

Magdalena Andersson, Minister for Finance

CC Leif Jakobsson , State Secretary to Minister for Finance

Stockholm, 2016-09-22

Subject: European Commission's proposal on disclosure of income tax information for multinational companies

Dear Magdalena Andersson

We, the undersigned civil society organisations, are writing to you to highlight the importance of the ongoing discussions on tax transparency and disclosure of income tax information for multinational companies (MNCs), and to express our concerns regarding the European Commission's proposal.

MNCs' structures and operations are still highly opaque. Ending the secrecy surrounding the activities and tax payments of MNCs is a crucial step towards curbing corporate tax avoidance, fighting corruption and re-establishing public trust in our tax system and institutions.

We believe that citizens, including those in developing countries, have the right to have access to key financial information on the activities of the companies that operate in their territories. This information needs to be transparently reported and publicly disclosed in order to help ensure that multinational companies pay their fair share of taxes and governments and companies can be held accountable.

On April 12th 2016, the European Commission released an important proposal on what is known as public Country-by-Country Reporting (CBCR) for multinational companies.¹ If implemented comprehensively, public CBCR would increase corporate and tax transparency by enabling citizens' worldwide access to key information concerning MNC's tax payments.

Unfortunately, the current legislative proposal does not live up to these expectations. Unless the European Parliament and EU member states agree to amend it in a meaningful way, the EU will miss a key opportunity to increase tax transparency, not only in Europe but worldwide.

As Minister for Finance we urge you to improve the current proposal and to deliver proper country-by-country reporting by:

- **requiring multinationals to publish data broken down on a country-by-country basis for each country and jurisdiction of operation, both inside and outside the EU** and not only on operations in EU countries and yet-to-be determined tax havens;
- **applying EU's own existing definition of "large undertakings", including a threshold of €40 million in turnover as stated in the Accounting Directive.** The current proposal would indeed leave out the majority of large groups which also might present risks in relation to aggressive tax planning;

¹ Amendment to Directive 2013/34/EU as regards disclosure of income tax information by certain undertakings and branches .

- **including all necessary elements, such as sales, assets, subsidies, list of subsidiaries - allowing public CbCR to be the effective risk-assessment tool that is meant to be.**

Please find enclosed with this letter a more detailed analysis of the EC's proposal.

As the first discussions in the Council begin, we urge you to show your strong support for improving the text in a way that will introduce a meaningful public country by country reporting obligation for multinational corporations and contribute to end corporate tax secrecy.

Over [350,000](#) actions have been taken by citizens across the EU² demanding that all their governments make all companies publicly declare where they do business and where they pay taxes. We urge you to listen to and act on this public mandate to introduce public country by country reporting that is fit for purpose.

We remain at your disposal if you would like to receive more information or would like to meet in person to discuss this issue further.

Yours sincerely,

Yours sincerely,



Bo Forsberg
Secretary General, Diakonia



Lisa Sjöblom
Secretary General, Forum Syd



Ulla Andrén
Chair, Transparency International Sverige

² See www.taxjusticeurope.eu