Lobbyism in International Tax Policy: The Long and Arduous Path of Country-by-Country Reporting

Markus Meinzer

Draft Report, This Version: November 5th, 2017[1]

Executive Summary

The Lux Leaks scandal in 2014, the Panama Papers in 2016 and the new wave of data leaks of November 2017 have revealed the tax schemes that international companies use to reduce their tax burden. And countries around the globe provide the legal and tax framework that facilitates and hides those tax schemes from public view. Luxembourg offers tax rates that are less than one percent. As a result, many companies have established subsidiaries in Luxembourg and then shift their profits there even though actual business activity takes place in other countries. In response to such behaviour, the OECD and European Union member states have adopted 'country-by-country reporting' (CBCR), but so far have failed to make those reports publicly available.

Currently, multinational groups are obliged to publish financial statements, yet these usually only include summarised information about the company as a whole and not about individual countries, projects or subsidiaries. Public CBCR has been designed to address this lack of comprehensive data about the activities of multinational companies and to improve transparency. Comprehensively implemented, public CBCR would increase corporate and tax transparency and accountability by providing academics, investors, tax administrations, journalists and consumers with key information and tools to follow the money.

[1] Please send feedback to markus@taxjustice.net. Thank you!

However, the long history of the emergence of CBCR, marked by battles between different interest groups, illustrates the challenges democracies around the world are currently facing in their attempts to hold multinational companies to account, which have grown extremely powerful. The questionable financial practices of multinational companies first came under scrutiny in the 1970s. The UN agreed that it was necessary to cast greater light on corporate structures and finances and commissioned a 'Group of Eminent Persons' in 1972 which ended up drafting far reaching proposals which would have required large companies to publish data similar to country by country reporting. However, following massive lobbyism by the private sector and threats by OECD member states, their recommendations were not adopted. At the same time, in June 1973, as part of a lobbying technique of 'forum shifting', the private International Accounting Standards Committee (IASC) was set up as an alternative body to compete with the UN's proposals.

The IASC was founded as a federation between audit associations from OECD countries and Mexico. These associations represented the interests of private profit-seeking auditing firms in each country. IASC has since its creation been dominated by the firms which today make up the so-called Big Four firms of accountancy (Deloitte, Ernst & Young, KPMG, PwC). Many of the national accounting standard boards that finance the IASB's work still have close ties with the Big Four. The Big Four still play an important role in most, if not all, key bodies that develop international accounting standards - even though their advisory services on tax minimisation are a central pillar of the global tax avoidance industry. The dominance of the accounting standard setting through the Big Four therefore represents a massive conflict of interest.

In 2002/2003 civil society organisations like the anti-corruption organisation Global Witness and the Tax Justice Network (TJN) have started to push for public CBCR. Global Witness called for the disclosure of all payments made by listed mining and petroleum companies. This resulted in the Extractive Industries Transparency Initiative (EITI). In 2003 TJN published the first concept paper on CBCR as a standard for financial reporting on tax payments. CBCR was discussed worldwide in circles of decisions' makers from 2013 at the latest when CBCR for the banking sector was introduced in the EU and was placed on the G8 and G20's agenda. From 2013 to 2015, the OECD, on behalf of the G8, developed a standard for CBCR that very closely resembled TJN's proposal.

As it became clear that business representatives could no longer prevent CBCR through the IASB, their new approach was to influence the OECD process. According to reports from the negotiations, it was above all the USA and Germany along with the Big Four that insisted the data should not be made public. As a result, instead of creating transparency for investors, consumers, journalists, and tax authorities alike, the CBCR was reinterpreted as an instrument of transparency for tax authorities alone. In 2015 the OECD adopted a special variety of CBCR requirements which were to be reported only to the tax administration in the country of the parent company and then exchanged with selected tax authorities. Subjecting the data to strict tax secrecy was a result of the recent 'forum shifting' to the OECD by the G8.

On the EU front, 2013 marked the beginning of a complex dynamic which witnesses to the heavy political fighting over public CBCR. For the banking sector, public country-specific reporting requirements were already introduced in 2013, with effect from 2014/15. In the tug-of-war between transparency and opacity, a backdoor was put in place that gave room to the European Commission before the release of country level reports to assess through a study whether the European economy would be disadvantaged. PwC's econometric analysis of public reporting requirements of the first data results, not only showed no negative effects on the European economy, but also confirmed a potentially positive effect.

The EU-Parliament pushed ahead to expand the banking CBCR to all other sectors and on 8 July 2015, the European Parliament voted to include public CBCR for multi-national companies in the Shareholders' Rights Directive. A breakthrough in public CBCR seemed within reach. However, in March 2015, the EU Commission had presented its 'tax transparency package' and announced that it will examine on its own the feasibility of public disclosure of certain tax information by multinationals. This announcement implicated the EU-Commission pulling the plug of the Shareholders Rights Directive as it would be now in control of determining the details through a first own proposal.

A fight over the legal base ensued about whether the new proposal would be a considered to be an accounting, or a tax matter. Treating CBCR as a tax issue – as the OECD did - would have implied in practice to put the brakes on public CBCR. Not only would the data hardly be made public, but tax themes require unanimity among all EU member states – which would have resulted in a standstill.

The EU-Commission finally published its own proposal of public CBCR as an accounting issue in April 2016 – but considerably watered down the content of the CBCR. The negotiations around this proposal – which has been tightened again after passing through the EU-Parliament in July 2017 – are still ongoing as of November 2017.

In the negotiations 2015-2017 between the European Commission and Council (member states), Germany has played a pivotal role in leading the coalition against public CBCR at the EU level. Backed by the German multinationals, Germany's Minister of Finance Schäuble has taken several political steps to organise opposition to public CBCR at the EU level. His transition from Germany's Ministry of Finance after the elections may open a new chapter in Europe's, and indeed, the world's fight for public accountability of multinational corporations.

Contents

1. Introduction: The significance of country-by-country reporting

According to estimates made by the *ZEIT ONLINE*, Apple made a gross profit of EUR 4.5 billion between 2009 and 2014 just with the sale of iPhones to German customers. If Apple had paid ordinary taxes on those profits, EUR 1.3 billion would have been due. Yet Apple only paid only EUR 40 million in corporate income taxes in Germany for all of its business – not just the iPhone.[2] Because Apple has accumulated untaxed profits in Ireland and entered illegal tax arrangements with the Irish tax authorities, the European Commissioner for Competition ruled in August 2016 that the group must make a back payment of EUR 13 billion in income taxes.[3] In this ruling, it was clear that Apple likely was as aggressive in tax minimisation in other European countries, Africa, the Middle East and India as it has been in Germany. Tax authorities in these countries were encouraged in the ruling to challenge Apple's practices.

