

July 31, 2024

Vanessa Countryman
Secretary
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549
Via electronic mail

Re: Petition for Rulemaking to Require Disclosure of Tax-Relevant Information for Each Country

Dear Chair Gensler and Commissioners:

We respectfully submit this petition for rulemaking pursuant to Rule 192(a) of the Securities and Exchange Commission's (the "Commission") Rules of Practice.¹

We urge the Commission to initiate a rulemaking to amend Regulation S-X to require issuers to provide additional disclosure of basic tax and relevant financial and operational information disaggregated by country.² This information is referred to as country-by-country-reporting ("CbCR"), as defined further below. This disclosure requirement will advance the Commission's mission of protecting investors, maintaining fair, orderly, and efficient markets, and facilitating capital formation.

¹ 17 C.F.R. § 201.192(a).

² We have previously made a similar recommendation to the Commission in response to the 2016 concept release under Regulation S-K. *Comment Letter on Concept Release on Business and Financial Disclosure Required by Regulation S-K*, THE FACT COALITION (Jul. 6, 2016), <https://www.sec.gov/comments/s7-06-16/s70616-28.pdf>.

We were not alone. Overall, tax was the single most commented area of that concept release: "99 percent of all comments received raised the issue, and nearly all of them expressed clear support for expanded disclosures. Not a single commenter clearly objected to expanded tax disclosures." Tyler Gellasch, *Towards a Sustainable Economy: A Review of Comments to the SEC's Disclosure Effectiveness Concept Release*, THE FACT COALITION (Sep. 2016), pp. 21, <https://thefactcoalition.org/wp-content/uploads/2016/09/Towards-A-Sustainable-Economy-Report.pdf>.

Significantly, the Commission's own Investor Advisory Committee (IAC) noted, "Committee further felt that the Commission should take steps to ensure that its disclosure requirements keep pace with evolving international standards in the area of country by country tax reporting." *Comment Letter on Concept Release on Business and Financial Disclosure Required by Regulation S-K*, IAC (Jun. 15, 2016), <https://www.sec.gov/spotlight/investor-advisory-committee-2012/iac-approved-letter-reg-sk-comment-letter-062016.pdf>.

We set out the following arguments in support of this petition:

1. The Commission has clear statutory authority to require improved tax disclosure pursuant to the Securities Exchange Act of 1934.
2. This information is highly material to investors and will allow them to evaluate significant and growing tax risks.
3. These disclosures are demanded by investors.
4. Investors currently lack adequate tax information in issuers' filed reports and other public sources.
5. Some companies are voluntarily disclosing CbCR information, demonstrating that it is feasible and beneficial.
6. The overall regulatory costs are minimal.

Statement of Interest

The Financial Accountability and Corporate Transparency (FACT) Coalition, a non-partisan alliance of more than 100 organizations³, has prepared this petition on behalf of the undersigned [87] petitioner investors with more than [\$2.3] trillions in assets under management. The undersigned investors have a shared, demonstrated interest in additional disclosures necessary to help them to evaluate material financial risks associated with companies' tax practices, as explained below.

Introduction

In today's world of global commerce, investors⁴ are in need of better understanding where companies generate revenue, where they book taxable income, and how they conduct their global business. As detailed in FACT's 2022 report, *A Material Concern: The Investor Case for Public Country-by-Country Reporting*, the answer to these investor needs is public country-by-country-reporting.⁵

Investor demands for increased corporate tax disclosures reflect a growing international consensus in favor of public CbCR. In 2018, after member governments of the Organization for Economic Cooperation

³ The views presented in this petition are not necessarily endorsed by every member of the FACT Coalition.

⁴ We use the term "investors" broadly throughout this petition to include shareholders as well as lenders and creditors. Investor needs we outline here are also applicable to other users of financial statements, such as investment analysts and rating agencies. We acknowledge that additional stakeholders may also find this information useful for other purposes, but their needs are not covered in this petition.

⁵ *A Material Concern: The Investor Case for Public Country-by-Country Tax Reporting*, THE FACT COALITION (Jul. 28, 2022), <https://thefactcoalition.org/report/a-material-concern-the-investor-case-for-public-country-by-country-tax-reporting> (hereafter, "A Material Concern").

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and Development (“OECD”), including the United States, reached agreement on a confidential CbCR standard, they began requiring covered multinationals to file that information on an annual basis with their respective tax authorities (including the Internal Revenue Service (“IRS”)), and began exchanging it among participating tax authorities.⁶ In 2019, the Global Reporting Initiative (“GRI”), an independent, international organization that sets the global best practice standards for corporate public reporting, issued its Tax Standard 207-4 (“GRI 207-4”)⁷ and has since seen multiple companies begin disclosing public CbCR information in line with its standard. In 2021, the European Union (“EU”) adopted a directive on public CbCR, building on related requirements already in place for its banking and extractive sectors and mandating implementation by the summer of 2024.⁸ The EU disclosure requirements are expected to affect more than 1/3 of large U.S. multinationals.⁹ Meanwhile, Australia has introduced legislation that will require CbCR in line with the GRI 207-4 standard for a number of high-risk jurisdictions.¹⁰ In light of the growing global support for public corporate tax disclosures, it is time for the United States to align itself with its allies and international best practice by issuing its own public CbCR disclosure requirements consistent with GRI-207-4.

The Commission should adopt GRI 207-4, because it is the leading global standard in this area, is widely supported by investors,¹¹ and is followed by companies that are already voluntarily publishing their CbCR information. GRI 207-4 presents a higher disclosure standard than currently required by the Commission, as detailed in Part 4 below. Under GRI 207-4, the information that must be reported for each relevant

⁶ *Action 13: Country-by-Country Reporting*, OECD, <https://www.oecd.org/tax/automatic-exchange/about-automatic-exchange/country-by-country-reporting.htm>.

⁷ *GRI 207: Tax 2019*, GLOBAL REPORTING INITIATIVE (2019), <https://www.globalreporting.org/standards/media/2482/gri-207-tax-2019.pdf>.

⁸ Directive (EU) 2021/2101 of the European Parliament and of the Council of 24 November 2021 amending Directive 2013/34/EU as regards disclosure of income tax information by certain undertakings and branches, 64 OFFICIAL J. OF THE EUR. UNION L 429/1 (Dec. 1, 2021), <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L:2021:429:FULL>.

⁹ Giulia Aliprandi & Kane Borders, *Advancing Corporate Tax Transparency*, EU TAX OBSERVATORY (Jun. 2024), <https://www.taxobservatory.eu/publication/advancing-corporate-tax-transparency>.

