

European Commission explicitly supports country-by-coun...

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The European Commission [issued a paper](#) this week entitled “Tax and Development: Cooperating with Developing Countries on Promoting Good Governance in Tax Matters”. Amongst its commentary is the following:

In order to enhance transparency and facilitate access of relevant data by tax administrations in developing countries, there is an increasing interest in a country-by-country reporting (CBCR) standard for multinational corporations operating in developing countries. The Commission supports the timely conclusion of ongoing work being done by the OECD with respect to a CBCR guideline, which should then be referred in the OECD Guidelines for Multinational Enterprises and in the OECD Principles of Corporate Governance. Moreover, the Commission supports research work currently undertaken by the International Accounting Standards Board towards the possible inclusion of CBCR in an International Financial Reporting Standard for extractive industries and encourages further investigation into other methods which could be used to help developing countries authorities to correctly assess, at low cost, the tax liabilities of their taxpayers.

it's more than seven years since I wrote [the first version](#) of country-by-country reporting. Now it has a life of its own, and a trajectory towards implementation which, whilst inevitable makes that outcome look probable. The European Commission support is another welcome step on that path.

The paper concludes by saying (and I have edited here):

The Commission proposes to promote the principles of good governance in tax matters, and support developing countries to fight against tax evasion and other harmful tax practices, by supporting ongoing research on a country-by-country reporting requirement as part of a reporting standard for multinational corporations, notably in the extractive industry.

As a message to the International Accounting Standards Board this is very powerful indeed.