This is just the tip of the iceberg. Whether it is Google, FIAT, Starbucks, BASF, SAP or Amazon, since the 2007/2008 global financial crisis journalists have increasingly reported through meticulous case studies about the tricks multinationals use to reduce their tax payments; however, it is not only these companies that are operating in a legal grey area. The Lux Leaks scandal in 2014 and the subsequent investigations by the European Commissioner for Competition have shown that even some tax authorities – often sanctioned if not mandated by the finance minister – help companies make tax savings if not illegally but at least questionably.

Many countries have transformed themselves into secrecy jurisdictions and tax havens and compete through enticing tax packages and loopholes for foreign companies. Their logic works as follows: secure investment, create jobs and stimulate growth; however, this remains an illusive dream for most countries. The

[2] http://www.zeit.de/wirtschaft/2015-09/apple-steuern-deutschland-steueroase; 30.10.2017.
[3] http://www.zeit.de/wirtschaft/unternehmen/2016-09/apple-steuern-eu-kommission-transparenz; 30.10.2017.

many small- and medium-sized enterprises that operate in only one country are thus greatly disadvantaged; they cannot hire law firms to design tailor-made, cross-border tax plans. For these companies as well as for normal earners and consumers, the tax burden rises. Their contribution to the overall tax revenue has increased, while the proportion of income left to live on has declined over the past few decades.

Transparency is vital in tackling tax avoidance: where and under which names are companies globally active? What profits do they generate and how much tax are they paying on these profits? Companies are obliged to publish financial statements. However, these usually only include consolidated, i.e., summarised, information about the company as a whole and not about individual countries, projects or subsidiaries. As a result, not all countries where a company is active have access to reliable published financial statements.

'Country-By-Country Reporting' (country-specific reporting requirements) has been designed to solve this problem and improve transparency. Central in public country-by-country reporting, CBCR for short, is the disclosure of key data from the financial statement, much of which must already be published in most countries: sales, employment, profits and tax. Company headquarters must publish data for the entire group of companies on a country basis, instead of consolidated for the entire group with its hundreds of subsidiaries as has been done in the past. An overview of the existing proposals around CBCR (including by OECD, EU and civil society) can be found in **Annex A** (Cobham et al. 2017).

Initial advances towards CBCR begun as early as 1977 within the United Nations' response to the involvement of a US multinational in an early, yet unsuccessful coup against the government of Salvador Allende in Chile. But the opposition was powerful. This opposition resides in the headquarters of international audit firms and from there, attempts have been made to prevent CBCR. This is illustrated in the following two episodes below.

2. The journey from the UN to the IASB and onto the OECD (1970-2013)

2.1 The UN establishes an expert group

The questionable financial practices of multinational companies first came under scrutiny in the 1970s. After a US multinational was found having supported a failed coup against Chile's president Salvador Allende, the UN established upon request by Chile of 1972 and after long and intense negotiations a UN Commission for Transnational Corporations in 1975. Within this commission, a Group of Experts on International Standards of Accounting and Reporting (GEISAR) has been convened to increase financial transparency of transnational corporations. It was consensus that public reporting requirements should shed more light into the multinational corporate networks and finances. Their first advances towards CBCR were made in 1977. GEISAR proposed a set of concrete recommendations which required the publishing of detailed financial reports for each company within a multinational corporation, including information on intra-group trade (Ylonen 2017: 45-46; Rahman 1998: 611), which is particularly vulnerable to tax avoidance.[4]

The publication of GEISAR's recommendations in 1997 attracted the attention of two powerful lobby groups. The reactions of the International Chamber of Commerce (ICC) and the International Organisation of Employers (IOE) were fierce and hostile. They formed a working group to enable multinationals to speak with one voice in opposition and subsequently published a detailed letter of protest just ahead of the meeting of the UN commission for transnational corporations, at which their recommendations should have been voted (16-27 May 1978).

In order to block progress, the lobbyists could now count on support from within the negotiation room. The industrialised OECD nations took on the lobbyists' mission and put pressure on the other UN members. They used their power to

[4] The difference between revenues in related and unrelated parties can be found in the OECD agreed CBCR rules, see pages 29-30, in: OECD 2015: Transfer Pricing Documentation and Country-by-Country Reporting, Action 13 - 2015 Final Report (OECD/G20 Base Erosion and Profit Shifting Project), in: http://www.oecd-ilibrary.org/taxation/transfer-pricing-documentation-and-country-by-country-reporting-action-13-2015-final-report_9789264241480-en; 30.10.2017.

compel the Commission to change the voting rules. Usually, the majority principle reigns in UN bodies. The OECD countries' aim was to replace the principle of majority with the principle of consensus so that each country could block each recommendation made by GEISAR – a recipe for a stalemate. The OECD representatives threatened to quit the UN Commission, not to accept nor to implement its recommendations, and to stop financial support if they would not have their way. In practice, it might have implied that the Commission's recommendations would have remained without effect as most multinational companies were headquartered in OECD countries. Ultimately, the OECD countries were successful: the principle of consensus was introduced and the far-reaching recommendations of the GEISAR report were not adopted.

2.2 Audit firms compete with the UN's advances

At the same time, in June 1973, an alternative body was set up to compete with the UN's proposals. This is called 'forum shifting': a central lobbying technique used by states for their key interests (Braithwaite and Drahos 2000: 28-29). An alternative forum is selected or established, if necessary, whenever a body – like the UN – is dealing with an important issue and there is a threat the decisions reached will not suit the most powerful players.

The International Accounting Standards Committee (IASC) was founded as a federation between audit associations from 8 OECD countries and Mexico. These associations represented the interests of auditing firms in each country. At the time, they were dominated by the 'Big Eight' in the auditing industry. The 'Big Four' (Deloitte, Ernst & Young, KPMG, PricewaterhouseCoopers)[5] emerged from this group. At least the first two presidents of the IASC were managers from the Big Eight.

The Big Four's power today is incredible. They have a combined turnover of EUR 120 billion globally and 750,000 employees. In Germany alone, 142 of the 160

[5] See: https://www.iasplus.com/de/resources/ifrsf/iasb-ifrs-ic/resource25; https://de.wikipedia.org/wiki/Henry_Benson,_Baron_Benson; 13.6.2017. See also, page 22, in: Christensen, Mark/Newberry, Susan/Potter, Bradley N. 2010: The role of global epistemic communities in enabling accounting change creating a more business like public sector, in: http://epubs.scu.edu.au/bus_pubs/841/; 13.6.2017.

largest listed companies have their accounts audited by the Big Four.[6] The Big Four not only perform audits, but also are involved in providing considerable tax advisory services. In addition, governments in Europe and at the EU level often seek the advice of these companies – they are giants in the global economy and must constantly balance very delicate conflicts of interest.

