

Key Corporate Tax Haven Indicators

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 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

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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.

Compared to full country-by-country reporting and the European Directive on reporting in the banking sector, the EITI Standard (2016) 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. This is achieved, at present, in only the Ukraine, Canada and EU countries.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 28-member states have transposed this directive.¹¹
- **Ukraine:** On 18 September 2018,¹² Ukraine adopted a law to ensure transparency in the extractive industries (No. 2545-VIII) and this has been effective since 16 Nov 2018. The first reporting year is 2018 for companies, which means companies have to report in 2019 the data from 2018. According to the DiXi Group,¹³ the law is fully compliant with the European Union Directive (2013/34/EU) and has received endorsements from the European Union’s Delegation to Ukraine.¹⁴
- **Norway:** The scope of Norway’s regulated country-by-country reporting for enterprises in the extractive industry and in logging of non-

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planted forestry,¹⁵ effective as of 1 January 2014, is broader than similar rules in the European Union. Norway's rules additionally [require](#) the disclosure of sales income, production volume, costs, and number of employees in every subsidiary.¹⁶ However, Norwegian companies are only required to report data for countries "where there is a physical withdrawal of natural resources"¹⁷ and do not have report data for their activities in countries where payments to authorities exceeds NOK 800,000, which is usually not required in third countries, which the Norwegian Ministry of Finance calls "supportive functions".¹⁸ The result is that companies in practice do not need to report key information on their activities in tax havens.¹⁹ While as of 21 June 2015, the Norwegian parliament has decided the government should review the current country-by-country reporting regulations,²⁰ no implementation date has been set for the Parliament's decision. Although Norway is yet to be included in the current Corporate Tax Haven Index, we would consider the current exemption for "supportive functions" to be too material to award Norway a reduced haven score.

- **Canada:** On 16 December 2014, Canada legislated the Extractive Sector Transparency Measures Act,²¹ which entered into force on 1 June 2015. According to the Extractive Sector Transparency Measures Act, extractive companies that engage in the commercial development of oil, gas or minerals are required to report on payments on a project basis, including taxes, royalties and fees to all levels of government in Canada and abroad. The reports are [available](#) to the public, with the first reports submitted in November 2016.²² At this point, Canada is also not assessed under the current 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 2016²³. 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 2018²⁴. Section 1504 of Dodd-Frank remains intact but can only be implemented through a Securities Exchange Council rule. As a result, a reduced haven 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"²⁵ is only triggered either at the time of the extractive company's initial listing on the stock exchange or on the occasion of the company issuing fresh shares. Because one-off disclosure

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is better than no disclosure, but nonetheless unlikely to deter bribery or tax evasion, we only reduce Hong Kong's haven score by 10.

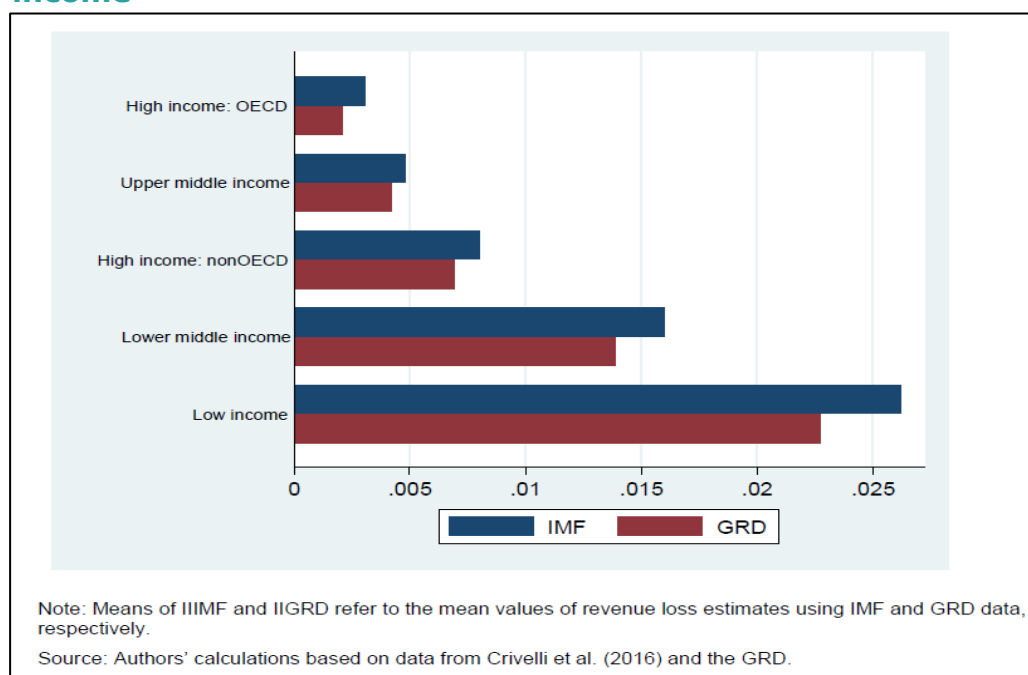
A comparison of data included in various country-by-country reporting standards is provided in Annex 1.²⁶

