



13 April 2026

Dear [REDACTED]

Thank you for your request made under the Official Information Act 1982 (OIA), received on 23 March 2026. You requested the following:

Any briefing papers or other advice provided by Officials to Ministers regarding whether New Zealand should adopt Public Country by Country Reporting. This request covers the period from 1 January 2018 to 31 December 2025.

Information being released

I have identified four documents within scope of your request, outlined in the table below with my decisions.

Item	Document	Decision
1.	Officials Report on the Taxation (Neutralising Base Erosion and Profit Shifting) Bill	Refused under section 18(d) of the OIA – as the requested information is publicly available at the following link: https://www.taxpolicy.ird.govt.nz/-/media/project/ir/tp/publications/2018/2018-or-nbeps-bill/2018-or-nbeps-bill-pdf.pdf?modified=20200910081909
2.	BN2023/126 Australian public disclosure regime for multinational tax information	Released with redactions under 9(2)(a) of the OIA – to protect the privacy of natural persons.
3.	IR2020/056 Response to Oxfam petition 2017425 for public reporting by multinationals	Released with redactions under 9(2)(a) of the OIA.
4.	Excerpt from Weekly Status report 20SR02 - 30 January 2020	Released with redactions for items not within scope.

The three documents released to you are documents as **Appendix A**.

Right of review

If you disagree with my decision on your OIA request, you have the right to ask the Ombudsman to investigate and review my decision under section 28(3) of the OIA. You can contact the office of the Ombudsman by email at: info@ombudsman.parliament.nz.

Publishing of OIA response

We intend to publish our response to your request on Inland Revenue's website (ird.govt.nz) as this information may be of interest to other members of the public. This letter, with your personal details removed, may be published in its entirety. Publishing responses increases the availability of information to the public and is consistent with the OIA's purpose of enabling more effective participation in the making and administration of laws and policies and promoting the accountability of officials.

Thank you again for your request.

Yours sincerely



Sam Rowe

Policy Lead - International

Briefing note

Reference: BN2023/126

Date: 20 April 2023

To: Revenue Advisor, Minister of Revenue – Jason Batchelor
Private Secretary, Minister of Revenue – Helen Kuy
Revenue Advisor, Associate Minister of Revenue – Harper Burtenshaw

From: Rory Tait

Subject: **Australian public disclosure regime for multinational tax information**

Introduction

1. This briefing note follows our August and November briefing notes on Australia's proposals for multinational tax integrity and transparency measures (see BN2022/389, BN2022/507).
2. One of the transparency measures is to publicly release the tax information of certain multinational enterprises (MNEs) on a country-by-country basis. Exposure draft legislation has now been published for consultation.¹ This briefing note updates Ministers on this measure.

Background

3. The current Australian Government was elected with a commitment to improve transparency of MNEs' tax information. They see transparency as a key factor underpinning the integrity of the tax system. By increasing transparency, the Australian Government hopes to deter tax minimisation and build community confidence that MNEs are paying their fair share of tax.
4. Australia proposes to require the public release of high-level data on the amounts of tax large MNEs pay in the jurisdictions they operate. This information is similar to that collected by the OECD BEPS country-by-country (CbC) reporting regime, however that information has strict confidentiality conditions, so the public disclosure system will operate separately.
5. Following consultation by the Australian Treasury², the Government included this measure in its most recent federal Budget. It has now released exposure draft legislation and accompanying explanatory material for public consultation.

¹ Public country-by-country reporting, <https://treasury.gov.au/consultation/c2023-383896>

² Government election commitments: Multinational tax integrity and enhanced tax transparency, <https://treasury.gov.au/consultation/c2022-297736>

Scope & Implementation

6. For the purposes of this regime, a large MNE has been defined as a member of a multinational group with global group income of A\$1 billion or more. These are essentially the same MNEs subject to the OECD BEPS CbC reporting system.
7. These MNEs will report tax information in a standardised format to be released by the Australian Tax Office on a publicly searchable website. The information must be published within 12 months of the end of the relevant income year.
8. While legislation has not yet been introduced to the Australian Parliament, reporting obligations will apply for income years commencing on or after 1 July 2023.

Information to be disclosed

9. The MNE will be required to publish the names of each entity in the group, and a statement describing the group's approach to tax. Then, at a group level for each jurisdiction the group operates in, the following information must be published:
 - A description of main business activities
 - Number of employees
 - Revenue from unrelated parties
 - Revenue from related parties
 - Expenses from related party transactions
 - Profit and loss before income tax
 - A list (including the value of) intangible assets
 - A list (including the value of) tangible assets
 - Income tax paid (on cash basis)
 - Income tax accrued (current year)
 - Effective tax rate
 - An explanation for any difference between income tax accrued in the current year and the amount of income tax that would be due if all of the company's accounting profit was taxable at the country's corporate rate.
 - The currency used in calculating and presenting the above information
10. The information should come from audited consolidated financial statements. This is consistent with the European Union's similar new directive for annual public country-by-country tax information reporting and aims to ensure the data can be interpreted without needing further auditing.

