Information about the Petition on public Country-by-Country Multinational Corporation Financial Reporting

For the Finance and Expenditure Select Committee

6 December 2019

Public reporting on tax increases transparency and promotes trust and credibility in the tax practices of organisations and in the tax systems. It enables stakeholders to make informed judgements about an organisation's tax positions. Tax transparency also informs public debate and supports the development of socially desirable tax policy.[1]

Taxes are a crucial source of government revenue and are central to countries' financial stability. Taxes are also an important way for multinational corporations to contribute to the countries in which they operate, supporting the healthy, educated workforce corporations need, along with the infrastructure that supports flourishing businesses.

No matter where we live or who we are, we all want a safe community for our children to grow up in. A community where we enjoy healthy, productive lives together and contribute to the world in ways that are meaningful to us. To achieve this, governments need to support their people with the big-ticket items that no individual can get on their own – things like roads, hospitals, schools, telecommunications, and collective security. These are the things that corporate taxation helps to pay for. Yet far too many multinational corporations continue to implement aggressive tax plans that see them avoiding contributing fairly to the people and countries where they operate. Public country-by-country reporting can help to stop this behavior.

This document provides information in support of the petition, signed by 7,904 people: 'Petition of Joanna Spratt for Oxfam New Zealand: Country-by-Country Financial Reporting for Multinationals'. This petition was presented to the House on the 24 October and referred to the Finance and Expenditure Committee for further consideration. The key points covered in this document include:

- multinational corporate taxation is an important source of government revenue, yet many multinational corporations structure their activities to avoid tax
- the OECD Base Erosion and Profit Shifting package has made progress in stopping tax avoidance, but challenges remain for developing countries, and there are signs that multinational corporations continue to use the rules to avoid tax
- transparency helps to stop tax avoidance, specifically through public country-by-country reporting

[1] Global Reporting Initiative, 2019, *GRI 207: Tax 2019*, Global Sustainability Standard Board, Accessed on 6 December 2019 at: https://www.globalreporting.org/standards/gri-standards-download-center/gri-207-tax-2019/?dm_i=4J5,6MKA5,VB4LJO,QDY2N,1

OXFAM NEW ZEALAND
PO BOX 68357 NEWTOWN AUCKLAND 1145 | LEVEL 1, 14 WEST STREEET, NEWTOWN AUCKLAND
Ph: +64-9-355-6500 | 0800-400-666

www.oxfam.org.nz

- there are good reasons to implement public country-by-country reporting:
    - it fits with New Zealand's reputation for good governance and transparency
    - it is consistent with the Pacific Reset, mutual benefit, and New Zealand's commitment to achieving the Sustainable Development Goals
    - investors increasingly want public country-by-country reporting as it helps them to assess risk (and therefore contributes to global financial stability)
    - there is evidence that public country-by-country reporting improves tax compliance and therefore government revenue.
- public country-by-country reporting is in place elsewhere, specifically for multinational European banks and other financial institutions, and for extractive industries in some countries.
- the Automatic Exchange of Information (AEOI) process is not enough to stop tax avoidance.

Tax avoidance is a still a problem, despite recent action

For many governments across the world, getting enough revenue to provide for their people is a challenge. The International Monetary Fund has calculated that for low and middle-income countries, corporate income tax makes up 16% of government revenues, compared with eight percent in high income countries. This is why multinational corporates' efforts to avoid paying their fair share of tax is an issue that Oxfam is concerned about. Tax avoidance helps to keep countries and their people poor.

The International Monetary Fund estimates that non-OECD countries lose around US$200 billion each year due to tax avoidance, or 1.3% of GDP; and approximately US$440 billion is lost to OECD countries, or 1% of GDP.[2]

Meanwhile, over the last thirty years, net profits posted by the world's largest companies more than tripled in real terms, from $2 trillion in 1980 to $7.2 trillion by 2013[3]. But this has not been matched by a rising trend in corporate income tax contributions. In fact, corporate tax rates are the lowest they have been in over thirty years.[4]

Tax avoidance is not illegal but it is immoral. Multinational corporations make use of their global reach and resources to shift profits from where they have to pay tax to where they don't. Weak and under-resourced tax administrations in developing countries are unable to monitor and address this behavior and so lose precious revenue. Even for better-resourced countries, the focus tends to be on tax evasion, and tax avoidance is a second priority.

