# MEDIA ARTICLES (EXCERPTS)

- **Financial Times - Special Supplement: Tax Transparency, prepared by Ernst & Young (2014)**

- Multinationals' tax affairs have been in the spotlight over the last few years, but many companies'communications teams are struggling to keep up with increasing transparency demands and heightened scrutiny. Failure to effectively communicate the reasons for adopting a given tax strategy is a significant reputational risk for today's multinationals. This pressure will only intensify as the OECD, working on behalf of the G20, continues to deliver its Base Erosion and Profit Shifting (BEPS) recommendations for reforming international tax practices.

- A 2014 EY study of tax risk and controversy showed that 89% of the largest companies surveyed are concerned about media coverage of the taxes some companies are paying, yet more than half of them have not changed the way they communicate tax-related information to internal and external stakeholders.

- While corporate social responsibility (CSR) has been an important part of many multinationals' business models for some time, in the last three or four years tax certainly has moved to the forefront of this agenda.Companies have been surprised to find details of their tax planning arrangements at the center of media attention, and many have struggled to address calls from politicians, NGOs, activists and others for them to pay a "fair share" of tax, given the difficulty of such a loosely defined concept.Indeed, tax has long been an area in which companies - especially multinational - can gain competitive advantage.

- While being proactive around tax communication can help manage reputational risk, it can be difficult to strike the right balance in deciding the correct level of information to disclose and the most appropriate way to do so. Australian mining multinational Rio Tinto, for example, publishes voluntary annual reports detailing its revenue and tax payments for the countries in which it operates. Unilever, the Anglo-Dutch consumer products multinational, publishes its "Approach to Tax" online.

- In the UK, NGOs, business representatives and industry practitioners have begun the development of a Fair Tax Mark — an accreditation that companies can apply for in order to promote an image of openness, honesty and trustworthiness to consumers and investors. The Fair Tax Mark will be awarded based on two main categories of criteria: transparency and tax rate, disclosure and avoidance. The complexity of tax regulations and individual business requirements means that while mandatory disclosure of information to tax authorities is clearly necessary, companies will need to form their individual views on any additional voluntary disclosures and find the best strategy for them.

- **Chodorkovsky, M., We Are At War with the Putine's Regime; Respekt magazine, 20 – 26 October 2014**

- If the West wanted to introduce really effective sanctions it should concentrate on the accounts and monies of Russian companies operating in the West for the purpose of money laundering.

- **Kudrna, Z., Deglobalisation 2.0 – Crisis forced multinational firms to return back to their roots, Respekt 41, 6 – 12 October 2014**

- [The] definition [of anti-money laundering rules] is so narrow that it can possibly catch money generated by drugs and terrorism, but not illegitimate transactions, such as bribes, diversion of public funds to private accounts or various forms of tax avoidance.

- Financial globalisation is very likely to be abused. [...] The possibility to make use of the uncontrolled playground of global finance for transactions which do not produce any tangible values has appeared so attractive that not only dubious oligarchs, but also multinational groups with solid reputation have not able to resist this lure.

- **In the trap of Putin's ideas, Krastev, I. , Bulgarian policy researcher, Respekt magazine, 26 May – 1 June 2014**

- [Europe] turns a blind eye to dirty money in the same way as it had once ignored money flow from the former colonies. We simply do not want to see certain problems and take responsibility for their solutions. [Russian] oligarchs could not exist without the support of the international monetary system.

- **Un cadastre financier du monde. Interview of Vincent Slits with Thomas Piketty, 11 October 2013, La Libre**

  On voit bien que les pays, pris individuellement en Europe, sont totalement incapables de contrôler l'impôt sur les sociétés qui est de plus en plus souvent contourné par les sociétés multinationales, notamment américaines. C'est une situation qui n'est pas tenable éternellement.

- **The Economist – The Economist, Corporate Anonymity – Light and wrong, 21 January 2012**

- In dozens of jurisdictions, from the British Virgin Islands to Delaware, it is possible to register a company while hiding or disguising the ultimate beneficial owner. This is of great use to wrongdoers, and a huge headache for those who pursue them. Anonymously owned companies can buy property, make deals (and renege on them), launch intimidating lawsuits, manipulate tenders – and disappear when the going gets tough. Those who seek redress run into baffling bureaucracy and a legal morass. Seeking real names and addresses means dealing with lawyers and accountants who see it as their job to shield their clients from nosy outsiders.

- Attempts to change this have bogged down. The campaigners for reform are hardly anti-corporate zealots: they include the World Bank, the OECD (a rich country think tank), and an American senator, Carl Lewin, who with the support of the administration has introduced a bill to rein in the antics of states like Delaware (and a bunch of others including Wyoming and Nevada). But progress is slow, with reformers stuck in an argument about who should pay the costs of clarity.