



Private and confidential

European Commission
SPA2 00/103
1049 Brussels
Belgium

9 September 2015

Dear Sirs,

Public consultation on further corporate tax transparency

This letter accompanies PricewaterhouseCoopers' (PwC or we) response to the Commission's consultation on further corporate tax transparency; it sets out our overall views on corporate tax transparency and explains the approach we have taken in responding to the specific consultation questions.

We continue to be positive about the role of meaningful tax transparency and have taken that view for many years and have demonstrated a sustained interest in the additional disclosure that companies choose to make on a voluntary basis. We recognise the perspective of civil society that public country by country reporting (CBCR) would be useful in holding companies to account for the taxes that they pay. We also recognise that business leaders are concerned about the commercial impact of disclosing potentially sensitive information.

We would encourage the Commission to undertake a detailed study of any additional administrative burden that would be imposed on companies to allow this to be balanced against any benefit that may accrue to governments from additional transparency. We are also of the view that any extension to public CBCR should learn from the impact of existing regimes and should avoid duplication or conflicting requirements. In particular, any extension of public CBCR should recognise, as the consultation does, the likely impact of the introduction of disclosure to tax authorities under the OECD's BEPS project. In our opinion, the decision on whether or not to extend public CBCR is clearly one for governments and regulators. Our view is that any decision should follow a considered impact assessment taking account of how any new regulations may affect sectors differently, and so we welcome the fact that the Commission is considering the matter carefully and is consulting widely on the issue.

Finally, we take the position that whether or not public CBCR is extended, corporates should consider how they can most appropriately explain their approach to tax, that this may include explaining their contribution from all the taxes that they pay (not just from corporate income taxes) and that for some, this will be part of a wider engagement with other stakeholders.

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In summary we recognise the variety of perspectives of civil society and corporates on the contribution of public CBCR, and would encourage the European Commission to draw on the experience of existing regimes and welcome the fact that the Commission will carry out an appropriate and detailed impact assessment before deciding how to proceed. We also believe that corporates should continue to consider how they can most appropriately provide transparency to their stakeholders.

Given our position as outlined above, it would not be appropriate for us to comment in our consultation response on any matters of policy around the possible extension of tax transparency. We have however provided comments on a number of issues which we think the Commission should take into account in its work in this area. In many cases these are based on our, and our clients' experience with the existing CBCR regimes.

Please do not hesitate to contact me if you would like to discuss any of our responses with us.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'A J R'.

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