¹⁰ Parliament of Australia, *Treasury Laws Amendment (Responsible Buy Now Pay Later and Other Measures) Bill 2024*, (June 5, 2024) https://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bId=r7199.

¹¹ Jennifer Thompson, *Investment groups want companies to disclose global taxes*, FIN. TIMES (Dec. 4, 2019), <https://www.ft.com/content/d84eeafc-16c6-11ea-9ee4-11f260415385>. “Backing for GRI’s Tax Standard,” GLOBAL REPORTING INITIATIVE (Dec. 5, 2019), <https://www.globalreporting.org/news/news-center/backing-for-gri-s-tax-standard>. Investors comprised the majority (55%) of those who submitted feedback during the consultation to develop the GRI Tax Standard. “We need to talk about tax,” THE GRI PERSPECTIVE (July 2022), <https://www.globalreporting.org/media/amyaycyg/gri-perspective-we-need-to-talk-about-tax.pdf>.

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jurisdiction includes: corporate income cash taxes paid, corporate income tax accrued, related party revenues, third party revenues, net profit or loss, tangible assets, and employee headcount.

GRI 207-4 is a more suitable standard for investor purposes than the confidential CbCR standard developed by the OECD and implemented by the IRS.¹² The OECD standard is not a focus of this petition, because it is intended for tax administrators rather than investors. As such, information reported pursuant to the OECD standard is not made available to investors for individual companies, but only aggregated by industry or geographic region.¹³ Individual company information can be accessed only by the IRS and confidentially exchanged with tax authorities with whom the United States has concluded a bilateral agreement.¹⁴ Because the OECD did not consider investor needs in developing its standard, this confidential regime is of very limited relevance to the Commission’s consideration of this issue.

A development that is more relevant for the Commission is the recent update by the Financial Accounting Standards Board (“FASB”) to its income tax accounting standard (Topic 740).¹⁵ This recent revision is a welcome and overdue improvement that will provide valuable additional information to investors, particularly with regard to how public businesses justify their effective tax rates. However, the new rate reconciliation disclosures are limited (because the rates are generally reconciled only to the United States tax rate, the FASB disclosure would do little to reveal tax risks relating to profits shifted among other countries)¹⁶ and overall not as useful for investors as CbCR.¹⁷ FASB’s revised tax disclosure standard falls short of public CbCR, as it is limited in scope with regard to the types of companies and metrics it covers.

¹² 26 C.F.R. § 1.6038-4.

¹³ See, e.g., *SOI Tax Stats - Country by Country Report*, INTERNAL REVENUE SERVICE, <https://www.irs.gov/statistics/soi-tax-stats-country-by-country-report> (last updated Apr. 11, 2024).

¹⁴ *Country-by-country reporting jurisdiction status table*, INTERNAL REVENUE SERVICE, <https://www.irs.gov/businesses/country-by-country-reporting-jurisdiction-status-table> (last updated Jun. 6, 2024).

¹⁵ *FASB Accounting Standards Update No. 2023-09, Income Taxes (Topic 740)*, FIN. ACCOUNTING STANDARDS BOARD (Dec. 2023), <https://www.fasb.org/Page/ShowPdf?path=ASU+2023-09.pdf>. Public companies must follow the new FASB standard for annual periods beginning after Dec. 15, 2024 (for calendar-year companies, this means in their 2025 10-Ks). Privately held businesses have an extra year to comply.

¹⁶ More broadly, tax rate differentials are likely to shrink significantly as a result of the OECD’s global minimum tax reforms. Felix Hugger, et al., *The Global Minimum Tax and the taxation of MNE profit: OECD Taxation Working Papers No. 68*, OECD (Jan. 9, 2024), at [59], p. 28, <https://www.oecd.org/tax/beps/the-global-minimum-tax-and-the-taxation-of-mne-profit-9a815d6b-en.htm>.

¹⁷ As one investor commented to FASB, “While company exposure to such jurisdictions [where the tax risk is highest] may be indicated to some extent through the rate reconciliation disclosures, we believe full country-by-country reporting of taxes paid, accompanied by corresponding revenue and taxable income figures, greatly increases the utility of these disclosures to investors.” Comment by Norges Bank Investment Management (NBIM) (May 25, 2023), <https://fasb.org/Page/ShowPdf?path=TAXDISC.ED.012.NORGES%20BANK%20INVESTMENT%20MANAGEMENT%20IHENACHO%20MOHN.pdf>

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It is up to the Commission to build on this progress and close the remaining gaps. First, FASB’s changes only apply to domestic companies and not US-listed foreign companies that follow a different accounting standard, including the International Financial Reporting Standards (IFRS) set by the International Accounting Standards Board (“IASB”). Second, crucial items such as employee headcount are not metrics under the Generally Accepted Accounting Principles (“GAAP”), and as such are outside of FASB’s purview. FASB declined investor requests to include critical metrics, including revenue and income/loss, in its final tax disclosure standard, citing a desire to avoid delay.¹⁸ This missing operational information is particularly vital to contextualizing and evaluating tax-related risks facing a given multinational.¹⁹ For example, investors have no way to assess the growing risk of digital service taxes which are assessed on the basis of revenues, unless they have information about revenues disaggregated by country.

For these reasons, **the recent FASB changes to income tax reporting are complementary to, but not a substitute for, a comprehensive CbCR rule that the Commission is best-placed to implement.**²⁰ The Commission should address the information gaps that remain following FASB’s long overdue reforms, and create a uniform public CbCR standard for U.S. issuers that meets investor needs for information and adheres to international best practices.

ARGUMENT

1. The Commission has clear statutory authority to require improved tax disclosures pursuant to the Securities Exchange Act of 1934.

The Securities Exchange Act of 1934 (“1934 Act”) grants broad discretion to the Commission to promulgate regulations “as necessary or appropriate for the proper protection of investors” in sections

¹⁸ According to FASB, “Some investors provided feedback that additional jurisdictional information related to an entity’s revenue, operating results, and income tax expense (or benefit) would allow for a more thorough understanding of an entity’s business opportunities and exposures. ... [A]ddressing a broader request for jurisdictional information would be beyond the scope of an income tax disclosure project and may significantly delay the progress of the project.” *Exposure Draft*, FIN. ACCOUNTING STANDARDS BOARD (Mar. 2023), p. 24, <https://www.fasb.org/page/ShowPdf?path=Proposed%20Accounting%20Standards%20Update%E2%80%94Income%20Taxes%20%28Topic%20740%29%E2%80%94Improvements%20to%20Income%20Tax%20Disclosures.pdf>

¹⁹ As GRI explains, metrics like number of employees and revenues are all “indicators of the organization’s scale of activity within a tax jurisdiction. When considered in conjunction with the other required and recommended information, they can inform assessments about the level of taxes being paid in a jurisdiction.” *GRI 207: Tax 2019*, GLOBAL REPORTING INITIATIVE (2019), pp. 11, <https://www.globalreporting.org/standards/media/2482/gri-207-tax-2019.pdf>.

