

Haven Indicator 10: Country by country reporting

What is measured?

This indicator measures whether the companies listed on the stock exchanges or incorporated in a given jurisdiction are required to publish publicly worldwide financial reporting data on a country by country reporting basis.¹

A zero haven score can be achieved when public [country by country reporting](#)² (CBCR) is required by all companies (which is not yet the case in any jurisdiction). If a jurisdiction requires no public country by country reporting for any corporation in any sector, the haven score is 100. A slight reduction of 10 is available for jurisdictions requiring some narrow, one-off public country by country reporting for corporations active in the extractive industries. Partial reductions of the haven score can be achieved by requiring some annual public country by country reporting for corporations active in the extractive industries or banking sector, or both (a reduction of 25 for each sector). For an overview of all data fields included in various country by country reporting standards, please refer to Annex 1 below.

The scoring matrix is shown in table 10.1, with full details of the assessment logic presented in table 10.3 below.

In principle, any jurisdiction could require all companies incorporated and operating under its laws (including subsidiaries, branches and holding companies) to publish financial information in their accounts on their corporate group's global activity on a country by country basis. Appropriate reporting requirements can be implemented either through regulations issued by the stock exchange or by a legal or regulatory provision enacted by the competent regulatory or legislative body.

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Table 10.1: Scoring Matrix Haven Indicator 10

Regulation	Haven Score [100 = maximum risk; 0 = minimum risk]
No reporting No public country by country reporting required for any corporations in any sector.	100
One-off reporting Some one-off public country by country reporting required for corporations active in the extractive industries (Extractive Industries Transparency Initiative equivalent, at least for those listed).	-10
Some annual reporting Some annual public country by country reporting required for corporations active in the extractive industries or banking.	-25 (for each sector covered)
Full reporting Full annual public country by country reporting required for corporations of all sectors (at least for those listed or for all above €750m turnover).	0

The key difference between the kind of country by country reporting monitored in this indicator and Action 13³ of the Organisation for Economic Co-operation and Development (OECD) Base Erosion and Profit Shifting (BEPS) Action Plan, which introduced filing of country by country reports of large multinational companies, is that the latter does not require this information to be made public. Instead, information is only disclosed to the tax authorities in the headquarter jurisdiction of a multinational company. Tax authorities in jurisdictions where the company has subsidiaries can request information through a series of different mechanisms. This limited access has been shown to exacerbate global inequalities in taxing rights.⁴ This is discussed in greater detail in [haven indicator 11](#).⁵

Public country by country reporting for financial institutions was introduced by European Union member states in 2014 and 2015 ([Capital Requirements Directive IV](#)).⁶ These European Union rules for banks include annual disclosure of turnover, number of employees, profit or loss before tax, tax on profit or loss, and public subsidies received. On these grounds, a haven score reduction of 25 applies to all European Union member states that have fully transposed the measures.⁷

Another set of far narrower country by country reporting rules for the extractives industries has become law in the European Union, Ukraine, Canada and Norway. These complement the voluntary, nationally-implemented [Extractive Industries Transparency Initiative \(EITI\)](#)⁸, which prescribes the annual publishing of all “material payments” to government made by companies active in the extractive sector of that particular EITI implementing country. The threshold for the materiality of payments, which companies and government must comply with for a reporting year, is determined by a national multi-stakeholder group for each reporting cycle.



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Compared to full country by country reporting and the European Directive on reporting in the banking sector, the EITI Standard (2019) is also far narrower in geographical scope because it requires disclosure of payments only in countries where the corporation actually has extractive operations and only for the countries that are part of the EITI. Payments to other country governments, for example, where holding, financing or intellectual property management subsidiaries of the same multinational group are located, are not required to be reported. This limits the data's usefulness for tackling corporate profit shifting. The standard's value for resource rich (developing) countries, however, is substantial. Yet in our assessment, it is not sufficient for a country merely to oblige or allow extractive companies operating within their territory to publish payments to this country's government agencies.

Instead, for a reduction of the haven score by 25 for country by country reporting in the extractives, a country must require either all companies incorporated in its territory or those listed on a stock exchange to disclose payments made worldwide in countries with extractive operations (including by its subsidiaries) and not merely in the same country. Among the jurisdictions assessed in the second edition of the Corporate Tax Haven Index, this is fully achieved, in only the European Union member countries and the United Kingdom.⁹

- European Union: The European Parliament and Council passed the Accounting and Transparency Directive in 2013 ([Directive 2013/34/EU](#))¹⁰, obliging mining, oil and gas, and logging companies over a defined size to report payments to government. All 27 member states have transposed this directive.¹¹
- United Kingdom: The United Kingdom transposed the two relevant EU directives before it withdrew from the European Union. Given its transition period lasts until 31 December 2021, the United Kingdom is considered still compliant in the second edition of the Corporate Tax Haven Index.
- USA: The USA's Securities Exchange Council resource extraction disclosure rule Section 13q to implement Section 1504 of the Dodd-Frank Wall Street Reform and Consumer Protection Act was affected in September 2016¹². However, the rule [was repealed](#) by Congress in February 2017, at which point no company had yet been required to make disclosures under the rule, as the deadline for compliance was for years ending on or after 30 September 2018.¹³ Section 1504 of Dodd-Frank remains intact but can only be implemented through a Securities Exchange Council rule. As a result, a reduced secrecy score remains out of reach for the USA.
- Hong Kong: An even weaker requirement applies in Hong Kong. The [requirement](#) to disclose details about "payments made to host country governments in respect of tax, royalties and other significant payments on a country by country basis"¹⁴ is only triggered either at the time of the extractive company's initial

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listing on the stock exchange or on the occasion of the company issuing fresh shares. Because one-off disclosure is better than no disclosure, but nonetheless unlikely to deter bribery or tax evasion, we only reduce Hong Kong's secrecy score by 10 per cent.