All underlying data can be accessed freely in the CTHI [database](#)²⁷. 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. Current reporting requirements 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 successfully challenged anywhere.²⁸ Large-scale shifting of profits to low tax jurisdictions and of costs to high tax countries ensues from this lack of transparency. A [recent re-estimation](#)²⁹ of revenue loss from tax avoidance 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.³⁰

Figure 10.1. Average losses of gross domestic product per region and income



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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 related or 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.

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. 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% of total profits. In contrast, the level of real economic activity was far lower, accounting for just 12% of banks' total turnover and 7% of employees.³¹

If public country-by-country information were available, investors would be better able to evaluate if a given corporation is exposed to reputational tax risks³² 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](#).³³ Cases exposed in the LuxLeaks³⁴ 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.³⁵ The European Commission's findings on another sweetheart tax deal are similar: Amazon is required to pay about €250m in back taxes in Luxembourg on grounds the company benefited from illegal state aid.³⁶ These decisions are currently challenged by the respective EU member state governments.³⁷

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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 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.³⁸ 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](#)³⁹) had already entered into force for many countries.⁴⁰ 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.⁴¹

The Tax Justice Network's proposal for public [country-by-country reporting](#)⁴² 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](#)⁴³ is working towards a [public database](#) to bring together all

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information disclosed under country-by-country reporting⁴⁴, 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 country-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-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.

The Global Reporting Initiative (the global standard setter for sustainability reporting) has built on this proposal and [invited comments in December 2018](#)⁴⁵ on its draft Standard on tax and payments to governments. This draft standard requires public disclosure of country-by-country reports and is also technically more robust than the OECD's approach.

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.⁴⁶ This OECD's country-by-country reporting "requires multinational enterprises 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 multinational enterprises to report their total employment, capital, retained earnings and tangible assets in each tax jurisdiction" ([Action 13: 2014 Deliverable](#)).⁴⁷ 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.⁴⁸ In addition, most developing countries, especially low-income countries, would be 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](#).⁴⁹

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](#)).⁵⁰ It is a vast improvement on the European Commission's initial proposal in April 2016, but it still contains a significant loophole.⁵¹ A provision allows multinational enterprises to avoid reporting so-called "commercially sensitive information".⁵² This proposal has been negotiated

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over the course of 2018 during the so-called triologue negotiations between the European Union's Council, the European Commission and the European Parliament.

As of March 2019, the Council was unlikely to reach an agreement before the European elections in May 2019.⁵³ 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](#))⁵⁴ 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.⁵⁵ 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 will 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 veto⁵⁶ the reporting measures. This is harmful to the struggle for transparency in the European Union, especially with the influence of Germany in the region.