²⁰ The Commission’s CbCR rule would not be duplicating FASB’s efforts, as the rate reconciliation required by FASB provides specific detail that is omitted from CbCR reports. For this reason, the Commission should initiate a rulemaking without waiting for FASB’s recent changes to take effect.

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12(b) and 13(b).²¹ It is well established that this includes certain income tax disclosure requirements pursuant to Regulation S-X. However, those requirements have not kept up with the expanded global operations and aggressive international tax strategies of multinational companies, which present increasing investor risks. As we explain below, the Commission has ample reason to conclude that the updated tax disclosure sought in this petition is necessary and appropriate for the proper protection of investors from material tax and other risks.²²

Moreover, the Commission’s authority to address tax-related disclosures has been supported by Congress from the very origins of the Commission up to the present day. Congress authorized the Commission to consider tax-related disclosures when it first enacted the 1934 Act, explicitly listing protection of “the Federal taxing power” as one of the Act’s legislative purposes in its preamble.²³ More recently, members of Congress have urged the Commission to implement public CbCR in the proposed “Disclosure of Tax Havens and Offshoring Act.”²⁴ This legislation, backed by investors representing nearly \$3 trillion in assets under management, passed the House of Representatives during the previous Congressional session as part of a larger legislative package.²⁵ The legislation would require the Commission, based on its current authority, to require publicly-listed companies to engage in public CbCR.

2. This information is highly material to investors and will allow them to evaluate significant and growing tax risks.

Investors are increasingly scrutinizing the tax practices of their portfolio companies, wary of conspicuously low tax bills.²⁶ This comes as no surprise given the significant financial stakes of international corporate tax practices. Among the most common such practices is profit shifting. Also known as transfer mispricing, profit shifting occurs when companies book profitable intangible assets such as intellectual property offshore, which allows them to manipulate internal transfer prices between domestic and foreign subsidiaries. As a result, companies can book their taxable income in tax havens

²¹ 15 U.S.C. §§ 78(l)(b)(1)(A), (J), (K), (L); 78(m)(a)(1).

²² In addition to its obvious material tax relevance, CbCR information (particularly revenue and employee headcount) is also relevant to material geopolitical risks, as in the example of Russia’s invasion of Ukraine, outlined in FACT’s 2022 report, *A Material Concern*, Part II.C.

²³ 15 U.S.C. § 78(b).

²⁴ S.638, 118th Cong. (2023).

²⁵ *House Takes Historic Step in Advancing Corporate Tax Transparency*, THE FACT COALITION (Jun. 16, 2021), <https://thefactcoalition.org/house-takes-historic-step-in-advancing-corporate-tax-transparency>.

²⁶ Sheryl Tian Tong Lee, *Asset Managers Are Quietly Purging Their Portfolios of Tax Risk*, BLOOMBERG (March 3, 2024), <https://www.bloomberg.com/news/articles/2024-03-03/asset-managers-are-quietly-purging-their-portfolios-of-tax-risk>.

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with few or no meaningful local operations. Globally, companies shifted an estimated \$1 trillion in profits to tax havens in 2022.²⁷ This profit shifting results in huge sums of unpaid taxes – according to international tax experts, US multinationals may owe the IRS as much as \$1 trillion from violations of transfer pricing regulations over the years, and nearly half of that sum is attributable to just six large companies.²⁸ The financial impacts at the individual company level can reach into the billions, clearly posing material risks for investors. Here are a few illustrative examples:

- ❖ **Coca Cola** is facing a potential tax liability of up to \$16 billion in a transfer pricing case, which exceeds the company's \$13.7 billion held in cash and short-term investments (as of December 31, 2023).²⁹
- ❖ **Amgen** pharmaceutical company has been sued by one of its shareholders in a class-action suit, where the shareholder accuses the company and certain top executives of failing to adequately disclose its \$10.7 billion tax dispute with the IRS over profit shifting to Puerto Rico, and that as a result, the company's share price fell by 6.5% on August 4, 2021 and 4.3% on April 28, 2022.³⁰ Amgen is contesting the complaint and has moved to dismiss the case, which is pending as of this writing.
- ❖ **Microsoft** has disclosed that the IRS had levied a record \$28.9 billion in back taxes on the company for 2004-2013 tax years.³¹ Taking into account penalties, independent tax experts estimate that Microsoft's total liability could balloon into a sum as high as \$168.7 billion, more than Microsoft's 2022 and 2023 income combined (\$145 billion).³²

²⁷ Annette Alstadsæter, Sarah Godar, Panayiotis Nicolaides, and Gabriel Zucman, *Global Tax Evasion Report 2024*, EU TAX OBSERVATORY (2024), <https://www.taxobservatory.eu/publication/global-tax-evasion-report-2024>.

²⁸ Reuven Avi-Yonah, et al, *Commensurate with Income: IRS Nonenforcement Has Cost \$1 Trillion*, TAX NOTES FED. (2023).

²⁹ Coca-Cola Co., Annual Report (Form 10-K) (Feb. 20, 2024), <https://investors.coca-colacompany.com/filings-reports/annual-filings-10-k/content/0000021344-24-000009/0000021344-24-000009.pdf>. See also, Alex Martin, *Does Coke Owe the IRS \$10+ Billion for Transfer Pricing?*, KBKG (Mar. 22, 2022), <https://www.kbkg.com/tax-insight/tax-court-upholds-irs-3-billion-transfer-pricing-assessment-against-coca-cola>.

³⁰ Jonathan Stempel, *Amgen is sued for concealing \$10.7 billion tax bill from investors*, REUTERS (Mar. 14, 2023), <https://www.reuters.com/legal/amgen-is-sued-concealing-107-billion-tax-bill-investors-2023-03-14>.

³¹ Form 8-K, MICROSOFT CORPORATION (Oct. 11, 2023), <https://microsoft.gcs-web.com/node/31951/html>; see, Zorka Milin, *What the Microsoft Tax Case Shows Us About Tax Transparency*, THE FACT COALITION (Nov. 8, 2023), <https://thefactcoalition.org/what-the-microsoft-tax-case-shows-us-about-tax-transparency>.