- Taiwan: Similar to Hong Kong's disclosure requirements, in July 2019, Taiwan introduced an amendment to Article 11-1 of the Taiwan Stock Exchange Corporation Rules Governing the Particulars to be Recorded in Prospectuses for Initial Securities Listing Applications. Following the amendment, Taiwan requires companies with mining rights that will start to trade shares (either on the over-the-counter market or on the stock exchange) to disclose to the public a country-by-country report in its prospectus. According to Article 11-1: "An issuer with mineral rights under the Mining Act and required by Article 22-1 of the Regulations Governing Assessment of Profit-Seeking Enterprise Income Tax on Non-Arm's-Length Transfer Pricing to submit a country-by-country report shall disclose in its prospectus that is to be submitted the country-by-country report that its enterprise group last submitted to the local tax collection authority."¹⁵
- Switzerland: On 19 June 2020 Switzerland's Parliament adopted a [revision](#) of the company law according to which Swiss extractive companies working in oil, gas and minerals are required to disclose payments they make to governments around the world. This law is aligned with rules surrounding extractives already in place in Canada, the European Union, Norway and the United Kingdom. This law applies to companies' extractive activity above CHF 100,000 a year and is enforce as of 1 January 2021.

A comparison of data included in various country by country reporting standards is provided in Annex 1.¹⁶

All underlying data can be accessed in the Corporate Tax Haven Index [database](#)¹⁷. To see the sources we are using for particular jurisdictions please consult the assessment logic in Table 10.3 and search for the corresponding info ID (ID 318) in the database report of the respective jurisdiction.

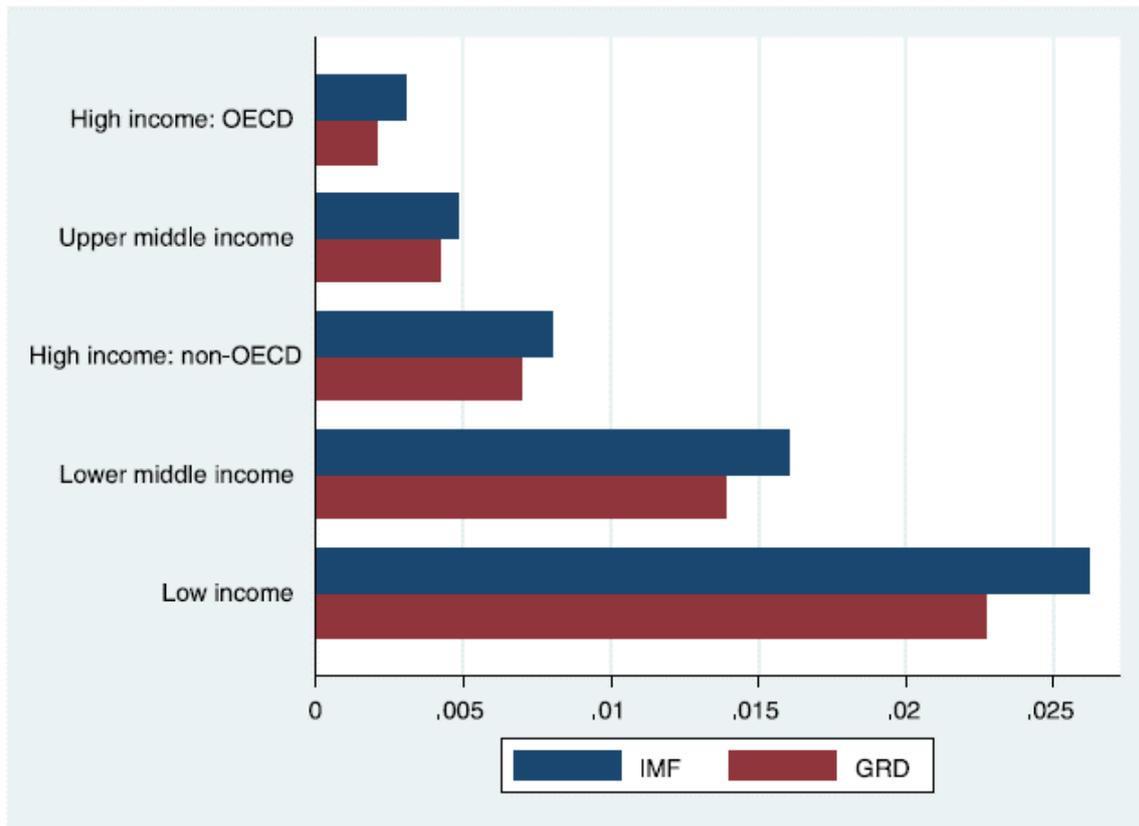
Why is this important?

Country by country reporting helps to remove the veil of secrecy from the operations of multinational companies, which is why it has faced fierce opposition.¹⁸ Current reporting requirements which are not country by country are so opaque that it is almost impossible to find even basic information, such as the countries where a corporation is operating. It is even more difficult to discover what multinational companies are doing or how much they are effectively paying in tax in any given country. This opacity helps corporations minimise their global tax rates without being

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successfully challenged anywhere.¹⁹ Large-scale shifting of profits to low tax jurisdictions and of costs to high tax countries ensues from this lack of transparency. A [re-estimation](#)²⁰ of revenue loss from tax avoidance, published on 2018, puts the annual figure at around US\$500bn. Losses have the greatest impact in terms of proportion of gross domestic product for low and lower middle-income countries, as the graph below shows.²¹

Figure 10.1: Average losses of gross domestic product per region and income²²



Note: IMF and GRD refer to the mean values of revenue loss estimates using IMF and GRD data, respectively.

Source: Authors' calculations based on data from Crivelli et al. (2016) and the GRD.

Profit shifting is largely done through transfer mispricing, internal debt financing (thin capitalisation) or reinsurance operations, or artificial relocation and licensing of intellectual property rights. These transactions take place within a multinational corporation, that is, between different parts of a group of related companies. Today's financial reporting standards allow such intra-group transactions to be consolidated with normal third-party trade in the annual financial statements. Therefore, a corporation's international tax and financing affairs are effectively hidden from view.