Somewhat pointedly, one can see the success of their influence alone in that the Big Four is able to operate as a network of individual firms and according to their own rules, they do not have to publish their overall balance or profits – they are practically exempted from important disclosures given their own rules.

The goal of the IASC was to set international standards for group accounting and financial reporting – and to do so quickly. In the first 13 months of its existence, the Committee had already produced 26 standards. In March 1980, not even two years after the OECD countries introduced the principle of consensus in the UN, the IASC presented a draft for a standard (IAS 14) for financial segment reporting per geographic area, which resembled CBCR, at least in principle. Later, companies were given more and more room to manoeuvre: when IAS 14 was replaced by IFRS 8 in 2006,[7] the requirement for geographic segment reporting was largely replaced by a reporting system that allowed management of a company greater leeway in determining the details of financial reporting.[8] The segments could be defined largely by the company; a breakdown by individual countries, subsidiaries or at least unclear geographic criteria was no longer required (Giunti 2015: 14-22). Consequently, the playground for tax avoidance tricks was once again expanded out of sight from the public.

---

[6] Deutsche Kennzahlen für das Jahr 2013, siehe: https://web.archive.org/web/20160810225506/http://www1.wdr.de/nachrichten/monitor-big-four-100.html; 13.6.2017. Internationale Kennzahlen, siehe: http://www.deutschlandfunk.de/wirtschaftspruefungsgesellschaften-die-macht-der-insider.724.de.html?dram:article_id=319526; 13.6.2017.

[7] https://web.archive.org/web/20160826002523/http://www.ifrs.org/current-projects/iasb-projects/segment-reporting/Pages/Segment-Reporting.aspx; 13.06.2017.

[8] This development was due to complementary efforts with the standards produced by the Financial Accounting Standards Board (FASB) in the USA. In the USA in 1976, FASB introduced the SFAS (Statement of Financial Accounting Standards) 14 for segment reporting. This required segment reporting by geographic area. In the new SFAS 131 for segment reporting, introduced by FASB in 1997 to replace SFAS 14, this requirement was no longer included (Giunti 2015:38). The management approach in determining the details for segment reporting was strengthened in the new SFAS 131 in contrast to the old industry approach (ibid.: 14, 39).

These developments and the rise of the IASB[9] were not without critique. There was resistance especially after the introduction of IFRS 8 in 2006 and in light of the financial crisis. Leading investment associations, for example, described the new IFRS 8 as 'idiotic' as financial information of listed companies was to become even harder to trace for individual countries.[10] The European Parliament also called on the European Commission to carry out an analysis of the impact of the new IFRS 8 before it would be passed.[11] In addition, another IASB standard for the assessment of financial instruments (IAS 39) came under scrutiny for its responsibility in accelerating the financial crash (Obenland 2010: 5). Even from conservative quarters, the IASB received significant criticism in the wake of the financial crisis. The Bavarian Minister of Finance Georg Fahrenschon criticised the IASB's lack of transparency and internal governance systems.[12]

Following the threat of resignation by the chairman of the IASB, a supplementary committee was frantically established in January 2009 – a "monitoring board" which gave seven representatives of international and national authorities rights to participate in the decision making about the composition of an IASB body.[13]

However, the Big Four audit firms wield the greatest influence over the IASB. The financial and personnel interconnections are striking. In 2007, 60% of the IASB's budget was financed by the Big Four (Nölke/Perry 2007: 1). The share was still 32% in 2010. In 2016, contributions for the IASB's work were made to the IFRS Foundation. These were in the realm of GBP 24 million of which 7.6 million (32%) were directly from international audit firms, almost entirely from the Big Four (IFRS Foundation 2016: 40-48).[14] Additionally, other large contributions came from

---

[9] The International Accounting Standards Board replaced the IASC and the IASC Board in 2000. The IASB is organised under the International Financial Reporting Standards Foundation. For further information about the history and current structures, see: https://www.iasplus.com/en/resources/ifrsf/history/resource25; 02.11.2017.

[10] https://www.theguardian.com/commentisfree/2007/sep/04/unaccountable; 02.06.2017.

[11] http://www.europarl.europa.eu/sides/getDoc.do?type=MOTION&reference=B6-2007-0157&language=EN; 14.6.2017.

[12] http://www.handelsblatt.com/politik/deutschland/bilanzierungsregeln-bayerischer-finanzminister-attackiert-bilanzexperten/3115150.html; 02.06.2017.

[13] https://www.ft.com/content/e737973e-b02b-11dd-a795-0000779fd18c; https://www.ft.com/content/0d14f81c-d217-11de-a0f0-00144feabdc0; http://www.ifrs.org/groups/ifrs-foundation-monitoring-board/; 14.6.2017; Obenland 2010: 6, op. cit.

[14] www.ifrs.org/About-us/IFRS-Foundation/Oversight/Annual-reports/Documents/IFRS-Foundation-Annual-Report-2016.pdf; 1.6.2017.

companies in different sectors, but largely from the financial industry – likely at least GBP 2 million. In Germany, no public funding is available for the IFRS Foundation, but 69 companies contributed in total GBP 743,200 and none of these more than GBP 25,0000. The Big Four could indirectly contribute more to the total budget as some of the national accounting organisations might also be supported by the Big Four.

Entanglements between the IASB and former employees of the Big Four have decreased significantly in recent years. However, in 2017, eight of the 12 members of the IASB were directly before in the private sector, including from two major banks as well as one of the Big Four firms, KPMG.[15] Many of the national accounting standards boards that finance the IASB's work still have close ties with the Big Four.[16] These accounting standards boards in South Korea and Japan are peppered with representatives of the Big Four as well as former Big Four managers.[17] In South Korea, the Korean Accounting Standards Board's annual report explicitly mentions the pro bono hours of ten individuals, eight of whom work for the Big Four (page 13, KASB 2015).

