



## Press release

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### **The Foundation for Family Businesses: more respect for economic freedom**

The Foundation for Family Businesses has called on Germany's federal coalition government to pay greater heed to key principles of the country's social market economy. "The government is neglecting economic freedom," said Prof. Brun-Hagen Hennerkes, Chairman of the Executive Board of the Foundation for Family Businesses. Speaking at the German Family-Business Day in Berlin, he added: "Citizens' rights as economic entities continue to be pared back and they are increasingly being treated with blanket suspicion." He cited two examples of this, namely the decision to withdraw the 500-euro note from circulation and calls from Germany's Social Democrats (SPD) for the rich to provide evidence of how they came by their wealth.

As part of the OECD process to prevent tax avoidance and the shifting of corporate profits between tax jurisdictions, large enterprises are to be obliged to provide a country-by-country breakdown of their international value-chain data. Hennerkes insisted that only tax authorities should be granted access to such data. Family businesses, he emphasised, ought to reject any move to publish these country reports on the Internet – something both the European Commission and Germany's Federal Minister of Justice Heiko Maas (SPD) had called for. Otherwise, he said, their international competitors would gain access to this sensitive data. Hennerkes criticised that the new regulations would effectively result in a form of joint liability for Germany's large family businesses, although it was predominantly the activities of large US enterprises such as Google and Amazon that had been the trigger for these regulations.

The German Family-Business Day, which was held from 9 to 11 June in Berlin, was attended by some 400 shareholders of large family enterprises employing a total of 750,000 people – or an average of 4,330 per company. Over 90 percent of all companies in Germany are family-owned. Federal Chancellor Angela Merkel, Federal Minister for Foreign Affairs Frank-Walter Steinmeier, former Federal Constitutional Court judge Prof. Udo Di Fabio and publisher Prof. Hubert Burda were guest speakers at the event.

#### **For more information:**

Hartmut Kistenfeger  
Head of Communications and Programs

Stiftung Familienunternehmen  
Prinzregentenstraße 50  
D-80538 Munich

Tel.: +49 (0) 89 / 12 76 400 06

Fax: +49 (0) 89 / 12 76 400 09

kistenfeger@familienunternehmen.de  
www.familienunternehmen.de