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](#).⁵⁷

While much narrower in scope than our proposal, the [Extractive Industries Transparency Initiative \(EITI\)](#)⁵⁸ 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 an 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".⁵⁹ 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

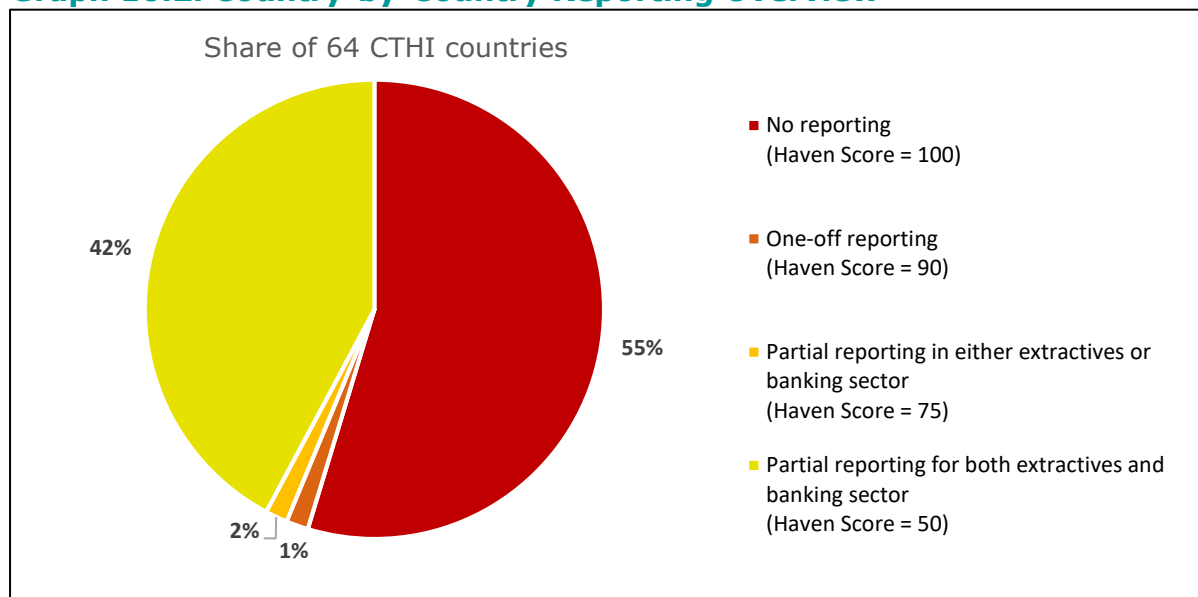
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given country information on tax payments made by companies to the respective government. It may help trigger further questions that could result in greater transparency, such as full country-by-country reporting. Without such information, citizens, 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

Graph 10.2. Country-by-Country Reporting Overview



Results Detail

Table 10.2. Country-by-Country Reporting – Haven Indicator Scores

Country Name	Score	ISO	Country Name	Score	ISO
Andorra	100	AD	Kenya	100	KE
Anguilla	100	AI	Latvia	50	LV
Aruba	100	AW	Lebanon	100	LB
Austria	50	AT	Liberia	100	LR
Bahamas	100	BS	Liechtenstein	100	LI
Belgium	50	BE	Lithuania	50	LT
Bermuda	100	BM	Luxembourg	50	LU
Botswana	100	BW	Macao	100	MO
British Virgin Islands	100	VG	Malta	50	MT
Bulgaria	50	BG	Mauritius	100	MU
Cayman Islands	100	KY	Monaco	100	MC
China	100	CN	Montserrat	100	MS
Croatia	50	HR	Netherlands	50	NL
Curacao	100	CW	Panama	100	PA
Cyprus	50	CY	Poland	50	PL
Czech Republic	50	CZ	Portugal (Madeira)	50	PT
Denmark	50	DK	Romania	50	RO
Estonia	50	EE	San Marino	100	SM
Finland	50	FI	Seychelles	100	SC
France	50	FR	Singapore	100	SG
Gambia	100	GM	Slovakia	50	SK
Germany	50	DE	Slovenia	50	SI
Ghana	100	GH	South Africa	100	ZA