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Investors, trading partners, tax authorities, financial regulators, civil society organisations, and consumers would be able to make better informed decisions if information was available publicly. Civil society does not have access to reliable information about a company's tax compliance record in a given country in order to question a company's policies on tax and corporate social responsibility and to make enlightened consumer choices.²³ When the charity Oxfam [reviewed](#) data published under country by country reporting rules for banks in the European Union in 2017, the extent of the use of tax havens by the 20 biggest European banks was revealed. One in four euros of their profits was registered in tax havens (approximately €25bn) and tax havens accounted for 26 per cent of total profits. In contrast, the level of real economic activity was far lower, accounting for just 12 per cent of banks' total turnover and 7 per cent of employees.²⁴

If public country by country information were available, investors and public shareholders would be better able to evaluate if a given corporation is exposed to reputational tax risks²⁵ by relying on complex networks of subsidiaries in secrecy jurisdictions, or whether it is heavily engaged in conflict-ridden countries. Tax authorities and supreme audit institutions would be better able to make risk assessments of particular sectors or companies to guide their audit activity by comparing profit levels or tax payments to sales, assets and labour employed.

At present, even tax authorities often hardly know where to start looking for suspicious activity because corporate tax returns reveal only a [partial view of corporate activity](#).²⁶ Cases exposed in the LuxLeaks²⁷ have shown that it may not be enough for tax administrations to have access to such data, since tax administrations may enter into special and tailored tax arrangements with corporations. For example, in 2016, the European Commissioner for Competition [ruled](#) that Apple had to pay up to €13bn in taxes plus interest to Ireland after it found that two tax rulings by Irish tax authorities on the tax treatment of Apple's corporate profits constitute illegal state aid under EU law.²⁸ However, in July 2020, the European General Court ruled that Apple did not need to pay back taxes to Ireland,²⁹ a decision that the European Commission has appealed with the European Court of Justice.³⁰ The European Commission's findings on another sweetheart tax deal are similar: Amazon was required to pay about €250m in back taxes in Luxembourg on grounds the company benefited from illegal state aid.³¹ Amazon is challenging this decision in the European General Court³² (see [haven indicator 12](#) on tax rulings for further information).

Evidence suggests that routine public scrutiny of country by country reports by researchers and media would result in a tangible deterrent effect as the extent of profit shifting and potential associated political interference in tax administrations could be uncovered. In 2018, economists at the University of Cologne published their research findings

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on the impact of introducing public country by country reporting in the banking sector on tax ratios by banks. Their findings spanning 2010 to 2016 suggest that banks affected by public country by country reporting significantly increased their tax payments compared to non-affected banks. This effect was stronger for banks with tax haven operations.³³ As part of their research design, they also controlled for tax ratios of non-bank multinational companies that are comparable in size and absolute profitability to the banks. For at least one of the analysed years (2016), the non-public OECD country by country reporting regulations (see [haven indicator 11](#)³⁴) had already entered into force for many countries.³⁵ Thus, this study provides the first evidence supporting the hypothesis that public country by country reporting increases tax ratios over and above non-public reporting. This finding warrants further, more thorough research in future.³⁶

The Tax Justice Network's proposal for public [country by country reporting](#)³⁷ would ensure comprehensive information on multinational corporate activities is in the public domain for different stakeholders. This proposal goes beyond all country by country reporting rules that currently exist. It requires multinational corporations of all sectors, listed and non-listed, to disclose key information in their annual financial statements for each country in which they operate. This information would comprise its financial performance, including:

- a) Sales, split by intra-group and third party
- b) Purchases, split the same way
- c) Financing costs, split the same way
- d) Pre-tax profit
- e) Labour costs and number of employees.

In addition, the cost and net book value of its physical fixed assets, the gross and net assets, the tax charged, actual tax payments, tax liabilities and deferred tax liabilities would be published on a country by country basis. It is worth noting that small- and medium-sized enterprises that operate in only one country are required by the nature of their business activity to report information in their annual financial statements that is proposed for multinational companies. The present rules of the game therefore disadvantage smaller enterprises.

The Tax Justice Network along with partners in the movement for [Open Data in Tax Justice](#)³⁸ is working towards a [public database](#) to bring together all information disclosed under country by country reporting³⁹, ultimately to capture the full extent of profit misalignment. This database would provide an opportunity for companies to unilaterally publish their own disclosures and to resolve data consistency and quality issues in county by country reporting. Data would cover four main areas: 1) identity of a multinational group, 2) activity (scale of sales, assets, employment for each jurisdiction of operations, 3) intra-group transactions (sales, purchases, royalties and interest), and 4) key financial data (declared pre-

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tax profit or loss and tax accrued and paid). In comparison, OECD reporting rules include some significant variances: payroll costs and intragroup transactions for purchases, royalties and interest are omitted and a financial capital approximation is included instead of tangible asset investment.

In July 2020, the OECD published aggregated country by country reporting data from 26 member countries, which reveals where multinational companies are declaring profits and paying taxes. Yet aggregating the data conceals the identities of corporations and not all member states reported data or excluded reporting for major offshore financial centres. Nevertheless, the data does make it possible to produce a clearer picture of tax abuse: “The State of Tax Justice 2020 estimates direct corporate tax losses by analysing the misalignment between the location of profits and the location of productive economic activity revealed in OECD members’ published aggregated country by country reporting data”.⁴⁰ US\$1.38tn worth of profit is shifted into tax havens each year and this causes governments to lose US\$245bn a year in direct tax revenue.⁴¹ This recent release of aggregated data shows how public country by country reporting with its disaggregated, company level data would allow every country to be informed about potential abuse and make necessary changes at national and international levels to ensure a fairer tax system that works for all.

The Global Reporting Initiative (the global standard setter for sustainability reporting) has built on this proposal. In December 2019, it published a tax reporting standard (known as [GRI 207: 2019](#)) requiring full public disclosure of comprehensive country by country reporting of multinational companies that subscribe to the initiative.⁴² The first full year for reporting companies is 2021. This standard requires public disclosure of country by country reports and that these reports are reconciled with a company’s consolidated financial statements, which enhances the reliability of the data compared to the OECD’s approach that dispenses with the need for reconciliation. Yet the Global Reporting Initiative standard it is limited by it being a voluntary standard which may result in companies avoiding disclosure.