³² Stephen L. Curtis & Reuven S. Avi-Yonah, *Microsoft's Cost Sharing Arrangement: Frankenstein Strikes Again*, 178 TAX NOTES FED. (Mar. 6, 2023).

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- ❖ **Apple** is facing a €14.3 billion tax assessment relating to transfer pricing arrangements which were approved by the Irish government in violation of the EU prohibition against state aid, according to the European Commission.³³

Taken together, the examples above show that **international tax practices indisputably pose significant material financial risks for investors**, and that such risks are not isolated, but are widespread across different sectors. In each of these cases, if the company had published CbCR information for relevant years, investors would have likely spotted red flags. But in the absence of such information, investors are under-informed about companies' tax risk exposure.

International corporate tax risks are not going away, but are likely to grow and intensify as a result of several recent tax trends. First, the IRS is stepping up its tax enforcement, with a specific emphasis on ensuring that large corporations pay the taxes they owe, among other priorities.³⁴ Moreover, in recent years, Congress has enacted a flurry of international corporate tax reforms.³⁵ According to our rough estimates, around one quarter of large US multinational companies have positive profits, yet effective tax rates below 10 percent, which could expose them to additional US taxes or increased IRS scrutiny.³⁶ Nevertheless, it is currently too difficult for investors to identify and evaluate specific tax risks facing individual companies.

Furthermore, these domestic tax risks are compounded by multilateral tax reform efforts. Notably a global plan under the auspices of the OECD includes a 15 percent global minimum corporate tax applied on a country-by-country basis. Nearly one in three large US multinational companies, as well as many US-listed foreign companies, are likely to experience additional taxes in countries that implement the OECD's global minimum tax (regardless of the implementation status of the US).³⁷ Once again, it is too difficult for investors to identify which companies are likely to be affected by this incipient standard without public CbCR. For example, information about disaggregated employee headcounts might help investors to assess how the OECD's global minimum tax would apply in different countries, because excess profits for purposes of the OECD's global minimum tax exclude certain "substance-based income"

³³ Javier Espinoza & Jude Webber, *Apple dealt blow at top EU court over €14.3bn tax bill in Ireland*, FINANCIAL TIMES (Nov. 9, 2023).

³⁴ *IRS launches new initiatives using Inflation Reduction Act funding to ensure large corporations pay taxes owed*, INTERNAL REVENUE SERVICE (Oct. 20, 2023), <https://www.irs.gov/newsroom/irs-launches-new-initiatives-using-inflation-reduction-act-funding-to-ensure-large-corporations-pay-taxes-owed-continues-to-improve-service-and-modernize-technology-with-launch-of-business-tax-account>.

³⁵ These reforms include: Global Intangible Low-Taxed Income ("GILTI") and Base Erosion and Anti-Abuse Tax ("BEAT"), both adopted as part of the 2017 tax cuts, and Corporate Alternative Minimum Tax ("CAMT"), which was included in the 2022 Inflation Reduction Act. 26 U.S.C. § 951A; 26 U.S.C. § 59A; 26 U.S.C. § 55.

³⁶ *Material Concern*, fig. 11, p. 27.

³⁷ *Id.*, fig. 3, p. 17.

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calculated by reference to payroll costs. In addition to the OECD, the United Nations is engaged in ongoing negotiations to develop a new international framework convention on international tax cooperation. Investors face further risk and uncertainty from unilateral measures, such as digital service taxes (DSTs) that countries are increasingly imposing on locally-generated revenues. Without public CbCR that includes revenues disaggregated by country, investors are left without a consistent means to assess the expected impact of new DSTs and similar tax reforms.

All of these developments will impact large multinational issuers, but investors will remain in the dark about these impacts unless the Commission acts promptly. As Professor Kimberly Clausing, former Deputy Assistant Secretary for Tax Analysis in the United States Department of the Treasury, told the Commission's Investor Advisory Committee:

International tax avoidance, and the attendant policy responses of governments to this problem, generates large effects on companies' bottom lines that are often mysterious to public observers. Yet markets work best in an environment where information is available, transparent, and free. Better public data on multinational companies' financial arrangements would serve the interests of investors, who need to thoroughly understand the economic situations of companies and the risks that they face.³⁸

3. These disclosures are demanded by investors.

For more than a decade, investors have shown growing interest in companies' international tax practices and have been demanding more information about them, going back to 2011 investor calls for boards' tax risk assessments.³⁹ **A broad range of investors with more than \$10 trillion in assets under management have publicly supported CbCR**, according to data compiled by Oxfam America.⁴⁰

³⁸ *Securities and Exchange Commission Should Require Increased Tax Transparency for U.S.-Listed Multinationals*, FACT Coalition Tells Investor Committee, THE FACT COALITION (Dec. 8, 2022), <https://thefactcoalition.org/securities-and-exchange-commission-should-require-increased-tax-transparency-for-u-s-listed-multinationals-fact-coalition-tells-investor-committee>.

³⁹ See Alyce Lomax, *In 2011, Shareholders Speak Louder Than Ever*, MOTLEY FOOL (Jan. 26, 2011), <https://www.fool.com/investing/general/2011/01/26/in-2011-shareholders-speak-louder-than-ever.aspx> (“Some tax actions can eventually hurt shareholder returns, or increase a company's odds of restating its finances. Thus, AFSCME is also asking for boards' risk assessments on tax policies at a group of six companies, including retail heavyweights Amazon.com (Nasdaq: AMZN) and Wal-Mart (NYSE: WMT).”). See also, Maddison Marriage, *Investor complacency over tax avoidance wanes*, FIN. TIMES (Nov. 16, 2014), <https://www.ft.com/content/fe8e7fcc-6b2f-11e4-be68-00144feabdc0>.

⁴⁰ *Methodological note and list of investors*, OXFAM AMERICA (May 2023), https://webassets.oxfamamerica.org/media/documents/10tril_AUM_Methodology_Note.pdf.

