

UK coalition members

ABColumbia
Action Aid
Amnesty International UK
Burma Campaign
CAFOD
Campaign Against Arms Trade
CARE International UK
Christian Aid
Ecumenical Council for
Corporate Responsibility
Engineers Against Poverty
Global Poverty Project
Global Witness
ONE
Open Society Foundations
Oxfam Great Britain
Revenue Watch Institute
Save the Children UK
Scottish Catholic International
Aid Fund
Tearfund
Transparency International UK
United Nations Association of
the UK
World Vision International

Lodged electronically: beeps@treasury.gov.au

Principal Adviser
Corporate and International Tax Division
The Treasury
Langton Crescent
PARKES ACT 2600
AUSTRALIA

31 May 2013

Dear Sir/Madam

Implications of the Modern Global Economy for the Taxation of Multinational Enterprises

Publish What You Pay UK wishes to endorse the submission by Publish What You Pay Australia in response to the Australian Government's consultation on 'Implications of the Modern Global Economy for the Taxation of Multinational Enterprises',¹ specifically on the question: 'Views are sought on the extent to which another country not exercising its right to tax should be a matter of concern to Australia.'

Publish What You Pay UK is the UK chapter of the global Publish What You Pay civil society coalition of over 700 organisations across more than 50 countries united in their call for oil, gas and mining revenues to form the basis for development and improve the lives of ordinary citizens in resource-rich countries.

In particular, we support Publish What You Pay Australia's recommendation in its submission that the Australian Government, as part of its response to this consultation, introduce rules requiring extractive companies listed or based in Australia to disclose all payments made to governments on a country-by-country and project-by-project basis. This will bring Australia into line with the global transparency standard for the extractive industries established by the United States Dodd-Frank Act and forthcoming European Union legislation.

Transparency and accountability in the extractive industries are increasingly recognised as essential to ensure that resource-rich developing countries receive a fair share of revenues from oil, gas and mining companies for the extraction of their finite natural resources, and that citizens of such countries can hold their national and subnational governments to account for open and effective stewardship and disbursement of these revenues.

¹ <http://www.treasury.gov.au/ConsultationsandReviews/Submissions/2013/Taxation-of-Multinational-Enterprises>

As you will know, in 2013 the UK and its European Union partners have agreed under the EU Accounting Directive to require EU-registered extractive companies to disclose at country and project level their payments to governments worldwide. The legislation will be formally voted on by the European Parliament in June and is expected to extend to all EU-listed companies, including those registered outside the EU, with the forthcoming Transparency Directive. This follows the passing of similar provisions in Section 1504 of the US Dodd-Frank Act of 2010. Companies listed in the US and EU that operate in Australia will be required to disclose payments they make to the Australian Commonwealth, State and Territory governments.

Further, last week the UK Government, along with the Government of France, committed to implement the Extractive Industries Transparency Initiative (EITI), which Australia is currently piloting. The EITI and mandatory reporting requirements are increasingly seen as complementary in all major respects.

As Publish What You Pay Australia's submission states, the interconnectedness of the world's economies and the ability of multinational extractive companies to use this to circumvent national tax jurisdictions mean that such companies must be required to disclose multi-country payment information to help ensure that they pay their fair share of taxes in the countries where they operate.

To conclude, we fully support Publish What You Pay Australia in recommending that the Australian Government introduce requirements aligned with US and EU legislation to require extractive companies listed or based in Australia to disclose their payments to governments on a country-by-country and project-by-project basis.

Yours faithfully



Miles Litvinoff
Coordinator, Publish What You Pay UK
mlitvinoff@pwpuk.org; +44 20 8965 9682; +44 7984 720103