

Majorca Daily Bulletin

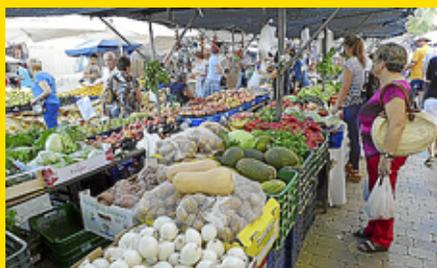
Saturday, March 15 2014

1€ · Founded 1962 · N.15264 · Passeig de Mallorca 9 A, Palma 07011



HOME ● PAGES 4 AND 5

SAINT PATRICK'S DAY SPECIAL



PLUS ● PAGES 15 TO 17

YOUR WEEKLY NORTHERN SPOTLIGHT



Spain tax proposal calls for company rate cuts, VAT hike

● Spain must cut individual and business tax rates and increase levies on consumer items from alcohol to fuel to repair one of Europe's lowest tax takes, according to proposals the government took in hand yesterday.

The government will use the recommendations from a group of experts to create a tax reform bill that will go to Parliament by June, Deputy Prime Minister Soraya Saenz de Santamaria said at the government's weekly news conference.

The law will come into effect in 2015, an election year, and 2016. The reform aims to widen the tax base to make the most of an economic turnaround, rather than directly increase the country's tax revenue, which fell to 36.4 percent of economic output in 2012. "Where there's been a cut in one tax, there's been an increase in another to collect the same. If we're able to create a more efficient system, it'll help economic recovery," one of the

members of the committee, who asked to remain anonymous, said.

Spain's tax take, over-reliant on revenue from a property boom which turned to bust in 2008, has fallen almost 50 billion euros in the last six years and is plagued by complicated loopholes, exemptions and a massive black economy.

Commissioned by the Treasury Ministry last year, the proposal calls for cuts to income taxes and reduction of the corporate tax rate from 30 percent to, first 25 percent, then 20 percent.

The rate cut would be accompanied by the removal of numerous tax breaks which have permitted most large companies to pay an effective rate of less than 5 percent. Meanwhile, the report includes a call for some products and services to be moved out of the reduced value-added tax (VAT) brackets of 4 percent and 10 percent and put into the standard 21 percent category.

Spain, Morocco, arrest seven in jihadist cell bust

WORLD. Spanish and Moroccan security forces have broken up a major jihadist network suspected of sending fighters to Syria and other conflict zones, the two countries said yesterday.

"It has been a very big operation that has dismantled an international cell, without doubt the biggest and most active in Spain and one of the biggest and most active currently in Europe," Spain's Interior Minister Jorge Fernandez Diaz told a news conference.

Security forces arrested four of the suspects in Spain, including the head of the network, and another three in Morocco, in what his ministry called a "hard blow" against extremist killers and kidnapers.

Security forces seized the suspected leader of the ring, Mustafa Maya Amaya, a Belgian naturalised in Spain, as well as two French suspects he is thought to have recruited to send to Syria, the interior ministry said in a statement.

Amaya is suspected of recruiting volunteers on the Internet and sending them to join "terrorist organisations" in countries including Syria and Mali, it said. "Their ultimate aim was

to join as leaders or active participants in attacks and public executions or to die in terrorist operations committed in these conflict zones."

It said one of the main groups involved was the Islamic State of Iraq and the Levant (ISIL), a jihadist faction in Syria with roots in Al-Qaeda's Iraqi affiliate.

The other main ones were Al-Qaeda in the Islamic Maghreb (AQIM) -- the network's North African offshoot -- and the Al-Nusra Front, a branch of the network allied to rebels fighting against Syrian President Bashar al-Assad's regime.

Of the suspects arrested in Spain, one was caught in the southern city of Malaga and the other three in Melilla, one of two Spanish-governed cities on the northern Morocco coast, the ministry said.

Morocco's interior ministry said separately that three of the seven suspects were arrested in the Moroccan town of Laroui, just south of Melilla.

The cell was suspected of sending volunteer fighters to Mali, Syria and Libya, it said in a statement.

Morocco was threatened with attacks last year in a video message by AQIM.