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Country Name	Score	ISO	Country Name	Score	ISO
Gibraltar	100	GI	Spain	75	ES
Greece	50	GR	Sweden	50	SE
Guernsey	100	GG	Switzerland	100	CH
Hong Kong	90	HK	Taiwan	100	TW
Hungary	50	HU	Tanzania	100	TZ
Ireland	50	IE	Turks and Caicos Islands	100	TC
Isle of Man	100	IM	United Arab Emirates (Dubai)	100	AE
Italy	50	IT	United Kingdom	50	GB
Jersey	100	JE	USA	100	US

Maximum Risk (Haven Score 100)	Haven Score 76 - 99	Haven Score 51 - 75	Haven Score 26 - 50	Haven Score 1 - 25	Minimum Risk (Haven Score 0)
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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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Annex 10.1. Comparison of data fields in country-by-country reporting standards⁶⁰

	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)
Activity	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				
	Tax accrued	Tax accrued					
Payments to/from governments	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				

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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 <https://www.oecd.org/tax/beps/country-by-country-reporting.htm>; [accessed 19 October 2017].

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 <http://www.corporatetaxhavenindex.org/PDF/11-CBCR-Local-Filing.pdf>

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: http://europa.eu/rapid/press-release_IP-14-1229_en.htm; [accessed 16 October 2017].

⁷ EU member states were required to transpose the EU CRD IV by 31 December 2013. For transposition status, see: https://ec.europa.eu/info/publications/capital-requirements-directive-crd-iv-transposition-status_en; [accessed 24 January 2019]. 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 (2016) Requirement 4, requires "a comprehensive reconciliation 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 [State-Owned Enterprise] transactions; (4.6) subnational payments; (4.7) level of disaggregation; (4.8) data timeliness; and (4.9) data quality". 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', 2016 <https://eiti.org/sites/default/files/migrated_files/english_eiti_standard_0.pdf> [accessed 17 May 2019].

⁹ Alex Cobham, Jonathan Gray and Murphy, Richard, *What Do They Pay?*, CIYPERC Working Paper Series 2017/01 (London, 2017)

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<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 (last updated 25 May 2018), see: https://ec.europa.eu/info/publications/accounting-directive-transposition-status_en; [accessed 5 October 2017].

¹² *Law of Ukraine on Ensuring Transparency in the Extractive Industries, No 2545-VIII*, 2018 <<https://zakon.rada.gov.ua/go/2545-19>> [accessed 17 May 2019] and <http://eiti.org.ua/wp-content/uploads/2018/11/eng-pereklad-6229.pdf> (translation)

¹³ Email Communication with DiXi Group, 21 February 2019.

¹⁴ The DiXi Group highlighted a number of differences: The law is applicable to all companies with rights to use subsoil, and all companies with licenses are obliged to report regardless of their size or classification. The law is also applicable to all minerals classified as being of national significance and to the transportation of hydrocarbons through pipelines. The definition of a project is restricted to license which does not allow for project aggregation. Furthermore, materiality levels are defined by the Ukrainian EITI multi-stakeholder group to cover more payments and reporting is compulsory for government entities that receive payments – such that both the reciprocity principle and fast reconciliation are in place. Compulsory EITI reporting has been introduced with options of online reporting and principles and procedures for MSG functioning and procedures for reporting have been set. Additionally, there is a mandatory disclosure of essential terms of contracts and licenses with subsoil use agreements. Lastly, the law is only applicable to companies operating in Ukraine only – it is not mandatory to disclose payments to other governments and the requirements for third country reporting are not applied.