The failure of international cooperation in tax matters is not only a problem for developing countries. It undermines the governments and tax systems of all countries. Multinational corporations' tax avoidance also impacts New Zealand, highlighted by academic and journalistic research over the past years. (For example, Nippert, 2017[5]; Oxfam 2017[6]; Oxfam

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[2] International Monetary Fund, 2019, *IMF Policy Paper: Corporate Taxation in the Global* Economy, IMF: Washington D.C., p. 10 (citing Crivelli, de Mooij, Keen, 2016).

[3] Dobbs, Richard., Koller, Tim., Ramaswamy, Sree., Woetzel, Jonathan., Manyika, James., Kirshnan, Rohit., Andreula, Nicolo, 2015, *Playing to Win: The New Global Competition for Corporate Profits,* McKinsey&Company: London. Accessed on 26 September 2018 at: https://www.mckinsey.com/~/media/McKinsey/Business Functions/Strategy and Corporate Finance/Our Insights/The new global competition for corporate profits/MGI Global Competition_Full Report_Sep 2015.ashx

[4] International Monetary Fund, 2019, *IMF Policy Paper: Corporate Taxation in the Global* Economy, IMF: Washington D.C., p. 12.

[5] Nippert, Matt, 7 June 2017, *Top Multinationals Pay Almost No Tax in New Zealand*, NZ Herald, Accessed on 6 December 2019 at: https://www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=11607336

[6] Oxfam NZ, 2017, *Making Tax Vanish in New Zealand*, Oxfam NZ: Auckland, Accessed on 6 December 2019 at: https://www.oxfam.org.nz/news-media/reports/making-tax-vanish-how-practices-consumer-goods-mnc-rb-show-international-tax-system-broken/

2018[7].) Recently, the Inland Revenue settled a long-term dispute with Microsoft, seeing Microsoft owe NZ$24.7 million in taxes.[8]

Launched in 2013, the OECD/G20 led a project to address Base Erosion and Profit Shifting (BEPS). This made significant progress and addressed several issues in the centuries-old international tax rules that led to tax avoidance. The final BEPS 'package' was endorsed in 2015 and includes four minimum standards (one of which is country-by-country reporting) and changes to OECD tax guidance. The OECD developed a multilateral instrument that supports simultaneous alterations to multiple Double Tax Agreements and established the Inclusive Framework of countries that commit to the BEPS package and minimum standards. New Zealand's action culminated in the Tax (Neutralising Base Erosion and Profit Shifting) Act 2018. Negotiations are now underway within the Inclusive Framework for further reform under BEPS 2.0, considering how to fairly tax an increasingly digitalised global economy.

Despite the progress BEPS made, problems remain. As the International Monetary Fund have said "*The BEPS project is not generally regarded as simplifying a system that was already largely incomprehensible to all but the most expert. BEPS implementation, moreover, was seen as creating additional uncertainty for both taxpayers and tax administrations.*"[9] As well as this, the "*scope for profit shifting remains substantial – and unlikely to diminish*", and multinational corporations are already showing signs of manipulating the BEPS rules to shift profits.[10]

Developing countries suffer particular challenges. "*Given their vast complexity, however, it can be very hard for many developing countries and small states to implement the new global standards and common approaches of the BEPS package, or even to grasp their full implications. This, and dealing with the greater expertise of multi-national enterprises, is a potential drain on scarce talent needed to address what can be more pressing domestic issues.*"[11]

We Know Transparency Through Public Reporting Helps

Oxfam New Zealand is asking people in the New Zealand government to make multinational corporations put key financial information in the public realm, disaggregated by each country that they operate in. The reports would provide key financial information, such as: taxes paid, taxes due, profit before tax, turnover, number of employees, nature of activities and accumulated earnings. This is called 'public Country-By-Country Reporting'.