As of 2002, the European Commission, among others, must approve the IASB rules for these to take effect in the EU. Advice on these is given by the European Financial Reporting Advisory Group (EFRAG) that was founded in 2001. In 2005, the Big Four played a decisive role (Perry/Nöelke 2005: 15). In June 2017, five of the 17 members of the EFRAG Board came from the Big Four.[18] The Big Four play an important role in most, if not all, key bodies that develop international accounting standards even though their advisory services on tax avoidance are a central pillar of the global tax avoidance industry. At the same time, the Big Four often monitor compliance with accounting rules, while their predecessors have been centre stage in the large financial scandals and bankruptcies in recent

[15] http://www.ifrs.org/groups/international-accounting-standards-board/#members; 15.6.2017. In 2005, eight of the 12 IASB members were from the private sector, among them, three representatives of Big Four companies (Perry/Nöelke 2005: 11).
[16] However, a direct financial dependency of national accounting standards bodies on the Big Four cannot be shown with evidence. In Italy and Japan, there are no financial statements or information about origins of annual income on the website of both national bodies, see: http://www.fondazioneoic.eu/ and https://www.asb.or.jp/asb/asb_e/fasf/outline.jsp; 2.6.2017.
[17] Siehe etwa Korea, http://eng.kasb.or.kr/fe/org/NR_view.do?deptCd=DEPT00019&highDeptCd=DEPT00035 oder Japan, https://www.asb.or.jp/asb/asb_e/asbj/member.jsp; 2.6.2017.
[18] https://www.efrag.org/About/Governance/9/EFRAG-Board; 15.6.2017.

history[19] (Eaton 2005: 9). Furthermore, the Big Four are part of many expert groups in the EU and through these directly advise EU institutions on how to combat aggressive tax planning, e.g. in the Joint Transfer Pricing Forum, in the EU VAT Forum, or the VAT Expert Group. PwC is even a member of the 'Platform for Tax Good Governance', an advisory body in the European Commission.[20]

2.3 Civil society organisations revive CBCR

It is hardly surprising then that CBCR fell by the wayside. Yet CBCR was picked up in 2002/2003 by civil society organisations like the anti-corruption organisation Global Witness and the Tax Justice Network. Global Witness took the first step in 2002 as part of their anti-corruption campaign against practices of extractive industry companies in developing countries. Under the banner 'Publish What You Pay', they called for the disclosure of all payments made by listed mining and petroleum companies. This resulted in the Extractive Industries Transparency Initiative (EITI).[21] Later, in 2009-2010, civil society organisations specifically sought to persuade the IASB to introduce a standard for the breakdown of these payments per country.[22] The IASB did not go beyond a discussion paper and the project has been on hold since 2011.[23]

When the Tax Justice Network (TJN) was formed in 2002-2003, two TJN co-founders published the first concept paper on CBCR as a standard for financial reporting on tax payments (Murphy 2012: 2).[24] CBCR was discussed worldwide in circles of decisions makers from 2013 at the latest when CBCR for the banking sector was introduced in the EU and was placed on the G8 and G20's agenda.[25] From 2013 to 2015, the OECD, on behalf of the G8, developed a standard for CBCR

[1919] http://www.reuters.com/article/parmalat-auditors-settlement-idUSN1919012720091119; 15.6.2017.
[20] https://www.lobbycontrol.de/2015/05/luxleaks-swissleaks-steuertrickser-beraten-eu-kommission/; https://steuergerechtigkeit.blogspot.com/2015/06/publikationshinweis-lobbying-in-europe.html; 16.6.2017.
[21] https://www.ft.com/content/d55926e8-bfea-11de-aed2-00144feab49a; 15.6.2017.
[22] Seite 145ff, https://web.archive.org/web/*/http://www.ifrs.org/Current-Projects/IASB-Projects/Extractive-Activities/DPAp10/Documents/DPExtractiveActivitiesApr10.pdf; 15.6.2017.
[23] https://web.archive.org/web/20160706214807/http://www.ifrs.org/Current-Projects/IASB-Projects/Extractive-Activities/Pages/Summary.aspx; 15.6.2017.
[24] http://www.taxjustice.net/5828-2/; 15.6.2017.
[25] https://www.taxjournal.com/articles/growing-calls-country-country-reporting-23052013; 15.6.2017.

that very closely resembled TJN's proposal (G8 2013: 6).[26] As it became clear that business representatives could no longer prevent CBCR through their most important channel~~-~~, the IASB~~-~~, their new approach was to influence the OECD process. As in 1978, they could rely on national support.

In the OECD's 2013 Action Plan to combat Base Erosion and Profit Shifting (BEPS), CBCR appears for the first time although it does not go by that name. It read:

> Develop rules regarding transfer pricing documentation to enhance transparency for tax administration, taking into consideration the compliance costs for business. The rules to be developed will include a requirement that MNE's [multi-national enterprises] provide all relevant governments with needed information on their global allocation of the income, economic activity and taxes paid among countries according to a common template. (Organisation for Economic Co-Operation and Development 2013: 23)

As a result, a significant shift had already happened at the start of the OECD's work on CBCR. Instead of creating transparency for investors, consumers, journalists, and tax authorities alike, the CBCR was reinterpreted as an instrument of transparency for tax authorities alone. An OECD memorandum from October 2013 confirms that the OECD sees the data for the exclusive use by tax authorities.[27] Following the OECD's call for written comments on the first draft of CBCR at the beginning of 2014, 135 submissions were made. 87% of these were from the private sector and not one from tax authorities in developing countries. Of these, Deloitte and PwC made two submissions each, and KPMG made one submission. Besides two submissions, all private sector submissions rejected public CBCR. 130 responses came from rich countries, with the largest proportion from the USA and the UK (43%) (Godfrey 2014: 11).

---

[26] http://www.taxjustice.net/2016/11/11/tax-justice-network-transition/; http://www.oecd-ilibrary.org/taxation/guidance-on-transfer-pricing-documentation-and-country-by-country-reporting_9789264219236-en; 15.6.2017.

[27] On page 5 of a memorandum from October 2013, the OECD presented for discussion an information exchange mechanism for CBCR data between tax authorities. See page 5, in: http://www.taxjustice.net/2017/05/05/developing-countries-access-to-cbcr-guess-whos-not-coming-oecd-dinner/; 15.6.2017.

Following the consultations, KPMG Switzerland welcomed the weakened CBCR proposals on 4 April 2014, and in particular, the intention not to make the data public.[28] Just one day before, a KPMG Partner had been appointed as head of the OECD Transfer Pricing Unit,[29] which has been responsible for CBCR through the OECD BEPS Action Plan since 2013. Also in May 2014, the Business Roundtable, a powerful US business association, wrote to the US Minister of Finance and warned about the consequences of the OECD's actions on BEPS and possible reporting requirements.[30] At the end of 2014, Ernst & Young captured on film the head of the OECD Tax Department where he stated:

> We strongly believe that tax secrecy is even more important than bank secrecy. Tax secrecy is a great value [...]. Now to come back to the country by country reporting, the agreement clearly – and that was a condition to the agreement – is that this information will remain confidential. It's to be used by the tax administration... it is not designed to be publicly released. Otherwise there would be no agreement... That's something I know a number of businesses were concerned about. This solution makes unhappy a number of people, particularly the NGOs...[31]

According to reports from the negotiations, it was above all the USA and Germany along with the Big Four that insisted the data should not be made public.