Relationship with OECD BEPS CbC regime

11. Apart from information on the effective tax rate, difference between tax paid and headline rate, expenses from related party transactions and details of intangible assets, these disclosures are already included in the OECD BEPS CbC reporting. This means the information will already be held by the relevant MNEs. Australia notes that information on related party transactions and intangible assets are indicators of corporate governance risk, enhancing the value of the disclosures. Interestingly Australia is requiring the disclosure of the information for every country in which the MNE operates – not just Australia.

Considerations for New Zealand

12. The Australian regime will see MNEs' tax information for each jurisdiction available on a public website. This will include information on in-scope MNEs' New Zealand operations, which New Zealanders would be able to view. As a result, the Australian

proposal is likely to improve tax transparency in other jurisdictions beyond Australia, including New Zealand.

13. We note that Oxfam has previously submitted that New Zealand should adopt something similar to what Australia is proposing, including the disclosure of MNEs' tax positions in every other jurisdiction they operate in. We expect that the Australian regime will provide most of what they requested from us in their submission.

Consultation with the Treasury

14. The Treasury was informed about this briefing note.

Rory Tait
Policy Advisor

9(2)(a) [REDACTED]



Inland Revenue
Te Tari Taake

POLICY AND STRATEGY

Tax policy report: **Response to Oxfam petition 2017-425 for public reporting by multinationals**

Date:	5 February 2020	Priority:	Medium
Security level:	In Confidence	Report number:	IR2020/056

Action sought

	Action sought	Deadline
Minister of Revenue	Note the contents of this report	13 February 2020

Contact for telephone discussion (if required)

Name	Position	Telephone
San Rowe	Principal Policy Advisor	9(2)(a)
Michael van Zijl	Policy Advisor	

5 February 2020

Minister of Revenue

Response to Oxfam petition 2017-425 for public reporting by multinationals

1. The purpose of this report is to inform you of Inland Revenue's response to the Finance and Expenditure Committee (the FEC) on a petition submitted by Oxfam.
2. On 24 October Oxfam New Zealand submitted a petition to the FEC requesting "That the House of Representatives pass legislation requiring public country-by-country financial reporting for all large multinational corporations" (petition number 2017-425).
3. On 19 December 2019 the FEC requested a written submission from both Inland Revenue and the Treasury on the petition. Attached to this report is our joint submission. The Treasury will separately brief the Minister of Finance on it.
4. In summary, our submission recommends that New Zealand does not require public reporting by multinationals at this time. This is consistent with the view of the Tax Working Group. However, we note that this can be reconsidered following the OECD's review of country by country reporting, and its development of a multinational solution to the taxation of the digital economy.

Recommended action

We recommend that you:

5. **Note** the contents of this report and letter attached.

Noted

9(2)(a)

Sam Rowe

Principal Policy Advisor
Policy and Strategy
Inland Revenue

Hon Stuart Nash

Minister of Revenue

/ /2020

14 February 2020

Dr Deborah Russell
Chair
Finance and Expenditure Committee
Parliament Buildings
WELLINGTON

Dear Dr Russell

Petition of Joanna Spratt for Oxfam New Zealand: Public Country-by-Country Financial Reporting for Multinationals

On 19 December 2019 the Finance and Expenditure Committee (the Committee) requested a written submission from Inland Revenue and the Treasury on the matters raised in the petition of *Joanna Spratt for Oxfam NZ: Public Country-by-Country Financial Reporting for Multinationals*. As the views of Inland Revenue and the Treasury are aligned on the issues raised, we are responding jointly.

Executive Summary

Country-by-country (CbC) reports are prepared by large multinationals and contain key high-level financial information on the multinational's operations in each country. They are shared among tax authorities to help authorities assess risk across multinational populations. New Zealand has required New Zealand headquartered multinationals to provide CbC reports since 2016. The information contained in these reports is shared with other countries through agreements that require the information to remain confidential.

Oxfam is asking the New Zealand government to require multinationals operating in New Zealand to publish CbC type reports called 'public Country-By-Country Reporting' (pCbCR). While New Zealand cannot publish the CbC reports themselves, it could legislate to require these multinationals to independently publish similar information.