In contrast to this and our original proposal, variations that have been presented by the European Union and OECD as well as the extractives related rules are less comprehensive and often not public. Under the Base Erosion and Profit Shifting project, all OECD and G20 countries committed to implement country by country reporting for fiscal periods commencing 1 January 2016; many countries have implemented this.⁴³ This country by country reporting “requires multinational enterprises (MNEs) to report annually and for each tax jurisdiction in which they do business the amount of revenue, profit before income tax and income tax paid and accrued. It also requires MNEs to report their total employment, capital, retained earnings and tangible assets in each tax jurisdiction”

[\(Action 13: 2014 Deliverable\)](#).⁴⁴ However, these requirements do not include publication of any data and they are only applicable for multinational companies with an annual consolidated group revenue of at least €750m.⁴⁵ In addition, most developing countries, especially low income countries, are left out and existing inequalities in taxing rights are likely to be exacerbated to the detriment of low income countries. Recipients of confidential country by country reports are constrained by OECD regulations that rule out adjusting profit levels based on this data. This is discussed in greater detail in [haven indicator 11](#).⁴⁶

The European Union continues to take steps towards full public country by country reporting. In July 2017, the European Parliament adopted its draft report on public country by country reporting for multinational enterprises ([amending Directive 2013/34/EU as regards disclosure of income tax information by certain undertakings and branches](#)).⁴⁷ It was a vast improvement on the European Commission's initial legislative proposal in April 2016, but even its most recent compromise text⁴⁸ still contains significant loopholes.⁴⁹ These include a provision that allows multinational enterprises to avoid reporting so-called commercially sensitive information.⁵⁰ Further, companies required to report must meet a threshold of €750m for at least two consecutive years and would only be required to report from the second year onwards. Non-operating subsidiaries are also not required to report, which may result in the non-reporting of subsidiaries with no employees or assets but that have been set up in territories specifically for tax planning purposes.⁵¹

Importantly, the proposal made by the Commission in 2016 was already a watered down version of a much more ambitious public country by country reporting provision that had been included as an amendment to the Shareholders' Rights Directive ([Directive 2007/36/EC](#))⁵² by the European Parliament in 2015. These provisions had been voted in plenary on 8 July 2015, where 404 members of parliament voted in support with only 127 against.⁵³ However, the new incoming European Commission soon stopped this legislative proposal by issuing its own much weaker proposal in April 2016. In 2018, the German Minister of Finance made it clear that Germany would not be pushing for a more transparent system. He favoured a procedural approach to country by country reporting which gives multinational enterprises and tax havens the ability to veto⁵⁴ the reporting measures.

Consequently, the European Council failed to reach an agreement before the European elections in May 2019.⁵⁵ On 28 November 2019, the European Union Competitiveness Council missed the required qualified majority among the member states by only one vote but issued a possible general approach to amending the directive to introduce public country by country reporting.⁵⁶ Consensus among member states about the proposal is required for the Council to adopt the general approach, which would allow the commencement of trialogue negotiations between the European

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Parliament, Council and Commission as part of the legislative procedure. In December 2019, the Austrian parliament committed the Austrian government to vote for public country by country reporting at the European level. The shift in Austria's position meant that a majority in the European Union's Council was in sight.⁵⁷ In February 2021, the deadlock came to an end, and the Council was called on to adopt its position by a clear majority of ministers and to begin negotiations on legislation with the European Parliament.⁵⁸

The struggle for corporate transparency started as early as 1970 at the United Nations. Advocates of transparency have faced intense lobbying by business sectors and schemes deployed by OECD governments. These processes are analysed in detail in an article published in the United Nations Conference on Trade and Development journal *Transnational Corporations*.⁵⁹

While much narrower in scope than our proposal, the [Extractive Industries Transparency Initiative \(EITI\)](#)⁶⁰ has succeeded in raising awareness about the importance of transparency of payments made by companies to governments. If a country voluntarily commits to the initiative, it is required after a transitional period to annually publish details on the activities of extractive companies active in the country at the project level. For a reporting period, among other data collected, government entities submit records of payments received from extractive industry companies and companies submit records of payments made to government to an independent administrator, typically an audit firm. In the process of producing a report under the initiative, the independent administrator reconciles and investigates discrepancies between reported government receipts and company payments. The multi-stakeholder group, made up of government, industry and civil society, which governs the process, is "required to take steps to act upon lessons learned; to identify, investigate and address the causes of any discrepancies".⁶¹ Mismatches can be, but are not necessarily, indicative of illicit activity, such as bribery or embezzlement.

The information provided under the Extractive Industries Transparency Initiative requirements is of special interest because it may reveal for the first time in a given country information on tax payments made by companies to the respective government. It may help trigger further questions that could result in greater transparency, such as full country by country reporting. Without such information, citizens, civil society and consumers cannot make informed choices and bribe paying and transfer mispricing remains largely unchallenged. The cost is borne by the most vulnerable people in society. It is against this backdrop that public country by country reporting is included as an important indicator in the Corporate Tax Haven Index.

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Results Overview

Figure 10.2: Country by Country Reporting Overview

CZ	FI	HU	LV	RO	HK	AR	BW	GG	JE	LR	MX	SM	ZA
CY	ES	HR	LU	PT	CH	AI	BS	EC	IM	LI	MU	SG	VG
BG	EE	GR	LT	PL	SK	AE	BR	CW	GM	LB	MS	SC	US
BE	DK	GB	IT	NL	SI	AD	BM	CR	GI	KY	MO	PE	TZ
AT	DE	FR	IE	MT	SE	TW	AW	CN	GH	KE	MC	PA	TC

- 40% (28 countries): 3: Yes, partial disclosure for both extractives and banking sector.
- 1% (1 countries): 2: No, except for partial disclosure in either extractives or banking sector.
- 3% (2 countries): 1: No, except one-off EITI-style disclosure for new listed companies.
- 56% (39 countries): 0: No public country-by-country reporting at all.

