

Lex supports country-by-country reporting

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The Lex Column on the FT is influential (even if not always reliable, politically). But this morning it's bang on the button when talking about country-by-country reporting, and saying:

EU-listed companies may protest at a further tier of regulation, yet compliance should be a breeze for them if they are true to their carefully burnished reputations.

Take the London-listed miners. They trot out data for glossy sustainable development reports, listing contributions to communities. Some are signatories to the Extractive Industries Transparency Initiative, a voluntary public-private campaign. Nor should they balk at disclosing the broader infrastructure investment commitments they give to savvy governments, in addition to royalties and taxes, in return for mining licences.

Quite so. In other words Lex agrees that there is no logical argument on grounds of cost against disclosing.

But as they also note:

Some companies are taking a stand against this. They may have a point; Mr Barnier's proposed measures will not deter buccaneering miners from resource-hungry jurisdictions outside the EU and US, which can ignore the transparency measures and deal direct with grateful recipients of their largesse. But his measures should at least level the playing field for disclosure in two key markets.

This is the case for an International Financial Reporting Standards. There is no reason why that ends now. Indeed, if the International Accounting Standards Board is to retain any relevance it has to jump on board very soon or be swept aside in future discussion on regulation of disclosure.

The final question then is why stop at two key markets? Isn't it time for country-by-country reporting for all markets? The logic is equally obvious.