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Investors have encouraged the House of Representatives to pass the “Disclosure of Tax Havens and Offshoring Act” and have consistently requested additional tax transparency from FASB.⁴¹ FASB Chair Richard Jones said, “We heard repeatedly from investors it was a blind spot.”⁴² At the individual company level, shareholders have filed a flurry of proposals calling for public CbCR in the last two years. Amazon.com saw the first of its kind tax transparency proposal to go to a vote in 2022, after the Commission sided with investors overseeing \$3.6 trillion in assets to reject Amazon.com’s legal challenge to the shareholder resolution.⁴³ Since then, according to Morningstar Sustainalytics, “[a]cross 2022 and 2023, 10 tax-transparency-related shareholder proposals were filed at United States companies. Those proposals were supported by 19.3% of shares voted on average and adjusting for insider control. This

⁴¹ *House Takes Historic Step in Advancing Corporate Tax Transparency*, THE FACT COALITION (Jun. 16, 2021), <https://thefactcoalition.org/house-takes-historic-step-in-advancing-corporate-tax-transparency> and *Investors Call on Financial Accounting Standards Board to Prioritize Public Country-by-Country Tax Reporting*, THE FACT COALITION (Sep. 23, 2021), <https://thefactcoalition.org/investors-call-on-financial-accounting-standards-board-to-prioritize-public-country-by-country-tax-reporting>.

⁴² Nicola White, “Companies Must Reveal Tax Payments With New Accounting Rules”, BLOOMBERG LAW (Dec. 14, 2023), <https://news.bloomberglaw.com/financial-accounting/companies-must-reveal-tax-payments-with-new-accounting-rules>

⁴³ Emma Agyemang, *Amazon under investor pressure over tax transparency*, FINANCIAL TIMES (March 6 2022). Securities & Exchange Comm’n, *Amazon.com, Inc. No-Action Letter*, (Apr. 5, 2022), <https://thefactcoalition.org/wp-content/uploads/2022/04/Amazon-Missionary-Oblates-1.pdf>. Commission support for the Amazon shareholder resolution marked a departure from the Commission’s previous position. *Compare* Securities & Exchange Comm’n, *Lazard Ltd. No-Action Letter* (Feb. 16, 2011), <http://www.sec.gov/divisions/corpfin/cf-noaction/14a-8/2011/afscme021611-14a8.pdf>. We acknowledge that staff in the Commission’s Division of Corporate Finance recently granted no-action relief allowing Exxon to exclude a similar shareholder proposal. Securities & Exchange Comm’n, *Exxon No-Action Letter* (Mar. 20, 2024), <https://www.sec.gov/files/oxfamexxon032024-14a8.pdf>. In doing so, the staff apparently distinguished the previous 2022 Amazon decision by accepting Exxon’s argument that oil and gas companies have limited profit shifting opportunities. This is not the case: transfer pricing is widespread in the oil and gas industry, as is evident from media reporting and industry surveys. *See*, Tom Bergin & Ron Bousso, *Special Report: How oil majors shift billions in profits to island tax havens*, REUTERS (Dec. 9, 2020); Robert DiNardo, *Oil, gas companies see transfer pricing as key tax issue: survey*, S&P GLOBAL (Mar. 24, 2011), <https://www.spglobal.com/commodityinsights/en/market-insights/latest-news/natural-gas/032411-oil-gas-companies-see-transfer-pricing-as-key-tax-issue-survey>. Indeed, Exxon itself is currently engaged in a major US tax dispute over its gas operations in Qatar. David Lee, *ExxonMobil lays out \$200 million case seeking tax refunds for Qatar natural gas deal*, COURTHOUSE NEWS (Apr. 15, 2024), <https://www.courthousenews.com/exxonmobil-lays-out-200-million-case-seeking-tax-refunds-for-qatar-natural-gas-deal>. Exxon has also been accused of aggressive tax practices relating to its operations in Guyana. Olaf Geurts, Luc Caregari, Maarten Bakker, *How oil company ExxonMobil saves billions via Luxembourg*, INVESTIGATIVE DESK (Feb. 3, 2024), <https://investigativedesk.com/how-an-oil-company-saves-billions-thanks-to-luxembourg>.

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level of shareholder support is a significant result given the emerging nature of the issue.”⁴⁴ Among vocal supporters are major investors including Norway sovereign wealth fund Norges Bank Investment Management⁴⁵ and Federated Hermes EOS.⁴⁶ (For a list of recent shareholder resolutions calling for public CbCR, see *Appendix, Table 1.*) This rising tide of investor interest shows no signs of slowing down.

4. Investors currently lack adequate tax information in issuers’ filed reports and other public sources.

Tax disclosures that public issuers currently include in their filings – both in their financial statements and in narrative descriptions of material risk considerations – fail to adequately inform investors about material tax risks. The Commission’s current requirements fall far short of the leading global standard for CbCR, GRI 207-4, which requires a country-by-country breakdown of key operating metrics, including revenues, profits, taxes accrued and paid, tangible assets, activities, and employee headcounts. As the item-by-item comparison in the table below shows, the disclosures currently required by the Commission omit key data important to investors. For some items, issuers only provide a global aggregate; in other cases, they lump together all of the foreign operations in a single bucket; and for others still, no information is required to be reported at all. In the few instances where information is disaggregated, it is only by “specific geographic area”, which typically means “continent”: a largely meaningless category for purposes of tax risk analysis.

For a breakdown of the differences between the GRI 207-4 standard and disclosures currently required for U.S. public filers, see *Appendix, Table 2.*

⁴⁴ Mihnea Gheorghe & Andrew Spurr, *Tax Risk Is Growing for Companies. Trouble Ahead for Cisco Systems, Microsoft?*, MORNINGSTAR (Dec. 1, 2023), <https://www.morningstar.com/sustainable-investing/tax-risk-is-growing-companies-trouble-ahead-cisco-systems-microsoft>.

⁴⁵ Tax transparency is material to the fund’s investment decisions, and the fund has dropped several investments due to lack of tax transparency. Gwladys Fouche, “For first time, Norway’s wealth fund ditches firms over tax transparency,” REUTERS (Feb. 1, 2021), <https://www.reuters.com/world/europe/first-time-norways-wealth-fund-ditches-firms-over-tax-transparency-2021-02-01>. See also *Responsible investment: Government Pension Fund Global* (2023), p. 27, https://www.nbim.no/contentassets/1a797e49fdd742e2a3282e243ed3170c/gpfg_responsible-investment-2023.pdf.

⁴⁶ EOS at Federated Hermes, *North America Vote Guidelines* (2024), p. 10, <https://www.hermes-investment.com/uploads/2024/02/9518dafa4e95fec7e8e6866f55bacdf/fheos-regional-vote-guidelines-noram-02-2024.pdf> and *UK, Europe & Australia Vote Guidelines* (2024), <https://www.hermes-investment.com/uploads/2024/02/95bcd4f3a273540a1083de27085370ef/fheos-regional-vote-guidelines-auraus-02-2024.pdf>. See also, *Public Engagement Report* (2022), p. 15, <https://www.hermes-investment.com/uploads/2022/10/3ed371015c173760657d97f153087f1c/eos-public-engagement-report-q3-2022.pdf>.

