

**Question for oral answer O-0161/2010
to the Commission**

Rule 115

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on behalf of the Verts/ALE Group

Subject: Country-by-country reporting

Behind the growing calls for country-by-country reporting is a simple request that multinational corporations do three things: 1) list all countries in which they have operations, 2) list the names of their subsidiaries in all the countries in which they operate, and 3) publish a full profit-and-loss account, including an analysis of tax paid and additional limited cash flow and balance sheet data for each and every jurisdiction in which they operate.

This is accounting for the stewardship of resources, in other words the form of accounting that has largely been lost from the reports prepared using the International Financial Reporting Standards. This form of reporting is vital if the world's resources – natural and human as well as financial – are to be used to best effect. That is precisely why such information is needed by all financial markets: if markets are to be efficient, it is crucial for them to have this new, alternative view of what happens within multinational corporations so that those who are dependent upon their actions – whether as employees, suppliers, customers, suppliers of capital, pensioners, governments, stakeholders or concerned neighbours – can take the right decisions in response to those actions.

Accordingly, it is essential that country-by-country reporting be made part of the International Financial Reporting Standards as promoted by the International Accounting Standards Board; it could be included in International Financial Reporting Standard 8 on segment reporting, which is due to be reviewed by the European Financial Reporting Advisory Group (EFRAG) next year, or required within the European Union alone if such disclosure were imposed by the Seventh Directive on Consolidated Accounts.

Does the Commission agree with this analysis and the measures outlined above?

What steps is it taking to advance the case for country-by-country reporting, and when might it become a mandatory disclosure requirement for the accounts of EU-based multinational corporations?

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Forwarded: 15.10.2010

Deadline for reply: 22.10.2010