Public Country-By-Country Reporting (pCBCR) is a simple solution that we know can help stop multinational corporations manipulating the rules across different countries, to shift profits and avoid tax. Placing information in the public realm allows open, democratic engagement with multinational corporates' behaviour, which is appropriate in a world where some multinational corporations have larger budgets than many countries.

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[7] Oxfam NZ, 2018, *A Bitter Pill*, Oxfam NZ: Auckland, Accessed on 6 December 2019 at: https://www.oxfam.org.nz/news-media/reports/prescription-poverty/

[8] https://www.reseller.co.nz/article/66274/microsoft-nz-pays-24-7m-after-major-tax-settlement-ird/

[9] International Monetary Fund, 2019, *IMF Policy Paper: Corporate Taxation in the Global* Economy, IMF: Washington D.C., p. 10.

[10] International Monetary Fund, 2019, *IMF Policy Paper: Corporate Taxation in the Global* Economy, IMF: Washington D.C., p. 11.

[11] International Monetary Fund, 2019, *IMF Policy Paper: Corporate Taxation in the Global* Economy, IMF: Washington D.C., p. 12.

Research shows that public scrutiny has a positive effect on curbing multinational corporate tax avoidance.[12] The point behind making multinational corporations put information in the public realm is to allow the public to see if these corporations are paying their fair share of taxes in each country in which they operate. Academics, journalists, investors and civil society organisations would help governments hold multinational corporations to account, ensuring that transfer pricing is not openly abused, and help governments improve tax rules to prevent avoidance in the first place. Information in the public realm also allows governments in developing countries to see this information, which they may not otherwise have access to.

Research also shows that pCBCR increased the tax revenue from multinational European banks.[13]

It is important to note that Oxfam is *not* asking the government to release CBCR information that is already reported to Inland Revenue. The onus needs to be on the multinational corporation, particularly given the resources they have available and increasing demands from their customers to exhibit responsible behaviour.

Why should NZ do this?

- **Increasing transparency for powerful private interests is in keeping with New Zealand's commitment to good governance.** New Zealand has a long history of good governance, and ranks highly on global governance indicators, such as the World Bank's Worldwide Governance Indicators and Transparency International's Perceptions of Corruption Index. Our long-term leadership in human rights, and strong and enforceable code of law, are two of the key reasons why New Zealand is so well-governed. A government decision to make multinational corporations publish their own financial information is also in keeping with New Zealand's commitment to the Open Government Declaration.[14]

- In early 2018, the Cabinet approved the '**Pacific Reset'**, outlining five principles for New Zealand in its relationships with Pacific Island Countries: understanding, friendship, collective ambition, sustainability and **mutual benefit**. While all these principles commit the New Zealand Government to acting in ways that support the well-being of people in Pacific Island Countries, the principle of 'mutual benefit' has greatest pertinence here. The Cabinet Paper states:

  > *"In developing domestic and foreign policy with impacts on the Pacific, we must actively identify win-win opportunities and avoid negative consequences… Where appropriate, New Zealand Government decision-making on domestic policies should be run through a 'how will this affect the Pacific Islands region?' filter."* (p. 7).

  Further, in its newly released International Cooperation for Effective Sustainable

[12] For instance, Dyreng et al. (2016) find that firms that are subject to public scrutiny engage less in tax avoidance, indicating that public pressure can exert some influence on MNCs. In a similar vein, Herbert et al. (2015) contend that reduced public disclosure is positively correlated with international tax avoidance.
[13] Overesch, Michael, & Wolff, Hubertus, 2018, *Financial Transparency to the Rescue: Effects of Country-by-Country Reporting in the EU Banking Sector on Tax Avoidance*, Working Paper, University of Cologne.
[14] Open Government Partnership, 2011, *Open Government Declaration*, Accessed on 26 September 2018 at: https://www.opengovpartnership.org/open-government-declaration

