

MEMO# 35320

May 22, 2023

For Member Review: DRAFT letter on Australia's Public Country-by-Country Reporting Proposal

[35320]

May 19, 2023

TO: Global Tax Committee

Tax Committee RE: For Member Review: DRAFT letter on Australia's Public Country-by-Country Reporting Proposal

Attached is a draft coalition letter crafted by ICI addressing concerns with [Australia's public country-by-country reporting proposal](#). ICI is coordinating with other industry associations to potentially join the letter. The proposal as currently drafted would require multinational entities to prepare for public release certain tax information on a country-by-country basis and a statement on their approach to taxation (for income years commencing from 1 July 2023). Specifically, the letter explains that:

- the proposal fails its goal of fairly informing the public about a company's true tax position;
- the proposal's goal may not be achievable even if companies include an enormous amount of narrative to supplement the data provided;
- the proposal's expansive scope goes far beyond what other jurisdictions require and will result in confusing inconsistencies in how information is reported;
- Australia's commitment under BEPS to this information private is being violated;
- significant harm will be incurred by companies required to disclose to their competitors highly sensitive commercial information; and
- the proposal's Australia-specific requirements could mislead the public in many cases.

To address these concerns the letter recommends that the draft proposal be modified to:

- limit the proposal's extraterritorial effect by:
 - exempting non-resident parent MNEs with de minimis Australian operations;
 - eliminating the extensive reporting that is not required anywhere else in the world; and
 - aggregating information for all non-Australian countries that are not tax havens;
- include a safeguard clause that would protect the competitive position of firms by

- allowing commercially sensitive information to remain confidential;
- require reporting consistent with international norms and Pillar 2.

Please provide any comments to the letter to Keith Lawson at lawson@ici.org or the undersigned at katie.sunderland@ici.org by close of business on Thursday, May 25th.

Katie Sunderland
Associate General Counsel

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