¹⁵ The regulations can be viewed here: Finansdepartementet, 'Forskrift om land-for-land rapportering', *Regjeringen.no*, 2013 <<https://www.regjeringen.no/no/dokumenter/forskrift-om-land-for-land-rapportering/id748525/>> [accessed 17 May 2019]. The announcement of the Norwegian Ministry of Finance can be viewed here: <https://www.regjeringen.no/nb/aktuelt/forskrift-om-land-for-land-rapportering/id748537/>; [accessed 21 June 2015].

¹⁶ Publish What You Pay Norway, 'Briefing', 2014 <https://www.publishwhatyoupay.no/sites/all/files/PWYP_PolicyBriefing_Eng_Web_0.pdf> [accessed 17 May 2019].

¹⁷ For an analysis of Norway's country-by-country reporting, see Publish What You Pay Norway, 'Briefing: What Statoil Reported and What Statoil Should Have Reported', 2016 <https://www.publishwhatyoupay.no/sites/all/files/PWYP_Briefing_As_Is_vs_Should_Have_Eng_Web.pdf> [accessed 17 May 2019].

¹⁸ While the definition for the term 'Supportive functions' is missing in the Norwegian regulations, it is explained in the remarks for the Finance Committee's proposal, available here: <https://www.stortinget.no/nn/Saker-og-publikasjoner/Publikasjoner/Innstillingar/Stortinget/2013-2014/inns-201314-004/30/#a1>; [accessed 17 October 2017].

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¹⁹ PWYP Norway, <http://www.publishwhatyoupay.no/en/node/17140>; [accessed 24 October 2017].

²⁰ <https://www.stortinget.no/no/Saker-og-publikasjoner/Saker/Lose-forslag/?p=61783>; [accessed 17 October 2017].

²¹ See Government of Canada's FAQs on the Extractive Sector Transparency Measures Act: <http://www.nrcan.gc.ca/mining-materials/estma/18802>; [accessed 5 October 2017].

²² All reports submitted under the Extractive Sector Transparency Measures Act are available online: <https://www.nrcan.gc.ca/mining-materials/estma/18198>; [accessed 5 October 2017].

²³ See Securities and Exchange Commission for final rule 13q applying to the disclosure of payments by resource extraction issuers, <https://www.sec.gov/rules/final/2016/34-78167.pdf>; [accessed 5 October 2017].

²⁴ <http://www.mondaq.com/unitedstates/x/573904/Corporate+Governance/Repeal+Of+R+esource+Extraction+Disclosure+Rule>; [accessed 5 October 2017].

²⁵ See chapter 18.05(6)(c), in: http://www.hkex.com.hk/eng/rulesreg/listrules/mbrules/documents/chapter_18.pdf; [accessed 16 October 2017]. 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): http://www.hkex.com.hk/eng/rulesreg/listrules/mbrules/documents/appendix_16.pdf; [accessed 17 October 2017].

²⁶ Cobham, Gray and Murphy, Richard, *What Do They Pay?*

²⁷ <http://www.corporatetaxhavenindex.org/database/menu.xml>. 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.

²⁸ For instance: <http://www.reuters.com/article/2012/10/15/us-britain-starbucks-tax-idUSBRE89E0EX20121015>; [accessed 17 October 2017] and <http://www.reuters.com/article/2012/12/06/us-tax-amazon-idUSBRE8B50AR20121206>; [accessed 17 October 2017] and <http://www.bloomberg.com/news/2010-10-21/google-2-4-rate-shows-how-60-billion-u-s-revenue-lost-to-tax-loopholes.html>; [accessed 17 October 2017].

²⁹ 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.

³⁰ 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].

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³¹ Manon Aubry and Dauphin, Thomas, *Opening the Vaults: The Use of Tax Havens by Europe's Biggest Banks* (2017) <<https://www.oxfam.org/sites/www.oxfam.org/files/bp-opening-vaults-banks-tax-havens-270317-en.pdf>> [accessed 6 February 2017].

³² 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].

³³ 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'.