Development Policy Statement[15], the government states that New Zealand will work to advance international development through policy areas beyond official development assistance, including domestic policies. **Making multinational corporations publish more financial information will assist Pacific Island Countries and other developing countries to access better information about these corporations and assess their tax practices.**

- Also in the International Cooperation for Effective Sustainable Development Policy Statement, the government commits to **achieving the Sustainable Development Goals** (which New Zealand has also committed to achieving domestically). Funding the Sustainable Development Goals of the UN 2030 Agenda, which among other things has set the goal of eliminating poverty by 2030, would require between US$4.6 and US$7.6 trillion annually.[16] By way of comparison, global official development assistance in 2018 was US$153 billion.[17] It is estimated that at current levels, developing countries face an annual gap of US$2.5 trillion.[18] Achieving the SDGs will require significantly more financing. Domestic resource mobilisation through improved and equitable tax systems is a key mechanism to gain the required funds, as are improved international tax rules.[19]

- **Investors are also calling for pCBCR.** For example, Legal & General Investment Management Limited[20] and Norges Bank Investment Management[21] have called for public country by country reporting. PCBCR allows investors, customers or company employees to better measure the risks the multinational group could be exposed to and therefore assists in the efficient allocation of capital across global financial markets.

  On 5 December, the Global Reporting Initiative[22] launched their new reporting standard for tax, which includes a requirement to include country-by-country reporting in corporates' public sustainability reports.[23] This Standard (GRI 207: Tax) is backed by investors, such as Royal London Asset Management, Aberdeen Standard Investments (managing investments worth £526 bn), and Legal & General Investment Management (managing investments worth £1.1 trillion).[24]

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15 MFAT, 2019, *Policy Statement: International Cooperation for Effective Sustainable Development,* MFAT: Wellington, Accessed on 6 December 2019 at: https://www.mfat.govt.nz/assets/Aid-Prog-docs/Policy/Policy-Statement-New-Zealands-International-Cooperation-for-Effective-Sustainable-Development-ICESD.pdf

16 United Nations, 2019, *World Economic Situation and Prospects 2019*, United Nations: New York, p. 12, Accessed on 6 December 2019 at: https://unctad.org/en/PublicationsLibrary/wesp2019_en.pdf

17 https://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/official-development-assistance.htm

18 United Nations Conference on Trade and Development, 2014, *World Investment Report 2014: Investing in the SDGs: An Action Plan*, United Nations: New York and Geneva.

19 United Nations, 2019, *World Economic Situation and Prospects 2019*, United Nations: New York, p. xxii, Accessed on 6 December 2019 at: https://unctad.org/en/PublicationsLibrary/wesp2019_en.pdf

20 Legal and General Investment Management, 2015, *Active Ownership: Positive engagement to enhance long-term value. Corporate governance report*. Available at: http://www.lgim.com/library/capabilities/CG_Annual_Report_2015.pdf

21 Norges Bank Investment Management, 2017, *Tax and Transparency: Expectations towards companies*. Available at: https://www.nbim.no/en/responsibility/risk-management/tax-and-transparency

22 The Global Reporting Initiative is a non-profit that provides reporting standards for organisations that wish to report about their impacts on societies, the economy and the environment.

23 Global Reporting Initiative, 2019, *GRI 207: Tax 2019*, Global Sustainability Standard Board, Accessed on 6 December 2019 at: https://www.globalreporting.org/standards/gri-standards-download-center/gri-207-tax-2019/?dm_i=4J5,6MKA5,VB4LJO,QDY2N,1

24 Thompson, Jennifer, 5 Dec 2019, *Investment Groups Want Countries to Disclose Global Taxes*, Financial Times, Accessed on 6 December 2019 at: https://www.ft.com/content/d84eeafc-16c6-11ea-9ee4-11f260415385#myft:my-

- Research from where pCBCR is in place shows that it has **contributed to increased revenue from multinational corporations' tax payments to governments**,[25] highlighting that the New Zealand government could gain income from instituting pCBCR.

