



**NORGES BANK**  
INVESTMENT MANAGEMENT

Centre for Tax Policy and Administration  
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## OECD consultation: Review of Country-by-Country Reporting (BEPS Action 13)

We refer to the Organisation for Economic Co-operation and Development (OECD)'s public consultation on the *Review of Country-by-Country Reporting (BEPS Action 13)*, published 6 February 2020. We welcome the opportunity to contribute an investor's perspective.

Norges Bank Investment Management (NBIM) is the investment management division of the Norwegian Central Bank and is responsible for investing the Norwegian Government Pension Fund Global, with the objective of ensuring a high long-term return. NBIM is a globally diversified investment manager with about USD 1 trn in assets under management, including 70.8% in equities.

We have published our expectations of companies on tax and transparency<sup>1</sup>. As an investor, NBIM expects multinational enterprises to exhibit appropriate, prudent and transparent tax behaviour. In line with the G20/OECD Principles of Corporate Governance, our starting point is that that company boards should oversee company tax strategies and planning. Maximising long-term value does not require aggressive tax behaviour. In this context, we welcome the OECD's objective to address existing incentives for profit shifting.

As we explain in our expectations of companies, we believe that public country-by-country reporting is a core element of transparent corporate tax disclosure. Complex or opaque ownership and organisational structures hamper transparency and may compromise investors' fundamental financial analysis. It seems unlikely that transparent geographical reporting of value generation and the taxes paid in relation to that value, would necessarily impair competitive advantage. It is not clear that the principal content of such reports would comprise sensitive information on which commercial competitors could capitalise. As an investor, we value the information available to us from emerging, voluntary, public country-by-country reporting by companies. We acknowledge that the Country-by-Country reports covered by the BEPS Action 13 minimum standards are intended for tax authorities. Nevertheless, the modifications to these standards may also inspire greater consistency in

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<sup>1</sup> NBIM, [Tax and Transparency, expectations towards companies](#).



public country-by-country reporting for companies that wish to pursue such voluntary reporting.

Institutional investors benefit from well-functioning, consistent, predictable and transparent tax reporting frameworks. To ensure harmonization and reduce uncertainty, we support international standards for the disclosure of tax-related information by companies to tax authorities. We therefore welcome the proposed modifications to the BEPS Action 13 minimum standards that would provide more predictability in terms of which companies fall within the scope of a Country-by-Country filing obligation. A revised approach to how revenue is calculated may also ensure more consistent treatment of companies.

With regards to the proposed modifications to the content requirements of the Country-by-Country report, we support the proposal to consider the use of consolidated data. Emerging public country-by-country reporting practices suggest that aggregated reporting may result in double counting of transactions and does not always provide an accurate picture of a company's results in a jurisdiction. To reduce the risk of misinterpretation of information contained within Country-by-Country reports, we also welcome proposals that could provide further context to the data. While there is a need to avoid unnecessary reporting burden for companies, further disclosures regarding the nature of a company's activities in a jurisdiction and introducing more granular data points in the Country-by-Country reporting template could help provide such context.

We appreciate your willingness to consider our perspective.

Yours sincerely

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