Funding the Future

10 reasons why Country-by-Country accounting is vital

Published: January 13, 2026, 6:02 am

In the 1980s I was a volunteer for Oxfam. At the time I remember discussing the role an accountant could play in campaigning on development with Susan George and others. And the best most people could come up with was to act as treasurer behind the scenes.

I'm not that good behind the scenes, and there's no need for any accountant to play that role in campaigning for development now. Put simply, accountants now have the opportunity to deliver more value for development than just about any other group in society. What they need to do is back the call for 'Country-by-Country' reporting by multinational corporations.

Country-by-Country reporting could be created by an IFRS. It would require that a multinational corporation declare:

1. In which countries it operates;
2. What it is called in that location;
3. What its financial performance is in every country in which it operates, identifying both third party and intra-group trade as well as labour related information;
4. How much tax (and other benefits) it pays to government locally as a consequence.

It would have to do this for all territories in which it operated, without exception. Any country is deemed material in its own right in Country-by-Country reporting.

The benefits of this approach are enormous those interested in trade, labour rights, development, the environment, tax, CSR, transparency and even plain straightforward risk to which shareholders are exposed.

Take just the development case. The developing countries of the world are poor, by definition. Aid helps alleviate this problem but creates a dependency, harms the democratic accountability of developing country governments because they aren't accountable to their electorates for what they spend and aid directly contributes to corruption. Local declaration of economic activity by MNCs with the resulting accountability for taxes paid could break this cycle and help create fully independent, accountable governments capable of raising their own taxation revenues.

The consider what this disclosure could also do when it comes to tax. Multinational companies have more opportunity than any other group in society to plan their tax affairs. They can seek to shift their profits from state to state to find the lowest overall bill. Country-by-Country reporting requires disclosure of the profits that companies record in each country in which they operate and the taxes that they pay on them. This means they can be held accountable for what they do and don't pay. **It's estimated that if this problem were tackled enough tax could be collected to pay for the Millennium Development Goals**.

We've prepared a summary of ten good reasons why Country-by-Country reporting could contribute to a better world. It's available **here. Please take the time to read it.**