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5. Some companies are voluntarily disclosing CbCR information, demonstrating that it is feasible and beneficial.

We welcome the efforts by several issuers to provide CbCR disclosures on a voluntary basis. The number of reporting companies has been steadily growing in recent years. A recent academic analysis of voluntarily published country-by-country reports surveyed 35 multinational corporate groups, including Shell, Vodafone, Lush, BHP, and Rio Tinto: in some cases, their reporting goes back for many years.⁴⁷ The experience and perspective of these companies demonstrates that such disclosures are not only feasible, but also seen as valuable by some issuers. A senior Shell executive testified before the European Parliament in favor of additional tax transparency, noting that concerns around possible risks were not borne out and were far outweighed by the benefits of transparency:

When we first started considering the report, we thought through all the possible risks, downsides and unintended consequences. I can tell you now that in reality these concerns did not play out. In fact, being more transparent has strengthened trust in Shell, and it continues to strengthen our relationships with our customers, investors, policymakers, and others. I would encourage more companies to open their books and show their financial contributions to society. Because meeting society's expectations will earn them trust... and because more transparency can support the development of fair, stable and effective tax systems which are always important... but today perhaps more than ever.⁴⁸

All of these companies follow GRI 207-4, which is the disclosure standard that we are recommending the Commission adopt. However, differences in companies' level of voluntary adherence to the standard,⁴⁹ the relatively small number of reporting companies and the fact that these reports are scattered and not in a standardized format, all make these disclosures of limited use for investors in undertaking comparative analysis. Standardized data can only be provided by the Commission mandating a broadly applicable disclosure rule, which will level the playing field for issuers and make the information comparable for investors.

For an example of a recent voluntary disclosure in line with GRI 207-4, see *Appendix, Table 3*.

6. The overall regulatory costs are minimal.

The compliance costs for public CbCR for most issuers would be minimal, given that they already collect much of this information internally for business, payroll, and tax purposes. Beyond companies that

⁴⁷ Sarah Godar, et al., *The long way to tax transparency: lessons from the early publishers of country-by-country reports*. INT'L TAX PUB. FINANCE (2024), Table 7, <https://link.springer.com/article/10.1007/s10797-023-09818-5/tables/7>

⁴⁸ Alan McLean, *Introductory Remarks by Alan McLean, Executive Vice President Taxation and Controller, Royal Dutch Shell plc at the hearing by the FISC Committee of the European Parliament* (Sep. 9, 2021), <https://www.europarl.europa.eu/cmsdata/239248/Alan%20McLean%20Statement.pdf>.

⁴⁹ *A Material Concern*, Appendix V.

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already voluntarily report their CbCR information publicly, large United States multinationals with \$850 million or more in revenue already have systems in place to collect and report similar information to the IRS, on IRS Form 8975, in accordance with the OECD’s confidential CbCR framework. Since this IRS reporting regime took effect in 2016, these US companies have been complying for several years without any apparent issues. A CbCR rule issued by the Commission would impose negligible internal compliance costs on those companies that are already complying with the IRS reporting.

Beyond collecting the relevant information, it does not require much additional effort to make it publicly available to investors. The experience of companies that have been reporting their CbCR information publicly for years confirms that public benefits outweigh the low costs. Relevant data includes European banks and financial institutions that have been required to report under the EU Capital Requirements Directive since 2014.⁵⁰ Subsequent assessments of this reporting by the European Commission have found that the CbCR requirements “were unlikely to have a significant negative economic impact: on the contrary, the assessment highlighted positive consequences of CBCR on the transparency and accountability of, and on the public confidence in, the financial services sector in the EU.”⁵¹ On costs, the European Commission concluded:

the costs incurred by the institutions subject to the CBCR requirements ... are negligible: expressed in terms of turnover, they are significantly below the one percentage point. Furthermore, their amount decreases after the first year, once the reporting method is put in place. It has also to be noted that, in the absence of the CBCR requirement, many institutions would have incurred most of the administrative costs already e.g. for their business reporting, or reporting to tax authorities pursuant to national laws implementing OECD action BEPS 13.⁵²

Many more companies, including U.S. issuers, are expected to soon begin publishing some version of this information. The EU has adopted a directive on public CbCR in November 2021, building on related requirements already in place for the banking and extractive sectors.⁵³ This directive will require reporting from certain large multinational enterprises for reporting years beginning in summer 2024, and will

⁵⁰ Article 89 of the Directive (EU) 2013/36 of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC, OFFICIAL J. OF THE EUR. UNION L 176/338 (Jun. 27, 2013), <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32013L0036&from=EN>.

⁵¹ *Report from the Commission to the European Parliament and the Council: Assessment on the Adequacy of the Information to be disclosed under Article 89(1) of Directive 2013/36/EU* (Jun. 26, 2023), <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX%3A52023DC0344>.

⁵² *Id.*

⁵³ Directive (EU) 2021/2101 of the European Parliament and of the Council of 24 November 2021 amending Directive 2013/34/EU as regards disclosure of income tax information by certain undertakings and branches, 64 OFFICIAL J. OF THE EUR. UNION L 429/1 (Dec. 1, 2021), <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ.L:2021:429:FULL>.

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include a number of U.S. issuers. Meanwhile, Australia has introduced legislation that will require CbCR in line with the GRI 207-4 standard for a number of high-risk jurisdictions from multinationals with Australian tax residence or permanent establishment.⁵⁴

If European and Australian regulators are ensuring that investors are informed about these risks, there is no reason to continue to disadvantage investors in American capital markets. Any concerns that such disclosures would somehow put reporting entities at a competitive disadvantage are false. The information that would be disclosed is basic financial and operational information, without implicating any trade secrets or other commercially sensitive information. **Tax competition is not a beneficial form of competition.** In fact, due to increased levels of international scrutiny and enforcement, including at the IRS as a result of recent funding increases, it is more likely than ever that companies which continue to engage in secretive and risky tax practices will be at a long-term disadvantage, imposing unnecessary risks and costs on their investors.