Inland Revenue and Treasury officials agree with a number of arguments Oxfam has raised in favour of pCbCR. However, we consider that these are outweighed by the arguments against pCbCR. In particular, we do not consider New Zealand could reasonably require foreign multinationals to publish information on their activities outside New Zealand. This means that such a measure would have little effect on multinational practices globally.

In relation to the information on activities within New Zealand, we are concerned that the raw data contained in such reports could be misleading and difficult to interpret. This could result in the public misunderstanding the information, undermining public confidence in New Zealand's robust tax system. Requiring them to publish such information would also put New Zealand out of step with other countries.

This is an on-balance conclusion. There could be cause to consider the issue further following the OECD's review of country by country reporting in 2020, and its development of a multinational solution to the taxation of the digital economy.

Background information

A Country-by-Country (CbC) report must be prepared by multinationals with over €750 million global turnover. It contains certain high-level information on the group's global activities, including the amount of income it returns in each country where it operates. A CbC report is provided to the tax authority of the country where the multinational's parent is located. The parent's tax authority then sends the report to the tax authorities of all the other countries covered by it. Therefore, each country will both send CbC reports from its own multinationals to other countries, and receive the CbC reports of multinationals from other countries.

The information contained in the CbC report is too high level to be used to make tax assessments. However, it helps tax authorities assess risk across their multinational population. Tax authorities can then choose whether to start investigating the tax position of higher risk multinationals.

Since 2016 Inland Revenue has required New Zealand headquartered multinationals with annual group revenue above €750m or more in the previous financial year to file a CbC report. In 2018 New Zealand enacted the Taxation (Neutralising Base Erosion and Profit Shifting) Act 2018 (the BEPS Act) to codify this requirement.¹ New Zealand also receives approximately 1400 CbC reports on foreign headquartered multinationals from other countries.

The information provided by the CbC report to Inland Revenue is subject to the general tax confidentiality rule in the Tax Administration Act 1994. However, it is shared with other tax authorities under *the Multilateral Competent Authority on the Exchange of CbC Reports* and through a bilateral agreement with the United States. These agreements require the information to be protected so it is only available to tax authorities. Therefore, while New Zealand cannot share the CbC reports themselves, it could legislate to require multinationals to independently publish similar information to that contained in a CbC report.

Oxfam's petition

Oxfam is asking the New Zealand Government to make multinationals put key financial information into the public realm for each country in which they operate. This would include: taxes paid, taxes due, profit before tax, turnover, number of employees, nature of activities and accumulated earnings. Oxfam refer to this as 'public Country-By-Country Reporting' (pCbCR). However, it would not involve New Zealand publishing the CbC reports we receive from other countries.

¹ The BEPS Act made amendments to the Tax Administration Act 1994 (TAA) which now contains a requirement for large multinationals corporations to provide this report to Inland Revenue. Prior to this Inland Revenue used the Commissioners powers to request information contained in the TAA to obtain CbC reports.

Inland Revenue's previous position

Oxfam first proposed that New Zealand require multinationals headquartered in New Zealand to publish the CbC type reports as part of the BEPS process. This was included in their submission to the Committee on the Taxation (Neutralising Base Erosion and Profit Shifting) Bill (the BEPS Bill).

In the Officials' Report to the Committee on the BEPS Bill, Inland Revenue disagreed that there should be a legislative requirement for CbC reports to be published. The reasons for this view are detailed at the end of this submission.

Tax Working Group

The Tax Working Group (TWG) considered New Zealand's current tax secrecy and transparency settings. Oxfam submitted to the TWG as part of this process on this issue, suggesting that New Zealand should require pCbCR.

Inland Revenue and Treasury officials (as part of the Tax Working Group Secretariat) reported to TWG on the issue (see *Tax Transparency: Background Paper for Session 14 of the Tax Working Group, 20 July 2018*). In the report, Inland Revenue reiterated the reasons against pCbCR detailed at the end of this submission. The TWG accepted this view and did not recommend pCbCR in their final report.²

Instead the TWG made the following recommendation on tax secrecy and transparency in chapter 9 of the final report:

"26. Tax secrecy is a topical issue in tax administration at the moment. The Group recommends that the Government release more statistical and aggregated information about the tax system (so long as it does not reveal data about specific individuals or corporates that is not otherwise publicly available). The Government could consider further measures to increase transparency as public attitudes change over time."

Current New Zealand position

Currently New Zealand does not require pCbCR. However, Inland Revenue does encourage New Zealand based multinationals to voluntarily publish more information about their tax affairs. At the time of writing this letter, the participation of multinationals actively publishing this type of information has been low.

