

Ten reasons for country-by-country reporting

Published: January 16, 2026, 6:59 am

Country-by-country reporting (CBCR) [as now endorsed by the Global Reporting Initiative](#) would require every multinational corporation to declare:

- * In which countries it operates;
- * What it is called in that location;
- * 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;
- * How much tax (and other benefits) it pays to government locally as a consequence.

Country-by-country reporting requires this information for all territories - without exception - in which a multinational corporation (MNC) operates. Anything less will not do. The proposed [GRI reporting standard on country-by-country reporting](#) might deliver this goal.

I have always believed country-by-country reporting is important for the following reasons:

1 Corporate social responsibility (CSR) matters

CSR is about the relationship between a company and its host community. But this does require that the host community knows the companies there. CBCR reporting provides that information.

2 Accountability matters

A company cannot be accountable unless it can be identified. This means that the names an MNC uses locally must be on public record. Too often they are not. CBCR reporting names local subsidiaries.

3 Trade matters

60% of world trade is intra-group trade. In other words, it takes place across national

boundaries but between companies under common ownership or control. Existing MNC accounts completely eliminate all of this trade from public view. CBCR shows it all. This is vital if trade relationships are to be understood, and made fair.

4 People matter

Multinational corporation accounts include statements on the number of employees a company has and their aggregate remuneration. CBCR would require this statement for every country in which an MNC operates. This would provide invaluable information on labour conditions, worldwide.

5 Tax matters

MNCs have more opportunity than any other group to plan their tax affairs. They can seek to shift their profits from state to state to find the lowest overall bill. CBCR discloses 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 is estimated that if this problem were tackled enough tax could be collected to pay for much of the Sustainable Development Goals.

6 Corruption matters

The Extractive Industries are dominated by MNCs. The Extractive Industries Transparency Initiative seeks to hold those companies to account for the tax payments they make, and the governments that receive those payments to account for what they do with them. Many MNCs resist disclosure of information on what they pay because of competitive pressure, contractual obligations and local political opposition. CBCR would overcome these objections, significantly enhancing transparency in this sector, and helping cut corruption.

7 Development matters

The developing countries of the world are poorer than those that are developed. 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.

8 Governance matters

Many of the major corporate scandals of recent times have involved extensive use of offshore subsidiary companies. These are becoming increasingly common throughout the MNC world, but it is recognised that the problem of managing them creates severe governance issues for MNCs. This results in increased risk for shareholders and others

who need to understand the risk inherent in an MNC's activity.

9 Where you are matters

Some countries are politically unstable. If a company trades there shareholders should know. Some are politically unacceptable. If an MNC trades there civil society wants to know. Some countries are subject to sanction. Trading there is illegal. Where you are matters. CBCR holds a company to account for where it is.

10 Transparency matters

In many countries a corporation does not have to put its accounts on public record. That means that what an MNC does in that country is not a matter of public record. That matters. What MNCs do has enormous implication for the wellbeing of the world. CBCR overcomes this problem. It puts all MNC activity 'on the record'.

What you can do

If you think these things matter might you tell the Global Reporting Initiative? It's easy to do, [here](#).