Table 10.2: Country by Country Reporting – Haven Indicator Scores

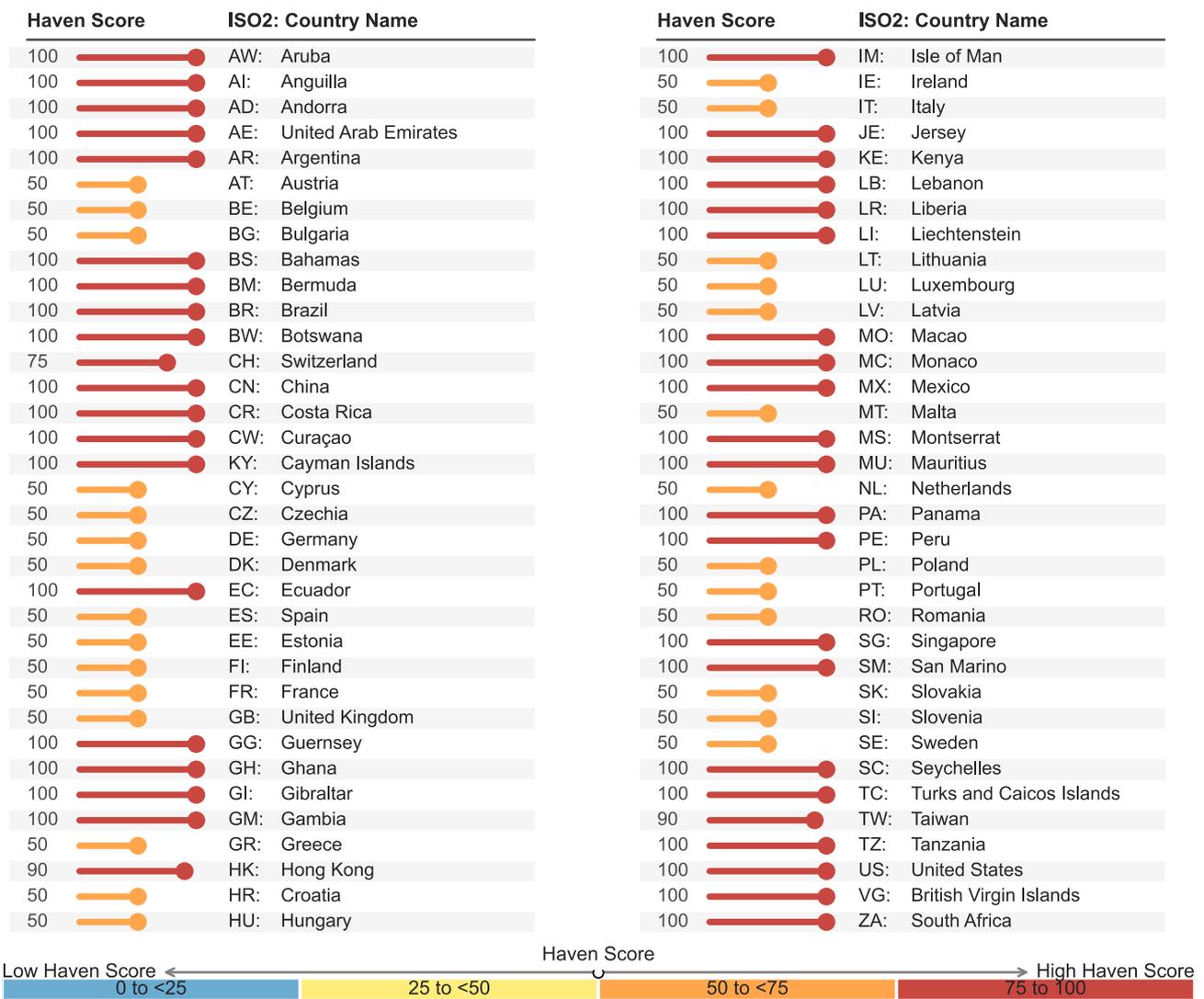


Table 10.3: Assessment Logic

Info_ID	Text_Info_ID	Answers (Codes applicable for all questions: - 2: Unknown; -3: Not Applicable)	Valuation Haven Score
318	CBCR: Are companies listed on the national stock exchange or incorporated in the jurisdiction required to comply with a worldwide country-by-country reporting standard?	0: No public country-by-country reporting at all. 1: No, except one-off EITI-style disclosure for new listed companies. 2: No, except for partial disclosure in either extractives or banking sector. 3: Yes, partial disclosure for both extractives and banking sector. 4: Yes, full public country by country reporting for all sectors.	0: 100 1: 90 2: 75 3: 50 4: 0

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Haven Indicator 10: Country by country reporting

Annex 10.1: Comparison of data fields in country by country reporting standards⁶²

	Civil Society Proposal	OECD CbCR	CRD IV	Dodd-Frank	Canada	EITI	EU
Identity	Group name	Group name	Group name	Group name	Payee name	Payee name	Group name
	Countries	Countries	Countries	Countries	Countries	Legal and institutional framework	Countries
	Nature of activities	Nature of activities	Nature of activities	Projects (as in: by contract)	Same data required by project as well as by country	Allocation of contracts and licenses	Projects (as in: by contract)
	Names of constituent companies	Names of constituent companies		Receiving body in government	Subsidiaries, if qualifying reporting entities	Exploration and production	
	Third-party sales	Third-party sales				Social and economic spending	
	Turnover	By the process of addition	Turnover				
	Number of employees FTE	Number of employees FTE	Number of employees				
	Total employee pay						
	Tangible assets	Tangible assets other than cash and cash equivalents					
Intra-group transactions	Intra-group sales	Intra-group sales					
	Intra-group purchases						
	Intra-group royalties received						
	Intra-group royalties paid						
	Intra-group interest received						
	Intra-group interest paid						
Key financials	Profit or loss before tax	Profit or loss before tax	Profit or loss before tax				
Payments to/from governments	Tax accrued	Tax accrued					
	Tax paid	Tax paid	Tax paid	Income taxes paid	Tax paid	Profits taxes	Taxes levied on the income, production or profits of companies
	Any public subsidies received		Any public subsidies received				

Haven Indicator 10: Country by country reporting

¹ This indicator applies the same methodology as the [Key Financial Secrecy Indicator 8](#) of the [Financial Secrecy Index](#).

² Tax Research UK and Tax Justice Network, *Country-by-Country Reporting*, October 2010 <<http://www.taxresearch.org.uk/Documents/CBC.pdf>> [accessed 17 May 2019].

³ OECD, 'Action 13 - Country by Country Reporting', 2020 <<http://www.oecd.org/tax/beps/beps-actions/action13/>> [accessed 3 February 2021].

⁴ Andres Knobel and Alex Cobham, 'Country-by-Country Reporting: How Restricted Access Exacerbates Global Inequalities in Taxing Rights', 2016 <<https://www.taxjustice.net/wp-content/uploads/2016/12/Access-to-CbCR-Dec16-1.pdf>> [accessed 9 February 2017].