Global developments

Australia

In 2018 Australia's Economics References Committee in its report to the Australian Senate on Corporate Tax Avoidance recommended that excerpts of CbC reports be made publicly available free of charge. The Australian Government did not support the recommendation, noting that the OECD's BEPS recommendations on CbC reports explicitly states that

² However, the final report did not specifically mention pCbCR.

jurisdictions should enforce legal protections of the confidentiality of the information reported.

Other disclosure measures

The Australian Tax Office (ATO) produces an annual report containing certain information obtained from the tax returns of corporate tax entities that return a total income of \$100 million or more. This is somewhat similar to what Oxfam is requesting, although the information reported by the ATO is not as extensive as what Oxfam proposes being publicly released.

While the publication of this report does provide more public information, it is not apparent whether this increased transparency has discouraged large corporate tax entities from engaging in tax avoidance. Additionally, the data released can be easily misinterpreted by the public. This is because high gross revenues and low tax paid is not necessarily an indicator of tax avoidance. Tax is levied on taxable income which can legitimately be reduced through deductible expenses or accumulated tax losses. For example, a struggling business could have high gross revenue but low profit, and so pay little tax. This is evident in the Australian media coverage following the annual report which often focuses on the level of tax paid, without explaining why this may be a perfectly appropriate outcome in light of the income generated by the business or other aspects of the design of the tax system. As noted above, this can be due to a variety of valid reasons, particularly losses carried forward.

The Australian Board of Taxation developed a voluntary tax transparency code (TTC) which was endorsed by the Australian Government in the 2016-17 federal Budget.³ The TTC is a set of principles and minimum standards to guide medium and large businesses on voluntary public disclosure of tax information. The number of entities that have adopted the TTC is significantly lower than the number of entities that have information reported annually by the ATO (discussed above). Some of reasons given by multinationals for not participating in the TTC were due to commercial sensitivity, the preference to follow multilateral rather than unilateral obligations and that they will only comply with such disclosure regimes if they are compulsory.

United Kingdom

In 2016 the United Kingdom (UK) enacted the power to require multinationals to publish, as part of their tax strategy disclosures (discussed below), a CbC type report showing their profits, taxes paid and other financial information for the countries in which they operate. This does not require public disclosure of CbC reports but rather allows the UK to issue regulations for the requirement. This is also similar to what Oxfam is requesting. At the time of writing of this submission, it appears that the UK has not yet exercised this power.

Other disclosure measures

Since 2016 the UK has required multinationals (with at least €750 million of global turnover) or UK companies, partnerships and permanent establishments with significant turnover (over £200 million) or assets (over £2 billion) to publish their UK tax strategy on their website. A tax strategy is only required to give information in relation to UK taxation. Details of the amounts of UK tax paid or commercially sensitive content is not required.

³ The Board of Taxation is a non-statutory advisory body charged with improving the design of taxation laws and their operation.

European Union

In 2016 the European Commission proposed a Directive which would require large multinationals to publish key information on where they make their profits and where they pay their tax in the EU on a CbC basis. Similar reporting requirements have been in force since 2015 for the banking, logging and extractive industries.⁴

The Directive would require any multinational with operations in the EU to publish, for all their entities in the EU, the taxes paid, taxes due, profit before tax, turnover, number of employees, nature of activities and accumulated earnings. The information would need to be broken down by country and published both through a local registry and on the company's website.

While the prospect of the Directive passing initially seemed likely, its progress has subsequently stalled due to opposition to both the proposal and the legal basis used for adoption. EU member states have expressed their concerns with going beyond the OECD recommendation and have noted pCbCR might put European business at a disadvantage in the global market. While it is difficult to predict on the timing of the next steps in the process, the proposal seems unlikely to be adopted in the foreseeable future.

Global Reporting Initiative

While no country has yet implemented comprehensive pCbCR, the international standards organisation Global Reporting Initiative (GRI) is offering a template for multinationals that want to publicly share tax information in the name of transparency. This is a voluntary scheme which multinationals can choose to follow.

The latest standard asks multinationals to publish;

- their approach to tax (ie tax strategy);
- information about their tax governance, control and risk management;
- their approach to public tax policy advocacy and their strategy for engaging with tax authorities; and
- 10 pieces of information for each jurisdiction in which they are tax resident, including the number of employees, corporate income tax paid, revenue from intragroup transactions involving other jurisdictions and revenue from third party sales.

OECD

When devising the CbC measure the OECD intended that the information received by tax authorities was to remain confidential. The OECD has made no indication that their position has changed on this matter. The OECD plans to review the CbC reporting initiative in 2020, but it does not seem like they will consider whether the reports should be published.