Is pCBCR in place anywhere else in the world?
In 2013, pCBCR was introduced for European multinational banks and other financial institutions, and specific rules introduced a system of pCBCR for mining and forestry sectors in Europe.[26] Canada has passed a law requiring extractive industries to publish certain financial information, and member countries of the voluntary Extractive Industries Transparency Initiative also have publication requirements in place in their countries.[27]

Investors and businesses support pCBCR, including Norges Bank Investment Manager (Norway's Government Pension Fund Global), Royal London Asset Management, Aberdeen Standard Investments, Lush Cosmetics, SSE Airticity, Legal General, and RB.[28,29]

BHP Billiton, Rio Tinto and Vodafone all publish variations of country-by-country reports, and Unilever has begun to publish more tax information (although not to the detail of country-by-country reporting).[30]

The European Parliament discussed pCBCR during 2016 and agreed to a revised pCBCR proposal in 2017 to go to the EU Council for consideration. Discussions continue, including most recently in early December 2019, when the EU Council of Ministers for Competition discussed the issue for the first time at a ministerial level.

The UK government amended its annual Finance Bill in September 2016, giving the HM Revenue & Customs authority to make multinational corporations public their country-by-country reports, on request.[31]

Does pCBCR disadvantage corporations' competitiveness?
The available evidence says 'no'. In 2016 Transparency International published a report[32] that assessed the impact pCBCR would have on firms' competitiveness. They found that:

- there was no definitive correlation between pCBCR and standard measures of competitiveness
- eighty-six percent of the European companies that already publicly reported on a country-by-country basis (such as BNP Paribas), improved or maintained their revenue performance

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25 Overesch, Michael, & Wolff, Hubertus, 2018, *Financial Transparency to the Rescue: Effects of Country-by-Country Reporting in the EU Banking Sector on Tax Avoidance*, Working Paper, University of Cologne.
26 Freymeyer, Christian, 2019, *Trending Towards Transparency: The Rise of Public Country-by-Country Reporting*, Financial Accountability and Corporate Transparency (FACT) Coalition.
27 Freymeyer, Christian, 2019, *Trending Towards Transparency: The Rise of Public Country-by-Country Reporting*, Financial Accountability and Corporate Transparency (FACT) Coalition.
28 Oxfam Ireland, 2017, *Increasing Transparency: Support Public Country By Country Reporting*, Oxfam Ireland.
29 Thompson, Jennifer, 5 Dec 2019, *Investment Groups Want Countries to Disclose Global Taxes*, Financial Times, Accessed on 6 December 2019 at: https://www.ft.com/content/d84eeafc-16c6-11ea-9ee4-11f260415385#myft:my-
30 Freymeyer, Christian, 2019, *Trending Towards Transparency: The Rise of Public Country-by-Country Reporting*, Financial Accountability and Corporate Transparency (FACT) Coalition.
31 Freymeyer, Christian, 2019, *Trending Towards Transparency: The Rise of Public Country-by-Country Reporting*, Financial Accountability and Corporate Transparency (FACT) Coalition.
32 Transparency International EU Office (AISBL), 2016, *Do Corporate Claims on Information Disclosure Add Up? Impact of Public Reporting on Corporate Competitiveness*, Transparency International EU: Brussels.

- more than ninety percent of the assessed Indian companies that reported on a subsidiary-by subsidiary basis had a revenue growth comparable or higher than an average of their international companies in a similar sector.

The European Commission found that pCBCR reporting was likely to boost, not harm, economic growth[33].

Isn't Automatic Exchange of Information enough?

The OECD framework for the automatic exchange of CBCR's involves "a complex treaty network of 'parents' and surrogates'".[34] It also requires that the country wishing to receive the reports has an international tax treaty with the country where each multinational has its headquarters. This poses significant challenges for developing countries, who are not necessarily in a position to negotiate, implement and manage a large number of tax treaties with other countries.