CONCLUSION

Ensuring that investors are properly informed about material risks is critical to each aspect of the Commission's three-part mission to protect investors; maintain fair, orderly, and efficient markets; and facilitate capital formation. As multinational companies have increasingly used complex international tax strategies shrouded in secrecy to pad their financial results, it is time for the Commission's disclosure framework to catch up. We urge the Commission to initiate a rulemaking to update Regulation S-X to require issuers to provide CbCR information to their investors. Such a rule will bring enormous benefits to investors, at minimal cost to companies.

If the Commission or the staff have any questions, or if we can be of assistance in any way, please contact Zorka Milin at zmilin@thefactcoalition.org.

Sincerely,

ABP

Adrian Dominican Sisters, Portfolio Advisory Board

Aequo

AkademikerPension

⁵⁴ *Treasury Laws Amendment (Responsible Buy Now Pay Later and Other Measures) Bill 2024, Parliament of Australia*, (June 5, 2024) https://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bId=r7199.

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American Federation of Labor and Congress of Industrial Organizations (AFL-CIO)
American Federation of State, County and Municipal Employees (AFSCME)
American Federation of Teachers (AFT)
Amiral Gestion
Australian Ethical Investment
Azzad Asset Management
Bâtirente
Boston Common Asset Management
Brunel Pension Partnership
Cardano
Church of England Pensions Board
Clean Yield Asset Management
Communications Workers of America
Congregation of Sisters of St. Agnes
Congregation of St. Joseph
CorpGov.net
Dana Investment Advisors
Daughters of Charity, Province of St. Louise
Domini Impact Investments, LLC
Dominican Sisters of Sparkill
DPAM - Degroof Petercam Asset Management SA
Ecofi
Ethical Partners Funds Management
Ethos Engagement Pool International
Ethos Engagement Services Clients
Ethos Foundation
Etica Funds - Responsible Investments
Everence and the Praxis Mutual Funds

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For the Long Term
French Sustainable Investment Forum (FIR)
Friends Fiduciary Corporation
Greater Manchester Pension Fund
Greenbank Investments
Harrington Investments, Inc.
Impax Asset Management
Interfaith Center on Corporate Responsibility
International Association of Machinists and Aerospace Workers
International Brotherhood of Electrical Workers (IBEW)
Investor Advocates for Social Justice
KLP
Lady Lawyer Foundation
Le Regroupement pour la Responsabilité Sociale des Entreprises (RRSE)
The Local Authority Pension Fund Forum
London LGPS CIV Limited
Maryknoll Sisters
Mercy Investment Services, Inc.
Miller/Howard Investments, Inc.
Mirova
Missionary Oblates
Natural Investments
NEI Investments
Nest Corporation
New York City Office of the Comptroller
Newground Social Investment
Nia Impact Capital
North America's Building Trade Unions (NABTU)

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NorthStar Asset Management

Oxfam America

PenSam

Predistribution Initiative (PDI)

Province of Saint Joseph of the Capuchin Order

Reynders, McVeigh Capital Management, LLC

Sampension

Sarasin & Partners LLP

School Sisters of Notre Dame Investment Fund

Service Employees International Union (SEIU)

Seventh Generation Interfaith Coalition for Responsible Investment

SHARE

Sisters of Charity of Saint Elizabeth

Sisters of the Presentation of the BVM of Aberdeen, SD

Sisters of St. Francis of Philadelphia

SOC Investment Group

Socially Responsible Investment Coalition

Sustainable Advisors Alliance, LLC

Toniic

Trillium Asset Management

Trinity Health

U Ethical Investors

UFCW International Union

United Church Funds

United Steelworkers (USW)

Vision Super Pty Ltd

Zevin Asset Management

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Appendix: Tables

Table 1. Shareholder proposals on CbCR to date (as of July 2024)

Source: Morningstar Sustainalytics and additional research by FACT

Company	Year	Title	Reported Support	Adjusted Support ⁵⁵
Amazon	2022	Issue Alternative Tax Report	17.5%	21.2%
	2023	Issue Tax Transparency Report	17.7%	21.4%
Brookfield Corp.	2023	Report on Tax Transparency	27.0%	27.0%
Chevron Corp.	2023	Report on Tax Practices	14.6%	14.6%
	2024	Report on Tax Practices	14.9%	14.9%
Cisco Systems	2022	Issue Tax Transparency Report	26.9%	26.9%
	2023	Issue Tax Transparency Report	25.2%	25.2%
ConocoPhillips	2023	Report on Tax Payments	17.3%	17.3%
ExxonMobil Corp.	2023	Issue Tax Transparency Report	13.6%	13.6%
Kosmos	2024	Tax Transparency Report	23.2%	23.2%
Microsoft Corp.	2022	Report on Tax Transparency	23.0%	23.0%
	2023	Issue Tax Transparency Report	21.3%	21.3%

⁵⁵ Adjusted support includes only votes by a company's independent shareholders, excluding votes cast by insider shareholders, such as company founders and executives.

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Table 2. Comparison of CbCR standard and current SEC disclosures

CbCR requirements under GRI 207-4	Currently required disclosure for public issuers
Names of the resident entities	Partial: only significant subsidiaries are required to be disclosed. ⁵⁶ As the SEC’s own Investor Advisory Committee previously noted, “[d]isclosure documents may not, therefore, provide a complete understanding of a company’s structure and leaves open the possibility of undisclosed pockets of meaningful firm-specific and systemic risk.” ⁵⁷
Primary activities of the organization	Not reported by country.
Number of employees, and the basis of calculation of this number	No country-by-country breakdown, only a total “number of persons employed by the registrant” worldwide is required, despite increased focus on human capital management. ⁵⁸
Revenues from third-party sales, and revenues from intra-group transactions with other tax jurisdictions	No: in most cases, intra-group transactions (often used for tax-dodging purposes and that could create capital risks) are generally not visible as a result of accounting guidance that removes most intercompany transactions from GAAP financial statements for consolidated companies. ⁵⁹

⁵⁶ 17 C.F.R. § 229.601(b)(21).

⁵⁷ *Letter to the Commission Division of Corporation Finance, INVESTOR ADVISORY COMMITTEE* (Jun. 15, 2016), <https://www.sec.gov/spotlight/investor-advisory-committee-2012/iac-approved-letter-reg-sk-comment-letter-062016.pdf>.