⁵ Tax Justice Network, *Haven Indicator 11: Local Country by Country Reporting*, Corporate Tax Haven Index, 11 <<http://cthi.taxjustice.net/cthi2021/HI-11.pdf>> [accessed 3 February 2021].

⁶ The European Union *Capital Requirements Directive IV 2013/36/EU*, 2013, Article 89 <<https://eur-lex.europa.eu/eli/dir/2013/36/oj>> [accessed 17 May 2019] requires reporting. The only main item missing for full county-by-country reporting is capital assets. According to Article 89(1), the European Commission had to carry out an impact assessment of the envisaged publication of the data, and the Commission was empowered to defer or modify the disclosure through a so-called "delegated act" in case it identified "significant negative effects" consequences (Art. 89 (3)). In October 2014, the Commission adopted a report containing this assessment of the economic consequences of country-by-country reporting for banks and investment firms under CRD IV. The European Commission adopted the report's conclusion according to which: "the reporting obligation under CRD IV are not expected to have a significant negative economic impact, including on competitiveness, investment, credit availability or the stability of the financial system". For the press release, see European Commission, *Press Release: European Commission Assesses Economic Consequences of Country-by-Country Reporting Requirements Set out in Capital Requirements Directive* (Brussels, 30 October 2014) <https://ec.europa.eu/commission/presscorner/detail/en/IP_14_1229> [accessed 5 March 2021].

⁷ EU member states were required to transpose the EU CRD IV by 31 December 2013. For transposition status, see: European Commission, 'Capital Requirements Directive (CRD IV) - Transposition Status', *European Commission - European Commission*, 2020 <https://ec.europa.eu/info/publications/capital-requirements-directive-crd-iv-transposition-status_en> [accessed 5 March 2021]. As of January 2019, Spain faced infringement proceedings for the country's failures in transposition. As of May 2019, the European Union indicates that all member countries have transposed the directive.

⁸ The EITI Standard (2019) Requirement 4 on revenue collection, requires "comprehensive disclosure of company payments and government revenues from the extractive industries. The EITI Requirements related to revenue collection include: (4.1) comprehensive disclosure of taxes and revenues; (4.2) sale of the state's share of production or other revenues collected in kind; (4.3) infrastructure provisions and barter arrangements; (4.4) transportation revenues; (4.5) SOE transactions; (4.6) subnational payments; (4.7) level of disaggregation; (4.8) data

timeliness; and (4.9) data quality of the disclosures”.⁹ Revenue streams include the host government’s production entitlement (e.g. profit oil), national state-owned enterprise’s production entitlement, profit taxes, royalties, dividends, bonuses, licence and associated concession fees, and any other significant payments/material benefit to government. The EITI International Secretariat, ‘The EITI Standard 2019’, 2019 <https://eiti.org/files/documents/eiti_standard_2019_en_a4_web.pdf> [accessed 21 January 2020].

⁹ Alex Cobham, Jonathan Gray and Murphy, Richard, *What Do They Pay?*, CIYPERC Working Paper Series 2017/01 (London, 2017) <www.city.ac.uk/__data/assets/pdf_file/0004/345469/CITYPERC-WPS-201701.pdf> [accessed 6 June 2017].

¹⁰ European Parliament and Council of the European Union, *Accounting Directive 2013/34/EU*, 2013 <<https://eur-lex.europa.eu/legal-content/EN/NIM/?uri=CELEX:32013L0034>> [accessed 17 May 2019].

¹¹ For Accounting Directive (2013/34/EU) transposition status, see: European Commission, ‘Accounting Directive - Transposition Status’, *European Commission - European Commission*, 2020 <https://ec.europa.eu/info/publications/accounting-directive-transposition-status_en> [accessed 5 March 2021].

¹² See Securities and Exchange Commission for final rule 13q applying to the disclosure of payments by resource extraction issuers, Securities and Exchange Commission, *Disclosure of Payments by Resource Extraction Issuers, 17 CFR Parts 240 and 249b*, 2016 <<https://www.sec.gov/rules/final/2016/34-78167.pdf>> [accessed 5 March 2021].

¹³ David M Lynn and Scott Lesmes, ‘Repeal Of Resource Extraction Disclosure Rule - Corporate/Commercial Law - United States’, *Mondaq*, 6 March 2017 <<https://www.mondaq.com/unitedstates/corporate-governance/573904/repeal-of-resource-extraction-disclosure-rule>> [accessed 5 February 2021].

¹⁴ See Hong Kong Stock Exchange, ‘Chapter 18 Mineral Companies | Rulebook’, 2021, sec. 18.05(6)(c) <https://en-rules.hkex.com.hk/rulebook/chapter-18-mineral-companies#hkex_page_header> [accessed 5 March 2021]. Neither the “Continuing Obligations” section in the same chapter (applicable to extractive companies) nor other HKSE regulations require disclosure of such payments (e.g. general disclosure regulations of financial information for all listed companies): Hong Kong Stock Exchange, ‘Appendix 16 Disclosure of Financial Information | Rulebook’, 2021, 16 <<https://en-rules.hkex.com.hk/rulebook/disclosure-financial-information-0>> [accessed 5 March 2021].

¹⁵ Taiwan Stock Exchange, *Taiwan Stock Exchange Corporation Rules Governing the Particulars to Be Recorded in Prospectuses for Initial Securities Listing Applications*, 2002 <<https://twse-regulation.twse.com.tw/ENG/EN/law/DAT0201.aspx?FLCODE=FL022575>> [accessed 26 January 2021].

¹⁶ Cobham, Gray and Murphy, Richard, *What Do They Pay?*

¹⁷ See the Corporate Tax Haven Index database: <https://cthi.taxjustice.net/cthi21/data-downloads>. The main data sources we used for this indicator were original sources from the EU, Canada, Norway, USA and Hong Kong and interviews and/or email-exchanges with various experts from,

among others, www.resourcegovernance.org, www.eiti.org, www.publishwhatyoupay.org, www.oxfam.org.hk and www.foei.org/en.

¹⁸ Markus Meinzer and Christoph Trautvetter, *Accounting (f)or Tax: The Global Battle for Corporate Transparency*, 2018 <<https://www.taxjustice.net/wp-content/uploads/2018/04/MeinzerTrautvetter2018-AccountingTaxCBCR.pdf>> [accessed 23 May 2018].