³⁴ The relevant articles are available at: <http://www.icij.org/project/luxembourg-leaks>; [accessed 17 October 2017]. See also: <https://www.taxjustice.net/2017/03/15/luxleaks-appeal-verdict-tax-justice-heroes-convicted/>; [accessed 17 October 2017].

³⁵ <http://www.taxjustice.net/2016/08/30/apple/>; [accessed 31 October 2017].

³⁶ <https://www.ft.com/content/69ee1da6-a8ed-11e7-93c5-648314d2c72c>; [accessed 31 October 2017].

³⁷ <https://mnetax.com/luxembourg-fight-amazon-state-aid-case-eu-court-25180>; [accessed 23 May 2019].

³⁸ 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].

³⁹ <http://www.corporatetaxhavenindex.org/PDF/11-CBCR-Local-Filing.pdf>

⁴⁰ <http://www.oecd.org/tax/automatic-exchange/country-specific-information-on-country-by-country-reporting-implementation.htm>; [accessed 24 January 2019].

⁴¹ Overesch and Wolff, *Does Country-by-Country Reporting Alleviate Corporate Tax Avoidance?*

⁴² Tax Research UK and Tax Justice Network, *Country-by-Country Reporting*.

⁴³ <http://datafortaxjustice.net/>; [accessed 19 October 2017].

⁴⁴ Cobham, Gray and Murphy, Richard, *What Do They Pay?*

⁴⁵ <https://www.taxjustice.net/2018/12/13/gri-invites-feedback-on-its-first-global-tax-transparency-standard/>; [accessed 28 March 2019].

⁴⁶ For country-by-country reporting implementation status, see: <https://www.oecd.org/tax/automatic-exchange/country-specific-information-on-country-by-country-reporting-implementation.htm>; [accessed 17 October 2017].

⁴⁷ 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=5F5482CF687BE5CCC4>>

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43E16E617590EE> [accessed 17 May 2019]. For more information see also: <http://www.taxresearch.org.uk/Blog/2014/09/16/the-era-of-country-by-country-reporting-is-arriving/>; [accessed 17 October 2017].

⁴⁸ 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, 2015, 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].

⁴⁹ <http://www.corporatetaxhavenindex.org/PDF/11-CBCR-Local-Filing.pdf>

⁵⁰ 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].

⁵¹ 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%20CBCR%20post%20EP%20final.pdf>> [accessed 17 May 2019].

⁵² See amendments 82 and 83: 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*.

⁵³ 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].

⁵⁴ 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].

⁵⁵ Email by Koen Roovers/FTC of 8 July 2015 and <https://financialtransparency.org/european-parliament-sets-the-stage-for-europe-to-embrace-more-corporate-fiscal-transparency/>; [accessed 23 October 2017]. For a version of the proposal as of 10 June 2015, see: <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-%2f%2fEP%2f%2fTEXT%2bREPORT%2bA8-2015-0158%2b0%2bDOC%2bXML%2bV0%2f%2fEN&language=EN>; [accessed 23 October 2017]. For a more extended explanation on the planned revision, see: http://ec.europa.eu/justice/civil/company-law/corporate-governance/index_en.htm; [accessed 23 October 2017].

⁵⁶ See <https://www.taxjustice.net/2018/07/13/why-is-germany-siding-with-the-tax-havens-against-corporate-transparency/>; [accessed 25 January 2019] and see also: <https://www.taxjustice.net/2018/09/05/is-germanys-finance-minister-the-puppet-of-big-finance/>; [accessed 25 January 2019].

⁵⁷ 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.

⁵⁸ For the current EITI Standard (2016) governing EITI implementation, see, The EITI International Secretariat, 'The EITI Standard'.

⁵⁹ See EITI Standard Requirement 7.3 'Discrepancies and recommendations from EITI Reports': <https://eiti.org/document/standard#r7-3>; [accessed 17 October 2017].

⁶⁰ Adapted from: Cobham, Gray and Murphy, Richard, *What Do They Pay?*, 23.