⁵⁸ 17 C.F.R. § 229.101(c)(ii)(2). *See also, Petition to the Commission, THE HUMAN CAPITAL MANAGEMENT COALITION* (Jul. 6, 2017), <https://www.sec.gov/files/rules/petitions/2017/petn4-711.pdf>. As noted by the Human Capital Management Coalition, “investors need high-quality quantitative and qualitative information that is relevant, reliable, and effective in communicating how adeptly a company manages its human capital resources to drive performance. Our request to the Commission is to ensure the information issuers report to investors accurately reflects the markets as they exist, and as they evolve. We submit that a single data point on the number of employees a firm directly employs tells us very little about the company’s ability to manage human capital risks and leverage opportunities for growth and thus is no longer sufficient for a maturing market.”

⁵⁹ ASC 810-10-45-1.

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Profit/loss before tax	Not disaggregated by country. All foreign operations can be lumped together, because Regulation S-X only requires that income be separated in two buckets: domestic and foreign. ⁶⁰
Tangible assets other than cash and cash equivalents (GRI 207-4.b.vii)	Not disaggregated by country. In some cases, foreign assets may be reportable in a “specific geographic area” that accounts for more than 10% of assets or revenue or pre-tax income or net income. Otherwise, they are reported in aggregate. ⁶¹
Corporate income tax paid on a cash basis	Not generally required, except for certain resource extraction issuers. ⁶² Otherwise, even where cash taxes are reported, only an aggregate total is given, without country-by-country breakdown. A limited form of country-by-country breakdown for foreign taxes paid will be required pursuant to recent FASB updates to its income tax accounting standard, but only for countries that account for at least 5% of the company’s total income tax paid. Unfortunately, because the threshold was set as a percentage rather than a dollar figure, this will have the effect of not capturing certain tax haven jurisdictions where tax transparency is most needed.
Corporate income tax accrued on profit/loss	Not disaggregated by country. As with income, Regulation S-X only requires accrued taxes to be separated in two buckets: domestic and foreign. ⁶³

⁶⁰ 17 C.F.R. § 210.4-08(h)(1)

⁶¹ 17 C.F.R § 210.9-05.

⁶² 15 U.S.C. § 78m(q) and 17 C.F.R. § 240.13q-1.

⁶³ 17 C.F.R. § 210.4-08(h)(1)(i)-(ii). “Disclosure shall be made of...

(i) the components of income (loss) before income tax expense (benefit) as *either domestic or foreign*;

(ii) the components of income tax expense, including: (A) *taxes currently payable* and (B) the net tax effects, as applicable, of timing differences (indicate separately the amount of the estimated tax effect of each of the various types of timing differences, such as depreciation, warranty costs, etc., where the amount of each such tax effect exceeds 5% of the amount computed by multiplying the income before tax by the applicable statutory Federal income tax rate; other differences may be combined.)” (emphasis added). See also, 17 C.F.R § 210.4-08(h)(1) Note 1 (“Amounts applicable to United States Federal income taxes, to foreign income taxes and the other income taxes shall be stated separately for each major component. Amounts applicable to foreign income (loss) and amounts applicable to foreign or other income taxes which are less than five percent of the total of income before taxes or the component of tax expense, respectively, need not be separately disclosed. For purposes of this rule, foreign income (loss) is defined as income (loss) generated from a registrant’s foreign operations, i.e., operations that are located outside of the registrant’s home country.”).

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Table 3. Sample country-by-country report from BHP (2022)⁶⁴

Our 2022 Country-by-Country Report

Tax jurisdiction	Revenues from third-party sales US\$M	Revenues from intra-group transactions with other tax jurisdictions US\$M	Profit/(loss) before tax US\$M	Corporate income tax accrued on profit/(loss) US\$M	Country-by-Country effective corporate tax rate %	Corporate income tax paid on a cash basis US\$M	Number of employees	Tangible assets other than cash and cash equivalents US\$M
Algeria	171.7	0.3	122.1	95.8	78.4	—	—	—
Argentina	—	—	—	—	—	—	—	—
Australia	6,719.0	43,161.0	28,313.6	9,358.8	33.1	8,794.3	49,420	44,895.8
Barbados	—	—	(15.4)	—	—	—	—	—
Bolivia	—	—	—	—	—	—	—	—
Brazil	0.4	—	(10.3)	(2.0)	19.4	1.6	58	9.9
Canada	26.1	3.8	(74.8)	(2.0)	2.6	16.3	1,108	3,748.8
Cayman Islands	—	0.6	(0.1)	0.1	*	325.3	—	—
Chile	12,434.0	778.2	5,556.2	1,752.5	31.5	1,957.0	24,671	18,300.1
China	0.7	21.3	1.3	0.6	44.1	1.7	78	1.5
Colombia	0.5	—	(0.5)	—	—	—	—	—
Ecuador	—	—	(13.4)	—	—	—	84	0.4
Ethiopia	—	—	(0.2)	—	—	—	—	—
Gabon	0.1	—	0.1	—	0.5	—	—	—
Guernsey	5.6	223.9	167.3	4.7	2.8	3.2	—	—
India	0.3	5.9	0.8	0.4	43.9	0.2	34	0.1
Indonesia	—	—	(0.5)	—	—	—	—	—
Ireland	—	—	—	—	—	—	—	—
Japan	0.2	2.5	0.5	0.2	33.8	0.2	13	1.0
Jersey	0.6	—	1.8	—	—	—	—	—
South Korea	—	—	—	—	—	—	—	—
Liberia	—	—	—	—	—	—	—	—
Malaysia	0.5	41.7	3.0	0.8	27.7	0.9	642	14.9
Mexico	2.0	4.6	(41.7)	1.3	*	0.1	—	—
Netherlands	25.4	0.4	25.1	—	0.1	86.1	—	—
Panama	—	—	—	—	—	—	—	—
Peru	0.4	—	(9.7)	—	—	—	31	0.3
Philippines	—	43.8	2.9	2.9	100.8	2.9	754	23.2
Saint Lucia	—	—	—	—	—	—	—	—
Singapore	50,492.2	494.2	1,988.0	102.7	5.2	45.7	504	491.3
South Africa	—	—	—	—	—	—	—	—
Switzerland	—	2.0	0.7	0.1	14.3	0.2	3	—
Trinidad and Tobago	516.7	22.2	382.7	186.1	48.6	0.1	9	—
United Kingdom	80.7	4.9	10.8	1.1	10.3	15.3	68	28.7
United States of America	2,042.6	68.6	976.6	(2.8)	*	326.3	287	29.5
Country-by-Country Report total	72,519.7		37,386.9			11,577.4		67,545.5

Figures are rounded to the nearest decimal point.

⁶⁴ Available at
https://www.bhp.com/-/media/documents/ourapproach/operatingwithintegrity/taxandtransparency/231221_countrybycountryreport2022.pdf

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