The OECD adopted a special variety of CBCR requirements in 2015. Instead of publishing balance sheet data, the data was to be reported to the treasury in the country of the parent company and then exchanged with selected tax authorities. This data is suddenly subject to strict tax secrecy – this was a result of the recent 'forum shifting' to the OECD by the G8. ~~In order for~~For other countries to be able to obtain the data, they face large hurdles and must meet stringent requirements. The exchange of information process is extremely complicated and denies access

[28] https://blog.kpmg.ch/beps-cbc-reporting-good-news/; 15.6.2017.
[29] http://economia.icaew.com/news/april2014/kpmg-partner-appointed-new-head-of-oecd-transfer-pricing-unit; 15.6.2017.
[30] http://businessroundtable.org/resources/brt-letter-treasury-secretary-lew-oecd-beps-project; 15.6.2017.
[31] https://www.youtube.com/watch?v=0f_MJKpuHEM; 15.6.2017.
http://www.ey.com/gl/en/issues/webcast_2014-10-13-1700_an-interview-with-pascal-saint-amans-director-of-the-oecd-ctpa; 3.11.2017.

to financial data to almost the entire global south.[32] This is the result of a disregard for international and European obligations, such as the UN Sustainable Development Goals and the Lisbon Treaty, which call for all policy areas to be consistent with and complement poverty reduction targets.

At the same time, at the beginning of 2014 in a survey of 1,344 CEOs from companies in 68 countries, 59% expressed support for country-specific public reporting by multinational companies on sales, profits, and tax payments.[33] Another reason for the obvious nervousness in business circles during 2014 was the development of public CBCR requirements at the EU level.

[32] http://www.taxjustice.net/2017/05/05/developing-countries-access-to-cbcr-guess-whos-not-coming-oecd-dinner/; 2.6.2017.

[33] Seite 17, in: www.pwc.com/gx/en/tax/publications/assets/ceo-survey-tax-perspectives.pdf; 25.4.2014.

3. Public CBCR in the European Union 2013-2017

3.1 The EU Commission tries to delay CBCR

For the EU banking sector, public country-specific reporting requirements were already introduced in 2013, with effect from 2014/15, in a tale that reads a bit like a political thriller. Smuggled into the Capital Requirements Directive by the Greens within the European Parliament, Article 89 successfully navigated the many institutional cliffs. Over 200,000 people signed a petition on Avaaz which increased the pressure on those who were opposed; the German federal government took a leading opposing voice.[34] In the tug-of-war between transparency and opacity, a backdoor was put in place that gave room to the European Commission before the release of country level reports to assess through a study whether the European economy would be disadvantaged. Then the European Commission could have postponed the release of reports until the parliament had once again prevailed.[35]

When the first data from 2013 was available, it was time to solicit expert opinions. The Commission awarded PricewaterhouseCoopers (PwC) the contract to prepare an opinion for EUR 395,000 in June 2014. PwC consultants had already revealed their hand in February 2014 during the OECD consultation process on BEPS: they expressed their opposition to public CBCR. Supported by Members of the European Parliament, a number of NGOs subsequently formally requested the European Commission to withdraw the contract from PwC due to the conflict of interest. The Commissioner responsible, Michel Barnier, made a formal statement that the PwC opinion would be but one contribution to the final report. Although the contract was not re-tendered, the results that were produced a short while later were surprising. PwC's econometric analysis of public reporting requirements not only showed no negative effects on the European economy, but also confirmed a potentially positive effect.[36] From then on, banks' country-by-country reports were to be made public; 2015 was the first year in which these requirements apply

[34] http://www.theguardian.com/business/2013/feb/27/eu-tax-transparency-avaaz-petition; 20.3.2015.
[35] http://www.financialsecrecyindex.com/PDF/6-C-b-C-Reporting.pdf; 20.3.2015.
[36] In the PwC report, it read that pCBCR according to Art. 89 in CRD IV 'is not expected to have significant negative economic impact' and that 'there could be some limited positive impact' (page 9, in: http://ec.europa.eu/internal_market/company/docs/modern/141030-cbcr-crd-report_en.pdf; 3.11.2017).

without restriction.[37] Even though implementation met several stumbling blocks in Germany, in the first years with the questionable interpretation of the rules by the Federal Financial Supervisory Authority (BaFin),[38] the obligations were an international signal that clearly alerted the business community. This became more apparent when the European Parliament prepared to repeat the same for all other economic sectors. The European Union negotiated the Shareholders' Rights Directive for 2015/16. Again, on the initiative of the Greens in the European Parliament, CBCR requirements were adopted early on in the rules, which would now apply to all listed companies. At the end of February 2015, the Parliamentary Committee on Economic and Monetary Affairs voted by two votes in favour of including the reporting requirements in the directive,[39] and on 7 May 2015, the Legal Affairs Committee adopted it with three votes. In the 8 July 2015 plenary vote, 404 voted for transparency and 127 against it. This was followed by trialogue negotiations between the European Parliament, Commission and member governments (the Council).

However, this Directive was thwarted by the incoming President of the European Commission. After Jean-Claude Juncker became European Commission president on 1 November 2014, new initiatives for CBCR were not long in coming. By March 2015, the Commission had presented its 'tax transparency package'. Among other things, the Commission announced that it 'will examine the feasibility of new transparency requirements for companies, such as the public disclosure of certain tax information by multinationals'.[40] It is noteworthy that the European Commission describes CBCR as a tax topic even though the aforementioned

[37] See http://ec.europa.eu/internal_market/company/docs/modern/141030-cbcr-report_en.pdf, S. 3; http://ec.europa.eu/internal_market/company/docs/modern/141030-cbcr-crd-report_de.pdf, S. 10; Letter from Michel Barnier from 10.7.2014, forwarded on the same day by Tove Ryding through e-mail; http://www.euractiv.com/sections/euro-finance/commission-urged-fire-pwc-auditors-bank-transparency-study-303243; http://www.pwc.com/gx/en/tax/tax-policy-administration/beps/transfer-pricing-documentation.jhtml; 18.3.2015.

[38] For example, in the first year Deutsche Bank had allegedly subsumed many countries as 'others' because of unclear guidelines from Germany's Central Bank. The Central Bank and Deutsche Bank announced that they would fix this error of 2015. Up until February 2015, BaFin required only the recognised tax expense in its interpretative notes instead of the taxes actually paid from the cash flow statement. See: http://www.bafin.de/SharedDocs/Downloads/DE/Protokoll/dl_protokoll_141127_fg_offenlegung_ba.pdf;jsessionid=F42F8FD12F9EE4B8411D988052BA2610.1_cid363?__blob=publicationFile&v=1; http://www2.weed-online.org/uploads/infoblatt_laenderberichte_banken.pdf, S. 2; 18.3.2015.

[39] Supported by Social Democrats, Lefts and a number of Liberals.

