant the company would only be taxed on a certain bracket of its earnings.

The deal was the first that allegedly gave Apple a competitive advantage over its rivals, declared illegal under European Union guidelines.

## 2007 Apple strikes a second deal with Ireland

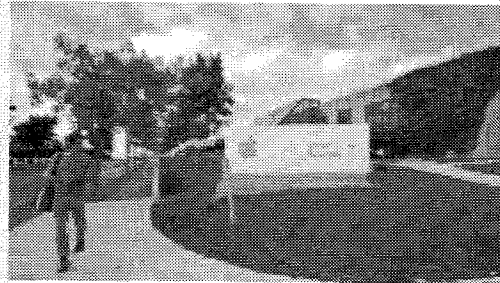
The deal was renewed with a similar tax ruling created in 2007, the same year that the iPhone was first released. This

**2013**  
**Tim Cook defends Apple tax to Senate**



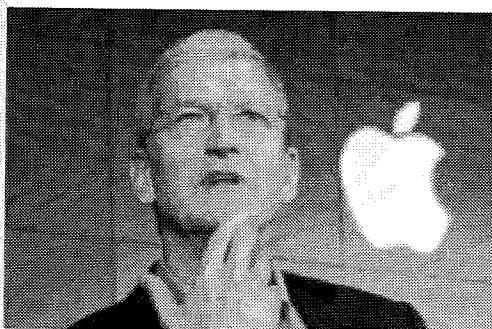
"sweetheart deal" stayed in place until 2015 when Apple Sales International and Apple Operations Europe were restructured.

**2014**  
**European Commission announces preliminary view that deals amount to 'illegal state aid'**



Apple's Ireland campus *AFP*

**13 August 2016**  
**Cook says Apple will appeal any 'unfair' ruling**



In an interview with the Washington Post, Cook said he would launch an appeal against the Commission's decision if he deemed it to be unfair. He also said that the company hadn't received a "special deal" and that it wasn't "unique for Apple".

"It was their law," said Cook.

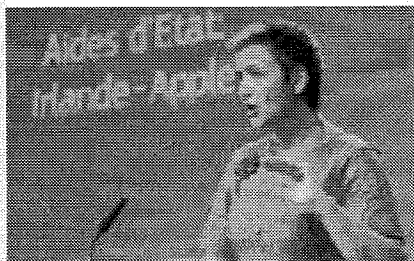
**2015**  
**EC finds Starbucks tax deal in the Netherlands illegal**



*ALAMY*

In a similar case, the EC found a deal between Starbucks and the government of the Netherlands amounted to illegal state aid. The ruling was the first in a series of investigations into tax avoidance that included Apple in Ireland and Amazon in Luxembourg. Starbucks is appealing against the ruling.

30 August  
Commission orders Apple to pay €13bn for 11 years of unpaid taxes



Commissioner Margrethe Vestager

The Commission ruled that Apple's tax deal with Ireland did amount to illegal state aid and said the company would have to pay up to €13bn for the years that it has paid as little as 0.005 per cent on its European profits.

Commissioner Margrethe Vestager said: "Member states cannot give unfair tax benefits to selected companies, no matter if they are European or foreign, large or small, part of a group or not."

"This is not a penalty, this is unpaid taxes to be paid."

24 August  
US treasury issues scathing report about the Commission

In an attempt to dissuade the EC from hitting Apple with an unpaid tax bill that could add up to billions of euros, the US Treasury department warned the EC was becoming a "supranational tax authority".

The US government has complained that the EC is singling out American companies in its war against tax deals.

from The Independent.co.uk website

### Vocabulary

*deal*= accord

*allegedly*=supposedly

*avoidance* = évitement

*to deem*=to judge

*scathing*=cinglant/ très critique

*earnings bracket*= tranche de revenus

*guidelines*= directives

*to appeal* = faire appel

*unfair*=injuste

*to single out*= repérer/distinguer