¹⁹ For instance Tom Bergin, ‘Special Report: How Starbucks Avoids UK Taxes’, *Reuters*, 15 October 2012 <<https://web.archive.org/web/20150504004351/http://www.reuters.com:80/article/2012/10/15/us-britain-starbucks-tax-idUSBRE89E0EX20121015>> [accessed 3 February 2021]; Tom Bergin, ‘Special Report: Amazon’s Billion-Dollar Tax Shield’, *Reuters*, 6 December 2012 <<https://web.archive.org/web/20151020135843/http://www.reuters.com/article/2012/12/06/us-tax-amazon-idUSBRE8B50AR20121206>> [accessed 3 February 2021]; Jesse Drucker, ‘Google 2.4% Rate Shows How \$60 Billion Is Lost to Tax Loopholes’, *Bloomberg.Com*, 21 October 2010, 4 <<https://www.bloomberg.com/news/articles/2010-10-21/google-2-4-rate-shows-how-60-billion-u-s-revenue-lost-to-tax-loopholes>> [accessed 3 February 2021].

²⁰ Alex Cobham and Petr Janský, ‘Global Distribution of Revenue Loss from Corporate Tax Avoidance: Re-Estimation and Country Results’, *Journal of International Development*, 30/2 (2018), 206–32.

²¹ Alex Cobham and Petr Janský, *Global Distribution of Revenue Loss from Tax Avoidance. Re-Estimation and Country Results*, WIDER Working Paper 2017/55, 2017, 19 <<https://www.wider.unu.edu/sites/default/files/wp2017-55.pdf>> [accessed 29 May 2017].

²² Cobham and Janský, ‘Global Distribution of Revenue Loss from Corporate Tax Avoidance’, 220.

²³ See, for example, a report showing how data from mandatory disclosures made by extractive companies in the European Union has been used Transparency International EU, *Under the Surface: Looking into Payments by Oil, Gas and Mining Companies to Governments* (October 2018) <http://transparency.eu/wp-content/uploads/2018/10/Under-the-Surface_Full_Report.pdf> [accessed 6 August 2019]; and the potential impact on African government revenue of not having mandatory disclosure rules for Australian-listed mining companies Lisa Lee and others, *Buried Treasure: The Wealth Australian Mining Companies Hide around the World* (29 July 2019) <<https://apo.org.au/node/250226>> [accessed 6 August 2019].

²⁴ Manon Aubry and Dauphin, Thomas, *Opening the Vaults: The Use of Tax Havens by Europe’s Biggest Banks* (2017) <<https://oxfamilibrary.openrepository.com/bitstream/handle/10546/620234/bp-opening-vaults-banks-tax-havens-270317-en.pdf;jsessionid=0C359A22BEDF90AEB8435231DC6975B1?sequence=29>> [accessed 6 February 2017].

²⁵ See Markus Meinzer, ‘Why the German Government’s Blockade of Corporate Transparency Is Harming All of Us’, 2018 <<https://www.taxjustice.net/2018/10/23/why-the-german-governments-blockade-of-corporate-transparency-is-harming-all-of-us/>> [accessed 22 January 2019]; Noam Noked, *Public Country-by-Country Reporting: The Shareholders’ Case for*

Mandatory Disclosure (Rochester, NY, 25 June 2018)

<<https://papers.ssrn.com/abstract=3220848>> [accessed 6 August 2019].

²⁶ For an explanation of why this is very likely to remain the case even after introduction of OECD's non-public country-by-country reporting at least for most developing countries, please read: Knobel and Cobham, 'Country-by-Country Reporting: How Restricted Access Exacerbates Global Inequalities in Taxing Rights'.

²⁷ The relevant articles are available at ICIJ, 'Luxembourg Leaks: Global Companies' Secrets Exposed', *ICIJ*, 2014

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²⁹ Daniel Boffey, 'Apple Does Not Need to Pay €13bn Irish Tax Bill, EU Court Rules', *The Guardian*, 15 July 2020, section Technology

<<https://www.theguardian.com/technology/2020/jul/15/apple-does-not-need-to-pay-13bn-irish-tax-bill-court-rules>> [accessed 5 February 2021].

³⁰ Rory Carroll Ireland correspondent, 'European Commission to Appeal against €13bn Apple Tax Ruling', *The Guardian*, 25 September 2020, section Technology

<<https://www.theguardian.com/technology/2020/sep/25/european-commission-appeal-against-apple-tax-ruling-ireland>> [accessed 5 February 2021].

³¹ 'Amazon and Apple Hit by EU Tax Crackdown', 4 October 2017

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³² EU Law Live, 'Amazon Argues It Did Not Receive Unlawful State Aid from Luxembourg in Hearing at the General Court Today', *EU Law Live*, 5 March 2020, section Competition & State Aid <<https://eulawlive.com/amazon-argues-it-did-not-receive-unlawful-state-aid-from-luxembourg-in-hearing-at-the-general-court-today/>> [accessed 2 March 2021].

³³ Michael Overesch and Hubertus Wolff, *Does Country-by-Country Reporting Alleviate Corporate Tax Avoidance? Evidence from the European Banking Sector* (Rochester, NY, 1 July 2018) <<https://papers.ssrn.com/abstract=3075784>> [accessed 25 September 2018].

³⁴ Tax Justice Network, *Haven Indicator 11: Local Country by Country Reporting*, 11.

³⁵ OECD, 'Country-Specific Information on Country-by-Country Reporting Implementation' <<http://www.oecd.org/tax/automatic-exchange/country-specific-information-on-country-by-country-reporting-implementation.htm>> [accessed 3 February 2021].

³⁶ Overesch and Wolff, *Does Country-by-Country Reporting Alleviate Corporate Tax Avoidance?*

³⁷ Tax Research UK and Tax Justice Network, *Country-by-Country Reporting*.

³⁸ Open Knowledge Foundation and Tax Justice Network, ‘Open Data for Tax Justice’ <<http://datafortaxjustice.net/>> [accessed 3 February 2021].