[40] http://europa.eu/rapid/press-release_IP-15-4610_en.htm; 23.10.2017

banking and shareholders' directives do not treat it as a tax topic. There is some evidence that describing it as a tax theme as well as the announcement to first examine the feasibility of CBCR is in fact an attempt to put the brakes on public CBCR if not to stop it all together. As with the shift of the issue away from the United Nations to the IASB and then later from the IASB to the OECD, this is an attempt at forum shifting. If CBCR were to be handled within the framework of the Shareholders' Rights Directive, then a majority in the Council would be sufficient to pass and no government would be able to veto. However, if it is treated as a tax theme then unanimity would be required – this would result in a standstill. Therefore, framing it as a tax theme is a route to delay and to constant opposition that has still not been overcome in mid-2017.

On 17 June 2015, less than a month before the European Parliament's vote on the introduction of CBCR within the framework of the Shareholders' Rights Directive, the Commission presented its 'Action Plan for Fair and Efficient Corporate Taxation in the EU'.[41] The action plan included 'launching a public consultation to assess whether companies should have to publicly disclose certain tax information'.[42] The deadline for submission was 9 September 2015.[43] Again, the information was construed as tax information which would require consensus in the European Council.

On 8 July 2015, a breakthrough in public CBCR seemed within reach. The European Parliament voted 404 to 127[44] to include public CBCR for multi-national companies in the Shareholders' Rights Directive[45]. This proposal then entered the trialogue process through which the European Commission and Council would negotiate the final text. Negotiations commenced on 14 September 2015 and Germany led the coalition against public CBCR.[46] The chances that the Parliament will be able to implement the public CBCR provisions are high because the directive does not

[41] http://europa.eu/rapid/press-release_IP-15-5188_en.htm; 23.10.2017
[42] http://europa.eu/rapid/press-release_IP-15-5188_en.htm; 23.10.2017
[43] http://europa.eu/rapid/press-release_IP-15-5156_en.htm?locale=en; 23.10.2017
[44] https://financialtransparency.org/european-parliament-sets-the-stage-for-europe-to-embrace-more-corporate-fiscal-transparency/; 6.6.2017; internal email communication with FTC EU advocate on 8 July 2015. www.ey.com/Publication/vwLUAssets/EY-are-you-ready-for-your-close-up/$FILE/EY-are-you-ready-for-your-close-up.pdf; 16.6.2017.
[45] http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P8-TA-2015-0257+0+DOC+XML+V0//EN; 6.6.2017.
[46] http://steuergerechtigkeit.blogspot.de/2015/09/deutschland-blockiert-weiterhin.html; 6.6.2017. XYZ

include tax themes and therefore unanimity among ministers in the Council is not required.

3.2 Germany's role

The results of the vote are now known. Unlike during the OECD's consultations, here the advocates for the EU playing a pioneering role in corporate transparency were in the majority. 66% of the 282 respondents supported the statement that the EU should lead the way and require public disclosure of tax information for all economic sectors.[47] Just 10% (30) respondents disagreed with the statement that real economic reasons rather than tax avoidance should determine how companies structure their investments.[48] Strikingly, ten of these 30 responses were from German business representatives.

33 responses came from Germany, 20 from private sector organisations, including 12 business associations, and eight from companies including three from the German stock index (DAX) (Allianz SE, Bayer AG, Siemens AG). Interestingly, the Chamber of Commerce Bodensee-Oberschwaben categorised itself as a 'public authority or international organisation' and as a 'regional or local authority'. All 20 submissions from German companies or business associations rejected the proposal that the EU should pioneer public CBCR – in contrast to the remaining responses from Germany (eight from the remaining 13 were in favour of the proposal). Overall, the results from Germany – only eight of 33 responses (24%) in favour of the EU taking a leading role in public CBCR – stand in stark contrast with the EU average which is over 66% in favour. This illustrates the central role German businesses have played in obstructing CBCR on a European level.

The Federation of German Industries (BDI), Siemens AG and Bayer AG explicitly mention in their submissions that third-party states could use the information to strengthen their domestic taxation.[49] They also argued that additional taxation in

---

[47] *'The EU should be in the forefront and possibly go beyond the current initiatives at international level, for example by extending the current requirements to disclose tax information to the public to all other sectors'.*
[48] '*enterprises should structure their investments based on real economic reasons, not just to avoid taxes*'.
[49] Sections of Siemens AG's responses to Question 1: 'Additional reporting requirements would therefore not lead to an improvement of the information situation in the European financial authorities, rather they run the risk that other countries – at the expense of double taxation – try to use the obtained information for a

these countries would in many cases lead to lower tax revenues in Germany and an increase in undesirable double taxation of corporate profits. There was no mention of the fact that enormous sums – instead of being taxed merely once – go untaxed not only in Germany but also worldwide, and that taxation of those untaxed profits outside Germany would not threaten tax revenues in Germany. Public CBCR appears to be a thorn in the side of business associations and companies in Germany in particular. It is therefore of no surprise that opposition to public CBCR is high across the German political spectrum and Siemens and Bayer's arguments were repeated later by the Minister of Finance Wolfgang Schäuble, the Secretary to the Treasury, several SPD financial policy makers as well as business associations (see below).

Given the success of Amazon's tax avoidance schemes and the related rapid decline in book shops, it is not surprising that the only companies and associations, alongside one law firm, that supported the EU taking a leading role in introducing public CBCR rules were European and international book sellers and publishers (European & International Booksellers Federation and Federation of European Publishers).

The Big Four, of course, participated in the consultations and all rejected the proposal for the EU to pioneer public CBCR. That said, they did not share the expectations of the German private sector that the results of such rules would reduce the tax base in the EU. It is striking that PwC avoids sharing a clear position:

---

stronger tax grip in their respective country'; in addition, comments on Question 7: 'It is assumed that a number of countries are attempting to use the information contained in the Country-by-Country Reports to exercise a stronger tax grip on enterprises which are active in their country. This would in many cases lead to a reduction of the taxes paid in Europe, since a considerable number of internationally successful companies have their headquarters in a European Member State. Alternatively, the increase in taxes abroad will lead to an increase in cases of undesirable double taxation'; Bayer AG also wrote about this: 'In particular, countries outside the EU have an interest to substantially increase their tax base and will use the data obtained under CbCR to this end. Through this, profit-sharing are increasing – with the result that the existing European tax base and thus the financing of the national budget would be threatened' [translation]; BDI wrote: 'It can be expected that a number of countries also outside the EU would use the CbCR data to increase tax obligations for enterprises operating within their jurisdiction. This would lead to a decrease to taxes paid in the EU, as many globally successful companies are based in EU Member States. We are concerned that this would also happen without adequately considering the increased risk for double taxation'; see http://ec.europa.eu/eusurvey/publication/further-corporate-tax-transparency-2015?language=en; 7.6.2017.

