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Date: 27.04.2023

## Consultation on public country-by-country reporting

We refer to the Australian Government's public consultation on public country-by-country reporting. We welcome the opportunity to contribute an investor's perspective on the exposure draft legislation on tax information transparency for multinational entities.

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. NBIM is a globally diversified investment manager with AUD 28 billion invested in equities and AUD 11.4 billion in fixed income in Australia as of the end of 2022.

Our expectations of companies on tax and transparency rest on three main principles: first, taxes should be paid where economic value is generated; second, company tax arrangements are a board responsibility; and third, public country-by-country reporting is a core element of transparent corporate tax disclosure<sup>1</sup>. We expect companies to publish country-by-country breakdowns of how and where their business model generates economic value, where that value is taxed and the amount of tax paid as a result. We benefit from transparent and consistent tax reporting frameworks and integrate tax-related information into our investment decisions, risk management processes and ownership activities. To promote harmonization and reduce uncertainty, we support international standards for the public disclosure of tax-related information by companies.

We support the Australian government's proposed requirements for multinational companies to publish selected tax information on a country-by-country basis, including a description of the group's approach to tax. This information will help investors assess the degree of alignment between a company's taxes and its economic presence, which we believe is relevant to the evaluation and management of both tax risk and reputational risk.

We welcome the alignment of the suggested disclosure requirements with the Global Reporting Initiative (GRI)'s tax standard, as well as the additional requirement to disclose the effective tax rate, expenses from related party transactions, and details on intangible assets. We concur with the assessment that the presence of related party transactions and

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<sup>1</sup> [Tax transparency \(nbim.no\)](https://nbim.no/tax-transparency)



increases in intangible assets can be relevant to corporate governance risk. Information on the number of employees and tangible assets is similarly helpful in assessing the risk of aggressive tax planning in low-tax jurisdictions.

Lastly, we welcome the alignment between the draft legislation and the OECD country-by-country reporting guidance, and we concur with the government's assessment that this should reduce compliance burdens for companies.

We thank you for considering our perspective and remain at your disposal should you wish to discuss these matters further.

Yours sincerely

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