



Subject: Defending real public country by country reporting in triologue negotiations.

Dear Ms Regner and Mr Garcia del Blanco,

(Cc: Ms Tinagli, Mr Vázquez Lázara, Ms Pietikäinen, Mr Pospíšil, Mr Séjourné, Ms Laporte, Mr Urtasun, Ms Hautala, Mr Stancanelli, Ms Aubry,)

We, the undersigned civil society organisations and trade unions, are writing to you regarding the triologue negotiations on public country by country reporting (CBCR), to express our support for your defence of meaningful transparency and to urge you to stand firm.

The socio-economic crisis caused by the Covid-19 pandemic has made the fight against large-scale corporate tax avoidance even more vital and urgent. Effective measures to combat this problem, which costs our societies billions of Euros in lost tax income every year, are an essential step on the road to a sustainable recovery. Public CBCR can be a strong tool against corporate tax avoidance, but only if corporations are obliged to disclose information on a country-by-country basis for *all* countries of operation. Any limitations to the geographic scope and disaggregation of reporting fundamentally undermines the objective and effectiveness of this important corporate transparency proposal.

We have welcomed and supported the European Parliament’s position in favour of rules that oblige large multinationals to report on activities in all countries of operation and **we urge you to persist in demanding full public CBCR in triologue negotiations**. We will continue to support the fight for meaningful public CBCR and **we call on you to maintain the Parliament’s position on disaggregation and insist on a Directive that requires disclosure for all countries of operation on a country by country basis**. This element of negotiations will decide if the EU delivers real and effective transparency, or a Directive that is public country by country reporting by name but not in practice.

Therefore, we have raised strong concerns about the proposal put forward by the European Commission and supported by the Council of EU Member States, that would limit companies’ disclosure to activities in the EU and non-cooperative jurisdictions. Such limited reporting would fail to deliver transparency and would provide an incomplete picture of large multinational corporations’ practices, as well as entirely undermining the value of the public CBCR data. This limited approach could provide a perverse incentive for large multinationals to restructure

some activities outside the EU to avoid reporting obligations, whereas full public CBCR will concretely contribute towards a fairer playing field for small and medium enterprises. Full public CBCR would also ensure that developing countries can access CBCR data that includes information about large multinationals' activities in their countries, addressing the unequal access to information secret CBCR data they face through the exchange of information systemsⁱ.

Full public CBCR is gaining ground and support, and has already proven to be successful. Last year, the world's largest voluntary sustainability reporting body, the Global Reporting Initiative (GRI), adopted a new standard introducing public CBCR for all reporting companiesⁱⁱ. Investors with trillions of euros of assets called on the OECD to align its own standard with the technically superior GRI standard, confirming the importance of this data for wider stakeholders.ⁱⁱⁱ At the same time, the EU's own positive experiences from the existing mandatory public CBCR requirements for the banking sector^{iv} have demonstrated the beneficial effects and allayed concerns about the impact of this important transparency measure.

The EU has previously played an important leadership role in corporate transparency, and such leadership is needed now more than ever. It is time to ensure that multinational corporations report on a country by country basis for all countries where they operate, and that loopholes which allow corporations to delay or avoid reporting are not introduced into the proposal.

Yours sincerely,

11.11.11

ACLVB-CGSLB

ActionAid

ActionAid Ireland

ActionAid Netherlands

APIT Portugal

Asian People's Movement on Debt and Development (APMDD)

Attac Austria

Attac Finland

Attac France

Both ENDS

Broederlijk Delen

Canadiens our une fiscalité equitable / Canadians for Tax Fairness

CCFD-Terre Solidaire

CNCD-11.11.11

Centre for Budget and Accountability, India (CBGA)

Centre for International Corporate Tax Accountability and Research (CICTAR)

Central Organisation of Finnish Trade Unions SAK

CGSP AMiO

Changemaker Finland

Christian Aid

Church Action for Tax Justice

Corporate Accountability Network

CRASH – Coalition for Research and Action for Social Justice and Human Dignity, Finland

DemNet Hungary

Diakonia

Eettisen kaupan puolesta ry - Pro Ethical Trade Finland

Ekvilib Institute

Eurodad (European Network on Debt and Development)

European Federation of Public Service Unions (EPSU)

European Trade Union Confederation / Confédération Européenne des Syndicats

Fair Tax Finland

Fair Tax Foundation

Fairtrade Finland
Feminist Legal Studies Queen's University Canada
Financial Transparency Coalition
Finnish Development NGOs – Fingo
Finnwatch
Focus, društvo za sonaraven razvoj / Focus Association for Sustainable Development
FOCSIV Italian Federation Christian international volunteere service
Foi et Justice Afrique Europe
Forum for Equitable Development / Forum za enakopraven razvoj, društvo
Forum Gauche Ecologie
Fundación SES
Global Policy Forum
Ihmisoikeusliitto – Finnish League for Human Rights
International Solidarity Foundation
KIOS Foundation
KOO - Co-ordination office of the Austrian Bishops' Conference
LATINDADD (Red Latinoamericana por Justicia Económica y Social)
Latvian Platform for Development Cooperation (LAPAS)
Mellemfolkeligt Samvirke ActionAid Denmark
Netzwerk Steuergerechtigkeit Deutschland
One Campaign
Oxfam Belgique
Oxfam France
Oxfam IBIS
Oxfam Intermón
Oxfam International
Oxfam Ireland
Oxfam Italia
Oxfam Novib
Oxfam Sweden
Plateforme Paradis Fiscaux et Judiciaires
Public Services International
Red de Justicia Fiscal de América Latina y el Caribe (RJFALC)
Réseau pour la Justice Fiscale
Sherpa
Tax Justice Europe
Tax Justice Netherlands
Tax Justice Network Africa
Tax Justice Network
Tax Reconciliations – Oxford, UK
Transparency International Deutschland
Transparency International France
Transparency International EU
Transparency International Slovenia
Zavod za pravično trgovino, 3MUHE
Vienna Institute for International Dialogue and Cooperation
WIDE - Network for Women's Rights and Feminist Perspectives in Development

ⁱ A summary of civil society concerns about non-public country by country reporting can be found in [this submission](#) to the OECD BEPS Action.

ⁱⁱ Global Reporting Initiative, Backing for GRI's Tax Standard, December 2019, <https://www.globalreporting.org/about-gri/news-center/backing-for-gri-s-tax-standard/>

ⁱⁱⁱ [iii] Tax Justice Network, 'Investors demand OECD tax transparency', March 2020, <https://www.taxjustice.net/2020/03/19/investors-demand-oecd-tax-transparency/>.

^{iv} Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (CRD IV), Article 89.