Oxfam Responses to Inland Revenue's Perspective in TWG Paper

Oxfam made a submission to the Tax (Neutralising Base Erosion and Profit Shifting) Bill, arguing for pCBCR. The Inland Revenue outlined its response to Oxfam's submission in a paper to the government in 2018. Below, we take this opportunity to respond to the Inland Revenue's objections to pCBCR.

Inland Revenue's perspective	Oxfam's response
"*Inland Revenue disagreed that there should be a legislative requirement for CbC reports to be publicised and outlined the reasons in its Officials' Report to the Finance and Expenditure Committee:* • *the reports can contain commercially sensitive information;*	What gets published does not necessarily have to be the full contents of the country by country report that the multinational corporation submits to the Inland Revenue. What multinational corporations are required to publish would be subject to the negotiation of all stakeholders in the legislation drafting process required to make multinational corporations publish more financial information.
• *the raw information can be easily misinterpreted. For example, a multinational may have reported a low amount of tax paid in a country due to commercial reasons that are unrelated to BEPS such as costs related to a new investment or the use of tax losses from prior years;*	Publishing the information gives the multinational corporation the opportunity to explain the information in the way they wish. Information about anything complex in the public realm can be misinterpreted. It is the role of academics, journalists, civil society, investors, corporations and government to scrutinise all information in the public realm and share analysis of it. This contributes to: functioning democratic governance of taxes, which are public money; building collective thinking and understanding; and creating a public conversation about multinational corporations, their finances and how much tax they pay. This latter point is particularly

33 European Commission. (2016). *Common Consolidated Corporate Tax Base (CCCTB)*. Available at: https://ec.europa.eu/taxation_customs/business/company-tax/common-consolidated-corporate-tax-base-ccctb_en

34 Knobel, Andres, 2017, Country by Country Reports: why 'automatic' is no replacement for 'public', Accessed on 26 September 2018 at: https://www.taxjustice.net/2018/07/17/country-by-country-reports-why-automatic-is-no-replacement-for-public/

	important given the massive resource-base and power that multinational corporations have across the globe.
• *CbC reporting is a multilateral measure and the multilateral agreement for sharing the information requires the information to be protected so it is only available to tax authorities. Any changes to this requirement would be best achieved through changes to this multilateral agreement;*	It is not disputed that the current requirements for country-by-country requires confidentiality. This is part of the problem, as described in this document, and is why we are asking for legislation to require multinational corporations to place more information in the public realm. The confidentiality of the OECD CBCR standard has not prevented other jurisdictions from requiring public country-by-country reporting from multinational corporations, such as that detailed in the TWG report and in this document.
• *New Zealand could only require New Zealand-headquartered large multinationals to publish their reports. This represents only about 20 of the approximately 6,000 large multinationals in the world so there would only be a small gain in overall transparency, but New Zealand-headquartered multinationals could be disadvantaged by revealing commercial information that their competitors do not need to reveal.'*[35]	New Zealand could require subsidiaries of all multinational corporations operating in NZ to publish public country-by-country reports. (For example, while it is only CBCR, not public, Ireland, has required CBCR from corporations with a subsidiary in Ireland but which were not required to provide CBCR in their home country.[36]) As outlined above, research shows that multinational European banks required to publish CBCR were not commercially disadvantaged.

What is already happening in New Zealand?

In May 2018, New Zealand passed the Tax (Neutralising Base Erosion and Profit Shifting) Act, as part of the OECD/G20 BEPS project. In a 312-page document, officials summarized the Bill as putting in place measures that would "*prevent multinationals from using:*

- *artificially high interest rates on loans from related parties to shift profits out of New Zealand (interest limitation rules)*
- *hybrid mismatch arrangements that exploit differences between countries' tax rules to achieve an advantageous tax position;*
- *artificial arrangements to avoid having a taxable presence (a permanent establishment) in New Zealand; and*
- *related-party transactions (transfer pricing) to shift profits into offshore group members in a manner that does not reflect the actual economic activities undertaken in New Zealand and offshore*

[35] Tax Working Group, September 2018, *Background Paper for Session 14 of the Tax Working Group, 20 July 2018*, Release Document, p. 22, taxworkinggroup.govt.nz/key-documents

[36] Oxfam Ireland, 2017, *Increasing Transparency: Support Public Country By Country Reporting*, Oxfam Ireland.

