

Facebook to close Irish units at center of tax dispute

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Facebook said its Irish subsidiary at the heart of a dispute on shifting profits to avoid taxes has been closed, with the assets brought back to the California giant

Facebook confirmed Wednesday it was closing its Irish subsidiaries at the center of a dispute on profit shifting to avoid taxes in the United States.

The California tech giant acknowledged the winding down of Facebook Ireland Holdings Unlimited Company amid a dispute with US tax authorities, which claimed the company owed billions in taxes by improperly shifting profits offshore.

A Facebook spokesperson said the move was "part of a change that best aligns with our operating structure" and that the holdings of the three subsidiaries were "distributed to its US parent company."

The closing was previously reported by the Times of London and other media.

Facebook has disputed the claims from US tax authorities seeking some \$9 billion for allegedly

undervaluing intellectual property assets used by the social network.

But it noted that these assets were repatriated in July in a move which "best aligns corporate structure with where we expect to have most of our activities and people."

Facebook says it has paid more than \$11 billion globally in income tax over the past three years and that its effective tax rate over the last five years exceeds 20 percent.

The news comes amid stalled negotiations on a new global tax treaty which would allocate profits of multinational firms including tech giants and efforts by some countries to unilaterally impose digital taxes based on revenues.

In November, some 75 major tech players, including Google and Facebook, backed a French initiative committing them to making a "fair tax contribution" in countries where they operate.

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