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Financial Accounting Standards Board (FASB)
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Amsterdam, 20 April 2020

Subject: FASB Consideration of Information Regarding Disclosures related to Tax and Payments to Governments (GRI Tax Standard)

Dear Mr. Kuhaneck,

I am reaching out in my capacity of Chief Executive of the Global Reporting Initiative (GRI) – the leading global standards for organizations to report on economic, environmental and social performance. GRI welcomes the recent discussions undertaken by FASB to modify rules on tax reporting, including the Generally Accepted Accounting Principles (GAAP). We seek to support the process and encourage FASB to consider the newly released GRI Tax Standard, GRI 207: Tax 2019, for the forthcoming discussions.

GRI is an international, independent, non-profit organization that has led development of non-financial disclosure standards for more than 20 years. The GRI Sustainability Reporting Standards ([GRI Standards](#)) help companies understand and communicate, their performance on critical issues such as climate change, environmental impacts, governance and many others. The GRI Standards are used by 75% of the 250 largest reporting companies worldwide ([KPMG, 2017](#)) and are referenced in 168 policies in 67 countries (GRI's internal policy database, 2020).

Fair payment of taxes in each country a company does business in is a crucial economic issue and has implications for social and environmental programs in these economies. In addition, such disclosures are vital for investors to understand potentially significant legal and reputational corporate risks.

GRI released [GRI 207: Tax 2019 \(GRI 207\)](#) in December 2019. It is the first global reporting standard to require disclosure of both the management approach on tax strategy with public country-by-country reporting of business activities, revenues, profits and tax. The Standard was developed by an expert multi-stakeholder [Technical Committee](#) under the oversight of the Global Sustainability Standards Board (GSSB) following a transparent and inclusive process in the public interest.

Between December 2018 and March 2019, an exposure draft of the Standard was released for public comment. Over 80 submissions were received from organizations representing business, investment institutions, civil society, labor and mediating institutions. This engagement highlighted the strong demand for reliable publicly reported tax information. Investors were strongly in favor of this Standard with more than 50 percent of the submissions received from investment organizations who collectively manage assets worth in excess of \$2.5 trillion. Comments received from the investment community confirmed that the information in GRI 207 is needed to inform their engagement and investment decisions.

GRI 207 includes management approach disclosures on how an organization manages tax, as well as quantitative disclosure of country-by-country economic and tax data. These disclosures enable stakeholders to understand the principles and practices an organization uses to manage its tax obligations and make more informed judgments about how the taxes paid align with the economic activities of an organization across the tax jurisdictions in which it operates.

Support for GRI 207 was also demonstrated in the submissions to the [OECD public consultation](#) on 'Review of Country-by-Country Reporting' (BEPS Action 13). More than 20 of the 78 responses received suggested that the OECD should align with GRI 207. One notable submission, signed by 33 lawmakers from the United States Congress, endorsed the GRI Tax Standard by calling on the OECD to ensure reporting is "aligned with the Global Reporting Initiative."¹

GRI 207 helps organizations to be more transparent by using a framework for reporting that is developed in the public interest and follows international best practice. The Standard enables consistency and comparability of reported information and provides the right balance of disclosures to inform the public and protect the interests of investors.

I would welcome the opportunity to provide further details about the new Tax Standard and look forward to a continued dialogue between our organizations.

Yours sincerely,



Tim Mohin
Chief Executive

¹ Further supportive comments for incorporating the GRI Tax Standard into the OECD BEPS framework included: Oxfam, Public Services International, Unison, Action Aid, European Network on Debt & Development (Eurodad), American Sustainable Business Council, Canadian Labour Congress, Australian Centre for Corporate Responsibility, Tax Justice Network, and Financial Accountability & Corporate Transparency (FACT) Coalition.