> In our opinion, the decision on whether or not to extend public CBCR is clearly one for governments and regulators. It would therefore not be appropriate for us to comment in our consultation response on any matters of policy around the possible extension of tax transparency.[50]

In the end, however, PwC remained with the status quo and recommended that the EU does not make any new CBCR rulings.

In November 2015, the first technical meetings took place for the relevant Council working groups as part of the trialogue negotiations. A month later, in December, Jean-Claude Juncker thanked 30 civil society organisations for a letter highlighting the importance of CBCR within the Shareholders' Rights Directive.[51] The European Commission indicated that it was preparing a new study on the potential effects of CBCR. Unlike the study for Capital Requirements Directive (CRD IV), this study would be carried out internally rather than awarded to an audit firm. However, it was unclear whether a separate proposal from the Commission would actually be made.

It was also unclear if the proposal for a new directive from scratch would be placed under the Accounting Directive or a related file or if it would be treated as a tax dossier instead. The former would ensure that a majority in the European Council would be required to pass the proposal instead of consensus required for tax matters. However, the struggle continues within the Council about whether CBCR should be treated as a tax matter and therefore require consensus or can be decided through a majority vote.

Germany's Minister of Finance Schäuble started to organise opposition to public CBCR at the EU level. Before the European Commission presented its new proposal in April 2016, Schäuble reaffirmed, with colleagues from Malta, in March 2015 at Economic and Financial Affairs Council that he categorically rejects CBCR.[52] This position has not significantly changed since then. The German negotiators at the

---

[50] https://ec.europa.eu/eusurvey/publication/further-corporate-tax-transparency-2015?surveylanguage=en#; 16.6.2017.

[51] Email 22 December 2015, from Transparency International, Liaison Office to the EU.

[52] http://mnetax.com/0954-eu-country-by-country-reporting-public-13972; 6.6.2017.

EU level once again tried to employ forum shifting tactics, i.e. repeatedly attempting to have the proposal categorised as a tax matter.

Meanwhile, on 12 April 2016, the European Commission published its proposal for public country-specific reporting requirements, including the impact study. Little remained from the original CBCR plans.[53] The scope of the reporting was limited to EU member states. For non-EU member states, companies could group the data for all countries in a single number, except for a handful of not-yet-identified tax havens. Profit shifting outside the EU would therefore remain in the shadows.[54] In April 2016, Schäuble claimed that Germany's federal states would oppose public CBCR – politicians from state governments immediately contradicted this with reference to corresponding decisions by the Bundesrat.[55] Austria and Malta shared Schäuble's concerns, while the UK and the European Parliament would support the rules (Brunsden 2016). In his position, Schäuble was actively supported by the German Chamber of Commerce,[56] German tax advisers chamber[57], the Association of Family Businesses[58] and other actors in Germany's private sector. These became the most important opponents of public CBCR.

German Minister of Finance Schäuble made an open attempt at forum shifting during the meeting of European finance ministers on 6 December 2016 in Brussels. He teamed up with Cyprus, Ireland, Luxembourg and Estonia to thwart the European Commission's plans for the file on CBCR being treated and decided by the Ministers of Justice, and not by the finance ministers. An informal meeting was held at breakfast – this had the advantage that no coverage on the internet was

---

[53] http://ec.europa.eu/finance/company-reporting/country-by-country-reporting/index_de.htm#cbcr-tax; 7.6.2017.

[54] http://steuergerechtigkeit.blogspot.com/2016/03/eu-kommission-zieht-landerspezifischen.html; http://www.eurodad.org/Commissions-selective-tax-transparency-proposal-leaves-most-of-the-world-in-the-dark; 6.6.2017.

[55] https://www.ft.com/content/ba80ecde-0a2a-11e6-9456-444ab5211a2f; https://twitter.com/NowaboFM/status/724498837696602112; 3.11.2017.

[56] https://www.duesseldorf.ihk.de/blob/dihk24/Recht_und_Steuern/downloads/3674702/ff3fa11675989ef3bd67e34248ad8e5a/M4_DIHK_Steuerinfo_2017_03-data.pdf; 6.6.2017.

[57] https://www.bstbk.de/export/sites/standard/de/ressourcen/Dokumente/04_presse/publikationen/01_presse/01_kammerreport/2016/KammerReport_0416_web.pdf; 6.6.2017.

[58] Positionspapier „Base Erosion and Profit Shifting (BEPS)", von „Die Familienunternehmer – ASU e.V.", Stand 15. September 2016.

necessary which is normally mandatory when advising on legislation.[59] Previously, the German Federal Government commissioned a legal opinion from the legal service of a Council Working Group, which confirmed Schäuble's negative views on public CBCR.[60] The European Commission responded with an opinion produced by its own legal services; this reached the opposite conclusion.[61]

A special form of embedded lobbying is maintained by the German Federal Government with the Institute of Finance and Tax. This non-profit association is a Chimera made up of the Ministry of Finance and private sector actors, and led by Professor Johanna Hey. In the board and board of trustees, parliamentarians and politicians from the conservative-liberal parties, parliamentary state secretaries, senior officials from the Ministry of Finance and senior judges from financial courts are to be found alongside the German private sector like the Federation of German Industries (BDI), the German Chamber of Commerce and individuals from companies.[62] The Big Four are at least indirectly represented. A high point of their influence on debate in Germany was a video interview of the Parliamentary Secretary of State Michael Meister in which he rejected public CBCR.[63] Under the guise of a non-profit association, private sector interests join forces with party officials to influence public debate and policy, supported by taxpayers' money.

It was not until January 2017 that the European Parliament determined the relevant committees and the new trialogue process was able to begin.[64] Attempts to shift the entire CBCR discussion into the tax arena were not over. As late as mid-March 2017, the German Chamber of Commerce spoke of having this question assessed by the highest court in the European Union.[65] And the debate in the European Council about the legal basis has hardly subsided after the vote among the responsible committees in the European Parliament on 12 June 2017. The

---

[59] http://www.consilium.europa.eu/en/council-eu/configurations/; 6.6.2017.
[60] http://www.spiegel.de/wirtschaft/soziales/eu-kommission-schaeuble-will-konzern-steuern-geheim-halten-a-1126544.html; 6.6.2017.
[61] http://www.spiegel.de/wirtschaft/soziales/eu-kommission-schaeuble-will-konzern-steuern-geheim-halten-a-1126544.html; 6.6.2017.
[62] https://lobbypedia.de/wiki/Institut_Finanzen_und_Steuern; https://www.ifst.de/das-institut/; 17.7.2017.
[63] https://www.ifst.de/videos/; 17.7.2017.
[64] http://www.spiegel.de/wirtschaft/soziales/steuertricks-schaeuble-a-1098030.html; 6.6.2017.
[65] See pages 36-37, in: https://www.duesseldorf.ihk.de/blob/dihk24/Recht_und_Steuern/downloads/3674702/ff3fa11675989ef3bd67e34248ad8e5a/M4_DIHK_Steuerinfo_2017_03-data.pdf; 6.6.2017.