- *certain tactics which can be used by non-cooperative multinationals to stymie an Inland Revenue investigation, such as withholding relevant information that is held by an offshore group member*."[37]

The specialist tax advisor to the Finance and Expenditure Select Committee on the Bill, Therese Turner, stated in her report, *"[t]his is the most complex and technically challenging tax Bill that I have seen in the thirty years during which I have been a full-time tax professional*",[38] but highlighted its necessity.

In New Zealand, country by country reporting requirements were adopted for corporate groups headquartered in New Zealand with annual consolidated group revenue of over EUR 750 million (approximately $1.3 billion). The New Zealand Inland Revenue's initial population analysis suggested that around 20 New Zealand-headquartered corporate groups would be affected, such as Fletcher Building, Rank, and AirNZ. The first reporting of country by country data took place during the 2017 calendar year, with some companies required to report on their activities from 1 January 2016 to 31 December 2016.[39] "*The following aggregate information will need to be collected for 2016 and subsequent years for each jurisdiction in which impacted groups operate:*

- *gross revenues (broken down into related party and unrelated party categories)*
- *profit (loss) before income tax*
- *income tax paid (on cash basis)*
- *income tax accrued (current year)*
- *stated capital*
- *accumulated earnings*
- *number of employees, and*
- *tangible assets other than cash and cash equivalents*."[40]

The Tax Administration Act 1994's general tax secrecy rule applies to the information provided in the country-by-country report. The information will be shared with other tax authorities through the *Multilateral Competent Authority on the Exchange of CbC Reports* and a bilateral agreement with the United States.[41] These agreements require the information to be kept confidential.

In terms of sharing information with other countries, New Zealand implements the Automatic Exchange of Information (AEOI) Common Reporting Standard (CRS), and most of New Zealand's tax treaties with other countries already allow for AEOI.[42] As of February 2019, 90 other countries were participating in AEOI CRS with New Zealand and therefore are required to provide information to Inland Revenue.[43] Similarly, New Zealand is required to report to 90 other countries.[44] This means these countries share information confidentially between tax administrations. This information conforms to the OECD's 'common reporting standard'.

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37 Inland Revenue, 2018, *Taxation (Neutralising Base Erosion and Profit Shifting) Bill, Officials Report to the Finance and Expenditure Committee on Submissions on the Bill*, March 2018, p. 3, Accessed at: https://taxpolicy.ird.govt.nz/sites/default/files/2018-or-nbeps-bill.pdf

38 Turner, Therese, 2018, *Report of the Specialist Tax Advisor to the Finance and Expenditure Select Committee, Taxation (Neutralising Base Erosion and Profit Shifting) Bill*, Turner and Associates, p. 3.

39 http://www.ird.govt.nz/international/business/international-obligations/country-by-country-reporting/new-country-by-country-reporting-requirements.html

40 https://www.ird.govt.nz/international/business/international-obligations/country-by-country-reporting/new-country-by-country-reporting-requirements.html

41 Tax Working Group, *Background Paper for Session 14 of the Tax Working Group 20 July 2018*, Release Document, September 2018, taxworkingroup.govt.nz/key-documents, p. 20.

42 http://taxpolicy.ird.govt.nz/tax-treaties#dta

43 https://www.classic.ird.govt.nz/technical-tax/determinations/crs/aeoi-participating-jurisdictions/aeoi-participating-jurisdictions-from-april-2019/

44 https://www.classic.ird.govt.nz/international/exchange/crs/aeoi-crs/