³⁹ Cobham, Gray and Murphy, Richard, *What Do They Pay?*

⁴⁰ Tax Justice Network, Global Alliance for Tax Justice, and Public Services International, *The State of Tax Justice 2020: Tax Justice in the Time of COVID-19*, 20 November 2020, 14 <https://www.taxjustice.net/wp-content/uploads/2020/11/The_State_of_Tax_Justice_2020_ENGLISH.pdf> [accessed 4 December 2020].

⁴¹ Tax Justice Network, Global Alliance for Tax Justice, and Public Services International, *The State of Tax Justice 2020: Tax Justice in the Time of COVID-19*, 14.

⁴² Global Reporting Initiative, ‘GRI 207: Tax 2019’, 2019 <<https://www.globalreporting.org/standards/gri-standards-download-center/gri-207-tax-2019/>> [accessed 21 January 2020].

⁴³ For country-by-country reporting implementation status, see: OECD, ‘Country-Specific Information on Country-by-Country Reporting Implementation’.

⁴⁴ See, OECD, *Guidance on Transfer Pricing Documentation and Country-by-Country Reporting*, OECD/G20 Base Erosion and Profit Shifting Project, 2014, 9 <<https://www.oecd-ilibrary.org/docserver/9789264219236-en.pdf?expires=1558067924&id=id&accname=guest&checksum=5F5482CF687BE5CC443E16E617590EE>> [accessed 17 May 2019]. For more information, see also, Richard Murphy, ‘The Era of Country-by-Country Reporting Is Arriving’, *Tax Research UK*, 2014 <<https://www.taxresearch.org.uk/Blog/2014/09/16/the-era-of-country-by-country-reporting-is-arriving/>> [accessed 5 March 2021].

⁴⁵ According to the OECD, the threshold of €750m “will exclude approximately 85 to 90 percent of MNE [multinational enterprise] groups from the requirement to file the CbC [Country-by-Country] Report, but that the CbC Report will nevertheless be filed by MNE groups controlling 90 percent of corporate revenues”, OECD, *Action 13: Guidance on the Implementation of Transfer Pricing Documentation and Country-by-Country Reporting*, OECD/G20 Base Erosion and Profit Shifting Project, 2014, 4 <<https://www.oecd.org/ctp/beps-action-13-guidance-implementation-tp-documentation-cbc-reporting.pdf>> [accessed 17 May 2019]. See also, OECD, *Guidance on the Implementation of Country-by-Country Reporting: BEPS ACTION 13*, 2018 <<https://www.oecd.org/tax/guidance-on-the-implementation-of-country-by-country-reporting-beps-action-13.pdf>> [accessed 17 May 2019].

⁴⁶ Tax Justice Network, *Haven Indicator 11: Local Country by Country Reporting*, 11.

⁴⁷ European Parliament and Council of the European Union, *Amendments to 2013/34/EU as Regards Disclosure of Income Tax Information by Certain Undertakings and Branches*, 2017 <http://www.europarl.europa.eu/doceo/document/TA-8-2017-0284_EN.html> [accessed 17 May 2019].

⁴⁸ Council of the European Union, *Proposal for Directive of the European Parliament and the Council Amending Directive 2013/34/EU as Regards Disclosure of Income Tax Information by Certain Undertakings and Branches (CBCR)*,

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⁴⁹ European Public Service Union and others, ‘From Tax Secrecy to Tax Transparency: Introducing Public Country-by-Country Reporting (CBCR) That Is Fit for Purpose’, 2017 <<https://www.epsu.org/sites/default/files/article/files/Joint%20Paper%20on%20BCR%20post%20EP%20final.pdf>> [accessed 17 May 2019].

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⁵² European Parliament and Council of the European Union, *Shareholders’ Rights Directive 2007/36/EC*, 2007 <<https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2007:184:0017:0024:EN:PDF>> [accessed 17 May 2019].

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⁵⁴ See Markus Meinzer, ‘Why Is Germany Siding with the Tax Havens against Corporate Transparency?’, *Tax Justice Network*, 2018 <<https://taxjustice.net/2018/07/13/why-is-germany-siding-with-the-tax-havens-against-corporate-transparency/>> [accessed 3 February 2021]; and see also Shaxson, Nicholas, ‘Is Germany’s Finance Minister the Puppet of Big Finance?’, *Tax Justice Network*, 2018 <<https://taxjustice.net/2018/09/05/is-germanys-finance-minister-the-puppet-of-big-finance/>> [accessed 3 February 2021].

⁵⁵ Council of the European Union, *Proposal for Directive of the European Parliament and the Council Amending Directive 2013/34/EU as Regards Disclosure of Income Tax Information by Certain Undertakings and Branches (CBCR)*, 2016/0107 (COD) <<https://data.consilium.europa.eu/doc/document/ST-5134-2019-INIT/en/pdf>> [accessed 18 May 2019].

⁵⁶ Council of the European Union, *Proposal for a Directive of the European Parliament and of the Council Amending Directive 2013/34/EU as Regards Disclosure of Income Tax Information by Certain Undertakings and Branches*. -

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⁵⁷ Attac, KOO and VIDC, 'Erfolg: Parlament Bindet Regierung Zu Steuertransparenz Für Konzerne', 2019 <<https://www.attac.at/news/details/erfolg-parlament-bindet-regierung-zu-steuertransparenz-fuer-konzerne>> [accessed 21 January 2020].

⁵⁸ Raluca Enache, 'Euro Tax Flash from KPMG's EU Tax Centre', *KPMG*, 26 February 2021 <<https://home.kpmg/xx/en/home/insights/2021/02/etf-443-ministers-discuss-public-country-by-country-reporting-proposal.html>> [accessed 2 March 2021].

⁵⁹ Alex Cobham, Petr Janský and Markus Meinzer, 'A Half-Century of Resistance to Corporate Disclosure', *Transnational Corporations - Investment and Development*, Special Issue on Investment and International Taxation. Part 2, 25/3 (2018), 160.

⁶⁰ For the current EITI Standard (2019) governing EITI implementation, see, The EITI International Secretariat, 'The EITI Standard 2019'.

⁶¹ See EITI Standard Requirement 7.3 'Discrepancies and recommendations from EITI Reports': <https://eiti.org/document/eiti-standard-2019#r7-3>; [accessed 20 January 2020].

⁶² Adapted from: Cobham, Gray and Murphy, Richard, *What Do They Pay?*, 23.