



Open letter to our Governments

Globalisation has opened up opportunities for multinational enterprises to greatly reduce the taxes they pay. OECD estimates assess that current overall tax loss due to aggressive tax avoidance measures ranges between 4% and 10% of global corporate income tax revenues - at least €86 to €207 billion annually.

We therefore support the efforts of the Organisation for Economic Co-operation and Development in relation to the implementation of the *Base Erosion and Profit Shifting* (BEPS) project and the recent announcement of the EU Commission on new public tax transparency rules on 12 April 2016.

The OECD BEPS project and the EU Commission 'country-by-country reporting' initiative will lay the foundations of a modern international tax framework under which profits are taxed where economic activity and value creation occur.

But we want to enable the citizen to have access to this information. We, therefore, urge our Governments to support a measure that would show, for each tax jurisdiction in which multinational companies do business:

- Their revenue; their profit before income tax; the income tax paid and accrued; total employment; capital; retained earnings, and tangible assets.

We would also expect companies to identify each entity in the group that is doing business in a particular tax jurisdiction and to provide an indication of the business activities in a selection of broad areas that each entity is engaged in.

We want to see this information published so that our citizens can see for themselves what tax multinationals pay so that not only will our national tax authorities see the full picture but so will our citizens.

Publishing this information will also help developing countries collect the tax they need, as it ensures that people in developing countries have timely and low-cost access to crucial information about the activities multinational corporations undertake in their countries, and whether they are paying a fair share of tax.

Publication is one way to persuade these companies to explain their tax planning. It would deter them from using tax havens and shell companies. As legislators, we strongly encourage our governments to support greater transparency and agree this approach as soon as possible.

Signature:
