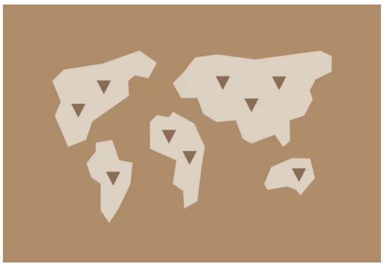
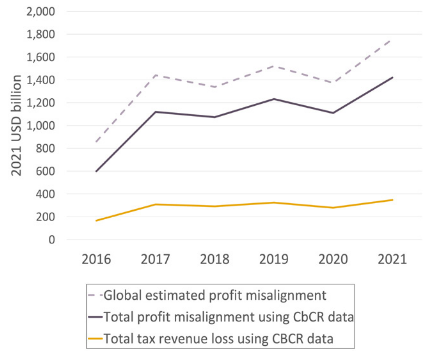
COUNTRY BY COUNTRY REPORTING



Public country by country reporting is an accounting practice designed to expose a multinational corporation whenever it shifts its profit into tax havens to pay less tax than it should.

THE PROBLEM



Every year, multinational corporations shift 40 per cent of their profits into tax havens, costing states an estimated **US$348 billion** in lost tax revenue a year.

This is hindering the ability of states to meet their **obligation to raise the maximum available resources needed for the realisation of human rights**.

It also hinders **states' extraterritorial obligations** to ensure that their actions, laws and policies do not adversely affect the human rights of other territories.

Public country by country reporting was meant to curb this problem. But the OECD left the "public" part out of its global standard for country by country reporting, making the standard less effective. Profit shifting has actually gone up since the standard was introduced.

THE SOLUTION

1 out of every 4 dollars lost to profit shifting today can be prevented by making country by country reporting data public. Making the data public can also hold states accountable to their human rights obligations and their extraterritorial obligations.

Investors responsible for trillions of dollars have **repeatedly called for the data to be made public**, and several multinational corporations have **voluntarily published their data.** International cooperation on the UN framework convention must:

MAKE THE DATA PUBLIC:
require multinational corporations to make their country by country reports public.

REQUIRE A FULL COUNTRY-LEVEL BREAKDOWN AT THE COMPANY LEVEL:
the data must clearly show each company's activities and tax paid in every country where it operates.

REDUCE THRESHOLDS FOR MULTINATIONALS:
Many lower income countries have smaller multinationals operating in their jurisdictions, which are often exempt under current standards that only apply to companies with a turnover of €750 million. This means that smaller MNCs are free to engage in profit-shifting practices within lower income countries without hindrance.

APPLY REQUIREMENTS TO ALL JURISDICTIONS:
Country by country reporting requirements often limit reporting to "high-risk" jurisdictions, yet significant profit shifting occurs in OECD countries that are excluded from these lists.

ADOPT GLOBAL REPORTING INITIATIVE (GRI) STANDARDS:
The voluntary GRI Tax Standard is the world's gold standard for public country by country reporting. In 2024 Australia became the first country to align its legislation with the standard.

TAX JUSTICE NETWORK