Funding the Future

Country-by-country reporting at the OECD this morning

Published: January 12, 2026, 8:46 pm

The OECD discussed country-by-country reporting in Paris this morning. I was invited to present but because of my health at the time I was asked to go had to decline, but my place was more than ably covered by others.

Business has fought back heavily against country-by-country reporting (PWC asked today that the amount of information disclosed be cut so radically that only a hollow gesture would remain) but the reality is the latest OECD draft (not yet published, but which I have) on the issue is better than I expected: not ideal, and with some real weaknesses (data does not need to be reconciled to consolidated accounts, for example, and the entities covered need not even be the same) but there are real wins.

The first is that small countries are not excluded - a demand business made and which would leave tax havens out (very conveniently for them).

Second, there is no materiality concept.

Third, intra-group transactions are required to be disclosed and they are reasonably defined.

Fourth, as I begged for, tax is not now just cash paid but also the accrual for the current year.

Fifth, the approach to permanent establishments is sound.

Sixth, the local results have to be consolidated by country - as I was sure was needed.

These are all good. The weaknesses are that local accounting standards can be used and so arbitrage opportunities between accounting systems will remain and not be highlighrted and insufficient payroll data will be supplied. But overall what has gone from the first draft I can broadly live with.

The outcome is not ideal, but takes us a long way forward. That's how change happens. As my BEPS Monitoring Group colleague, Prof Sol Picciotto, who is in Paris tweeted this morning:

I think he may be right.

And, what is more, Sol made a powerful case today for the data to be on public record. It will happen.