European parliamentarians have recommended the European Commission President Juncker's suggestion to limit reporting to EU countries is changed and instead the scope of reporting be increased for global corporate transparency. This recommendation has been approved during the European Parliament's plenary sitting on 4 July.[66] The debate among ministers in the trialogue process at the European Council level is ongoing (as of November 2017).

4. Conclusions and outlook

The battle for public country-specific financial reporting measures has raged since the 1970s. There has been a growing demand for multi-national companies to act responsibly and transparently in every country where they operate. Public CBCR is a key for enabling the required transparency as well as for assessing the full extent and nature of misalignment between multi-national companies' profits and the location of real economic activity.[67] However, organised private sector interests have opposed these efforts and adopted similar lobbying strategies over the years even though actors have changed. These opposition strategies have consistently tried to restrict the scope of existing proposals for public CBCR, among others, by employing several forum shifting tactics, first away from the United Nations to the IASB, then from the IASB to the OECD, and finally- at the EU level, have attempted to shift public CBCR from an issue handled within the framework of the Shareholders' Rights Directive and concomitant majority voting, to a proposal categorised as a tax matter (unanimous voting in EU Council).

These efforts have led the OECD to adopt only a special variety of CBCR requirements and to replace the requirement to make data public by the requirement to provide data privately to tax authorities. That requirement was narrowed further, so that data would be provided only to the tax authority in a multinational group's headquarters jurisdiction and exchanged automatically between selected tax authorities. As a result, many lower-income countries will be denied access to financial data, disregarding the UN Sustainable Development

[66] http://www.eurodad.org/files/pdf/59d3586c02962.pdf; 3.11.2017.
[67] Cobham, A. & Jansky, P., Global Distribution of revenue loss from tax avoidance, available at https://www.wider.unu.edu/publication/global-distribution-revenue-loss-tax-avoidance; 3.11.2017

Goals and the Lisbon Treaty. Evidence suggest that OECD countries lose 2-3% of their total tax revenues to multinational profit-shifting, compared to 6-13% in lower-income countries (Cobham and Gibson, 2016). Hurdles to receiving CBCR information thus exacerbate the inequality in global taxing rights (Knobel and Cobham, 2016).

At the EU level, the proposal for public CBCR, adopted by the European Parliament on 4 July 2017, extended its original scope and rightly obliged multinationals to publicly report information and data for each country of operation rather than only on their operations in EU member states. However, concerns remain about a loophole, the so called 'corporate get-out clause', that would allow certain multinationals to keep some of their activities in the dark. According to this clause, companies would be allowed to receive a reporting exemption in cases of "commercially-sensitive information" and avoid the disclosure of that information for any tax jurisdiction. Such corporate get-out clause threatens the quality of the information.

Given that most multinationals within the scope of OECD CBCR operate within the EU, an EU requirement for full publication will have global impact. It would force multinationals to publish global CBCR as long as they wish to continue doing business in the EU. Finally, 45 years after the coup against Augusto Pinochet, a robust financial accountability mechanism for multinational companies appears to be within reach.

References

Brunsden, Jim 2016: EU members split over beating corporate tax avoidance, in: Financial Times, 24.4.2016, in: https://www.ft.com/content/ba80ecde-0a2a-11e6-9456-444ab5211a2f; 15.6.2017.

Cobham, Alex/Gray, Jonathan/Murphy, Richard 2017: What Do They Pay? (CITYPERC Working Paper Series 2017/01), London, in: www.city.ac.uk/__data/assets/pdf_file/0004/345469/CITYPERC-WPS-201701.pdf; 6.6.2017.

Eaton, Sarah B. 2005: Crisis and the Consolidation of International Accounting Standards: Enron, The IASB, and America, in: Business and Politics 7: 03, 1-18.

G8 2013: 2013 Lough Erne G8 Leaders' Communiqué, in: https://www.gov.uk/government/publications/2013-lough-erne-g8-leaders-communique; 15.6.2017.

Godfrey, Claire 2014: Business Among Friends. Why corporate tax dodgers are not yet losing sleep over global tax reform (185 OXFAM BRIEFING PAPER), in: https://www.oxfam.org/sites/www.oxfam.org/files/bp185-business-among-friends-corporate-tax-reform-120514-en_0.pdf; 15.6.2017.

Murphy, Richard 2012: Country by Country Reporting. Accounting for Globalisation Locally., Downham Market, in: http://www.taxresearch.org.uk/Documents/CBC2012.pdf; 6.11.2012.

Nölke, Andreas/Perry, James 2007: The Power of Transnational Private Governance: Financialization and the IASB, in: Business and Politics 9: 03, 1-25.

Obenland, Wolfgang 2010: Der International Accounting Standards Board – privater Standardsetzer der Weltwirtschaft (Informationsbrief Netzwerk Steuergerechtigkeit #3), in: www.taxjustice.net/cms/upload/pdf/Deutsch/info-steuergerechtigkeit03.pdf; 30.3.2015.

Organisation for Economic Co-Operation and Development 2013: Action Plan on Base Erosion and Profit Shifting, Paris, in: http://www.oecd.org/ctp/BEPSActionPlan.pdf; 19.7.2013.

Perry, James/Nöelke, Andreas 2005: International Accounting Standard Setting: A Network Approach, in: Business and Politics 7: 03, 1-32.

Rahman, Sheikh F. 1998: International Accounting Regulation by the United Nations: A Power Perspective, in: Accounting, Auditing & Accountability Journal 11: 5, 593-623.

Ylonen, Matti 2017: Back from oblivion? The rise and fall of the early initiatives against corporate tax avoidance from the 1960s to the 1980s, in: Transnational Corporations 23: 3, 32-65.

Annex A: Comparison of data fields in CBCR standards

Comparison of data fields in CBCR standards

	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 per project as well as per 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	
Activity	Third party sales	Third party sales				Social and economic spending	
	Turonover	By the process of addition	Turnover				
	Number of employees FTE	Number of employees FTE	Number of employees				
	Total employee pay						
	ASSETS??						
Intra-group transactions	Intra-group sales	Intra-group sales					
	Intra-group purchases						
	Intra-group royalties rec'd						
	Intra-group royalties paid						
	Intra-group interest rec'd						
	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				

Source: Cobham et al 2017: 23