Our assessment

Oxfam notes in their petition the importance of corporate tax revenue for countries, in particular for low and middle income countries. As such they are concerned that

⁴ Similar reporting requirements for companies in extractive industries have also existed in Canada since 2015.

multinationals are undermining the wellbeing of these countries by engaging in tax avoidance and thus reducing corporate tax revenue.

In Oxfam's petition, they outlined the following reasons why pCbCR should be implemented;

- reduction of tax avoidance,
- it is in line 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 achieve the Sustainable Development Goals,
- investors want pCbCR to help assess risk, and
- there is evidence that pCbCR improves tax compliance and therefore government revenue.

The Officials' Report to the Committee on the BEPS Bill in 2018 outlined the following reasons against pCbCR;

- the reports can contain commercially sensitive 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;
- New Zealand could only require New Zealand-headquartered 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.

Inland Revenue and the Treasury agree with many of the arguments Oxfam has made for implementing pCbCR in New Zealand. In particular, we agree that tax avoidance is still a problem globally, and that increased public scrutiny can help to deter it. However, on balance Inland Revenue and the Treasury are still of the position that the compelling reasons against pCbCR outweigh any of the potential benefits.

Our main concerns are that:

- The raw data can be misleading and be difficult to interpret. We note Oxfam's argument that any complex information can be misinterpreted, and that it is the role of academics, journalists etc to share their analysis of it. However, in Australia the public reporting seems to have led to public misunderstanding. Importantly, these types of misunderstandings may actually undermine public confidence in New Zealand's robust tax system.
- The Government could only potentially require New Zealand headquartered multinationals publish information on all countries in which they operated. For foreign multinationals this would probably have to be limited to a requirement to publish information on their New Zealand activities only, because any requirement for them to publish information on global activities would be extra territorial and therefore impossible to enforce. Requiring New Zealand headquartered multinationals to publish CbC reports would also infringe on the ability of other countries to decide what information they wish to have published on activities within their jurisdictions. Accordingly, a New Zealand requirement for pCbCR is unlikely to result in any meaningful change in multinational practice on a global level.

- New Zealand headquartered multinationals could be disadvantaged by revealing commercial information that their competitors are not required to reveal. We note Oxfam's arguments in their petition, but at this stage we still have some concerns about the effect of requiring New Zealand firms to publish this information when their global competitors do not.

We note that the TWG agreed with our assessment in its final report of February 2019. That was only a year ago and we do not think there have been any subsequent international developments that would affect its conclusion.

We also note that the Government has already undertaken several measures to tax multinationals in recent years. For example, initiatives such as the OECD's BEPS project have reduced the ability of multinationals to engage in aggressive tax planning. Overall these measures, combined with our strong anti-avoidance law, mean that New Zealand's tax laws are quite effective at preventing tax avoidance by multinationals. Further, in the last few years Inland Revenue has placed an increased level of compliance scrutiny on the tax practices of multinationals and take a comprehensive risk-based approach to multinationals. There is already some evidence that taxpayers are responding to these measures.

However, pCbCR will likely be raised in public submissions as part of the OECD's review of CbC reporting in 2020. Additionally, if the international community adopts the OECD's proposals for reforming the taxation of the digital economy, tax authorities will likely require an increased level of information to administer the new regime. Publicising this information may be addressed as part of the final proposals. The proposals may also affect the kind of information that it would be useful to publish. Accordingly, there could be developments over the next 12 – 24 months that could change the balance in favour of pCbCR. Inland Revenue and the Treasury will monitor these developments and reconsider the arguments for pCbCR as necessary.

Inland Revenue and the Treasury are happy to provide the Committee with any further information if needed.

Yours sincerely

Sam Rowe

Principal Policy Advisor
Policy and Strategy
Inland Revenue

Mark Vink

Manager
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The Treasury

New Topical Issues

New items since the last Status Report (issued on 23 January 2020).

Title	Comment
Policy and Strategy	
Not in scope	
Oxfam Petition requesting public country-by-country reporting	<p>On 19 December 2019 the Finance and Expenditure Committee (FEC) requested a written submission from Inland Revenue and the Treasury, by 14 February, on matters raised in the petition of <i>Joanna Spratt for Oxfam NZ: Public Country-by-Country Financial Reporting for Multinationals</i>. Oxfam are requesting that Inland Revenue require multinationals to publish similar information to that contained in a country-by-country report. This includes certain high-level information on the group’s global activities, including the amount of income it returns and tax paid in each country where it operates.</p> <p>We will provide a report to you, appending our written submission to FEC, on 5 February 2020.</p>
Not in scope	