

MFS Investment Management
111 Huntington Avenue
Boston, MA 02199



April 12, 2021

Ms. Hillary H. Salo
Technical Director
Financial Accounting Standards Board
401 Merritt 7 P.O. Box 5116
Norwalk, CT 06856-5116

Dear Ms. Salo,

MFS is an investment management firm representing individual and institutional clients worldwide. Founded in 1924, we have a global footprint of investment professionals and manage more than \$600 billion in equity and fixed income assets.

Our mission is to responsibly allocate capital on behalf of our clients. We engage in that mission by investing in companies that we believe can outperform throughout an entire economic cycle. As a result, we focus on understanding the factors that are critical to the long-term success of the companies we own.

Our ability to properly analyze companies is reliant upon accurate and transparent reporting by corporations and other issuers. As a result, we are grateful for the important role that the FASB plays in our investment process through the setting of rigorous and comprehensive financial accounting and reporting standards.

As a result of substantial changes at a national and supranational level, as well as greater scrutiny by civil society more broadly, we have spent considerable time researching and evaluating corporate tax practices. Our research has helped us to better model earnings risk and opportunity. It has also allowed us to assess corporate governance more comprehensively, as we believe a company's tax practices—much like its accounting practices—offer an important signal regarding a management team's and board's risk tolerance.

Unfortunately, our research in this area is impaired by a lack of transparency regarding corporate tax practices. For example, the current tax footnote rarely offers substantive information regarding the foreign tax differential, which is a material line item for many multinational issuers.

While we are not proposing a particular reporting standard, we do believe investors would benefit from improved disclosure regarding corporate taxes. As such, we welcome the opportunity to discuss this topic in more detail. If you would like to schedule a meeting to discuss our position in more detail, we would be happy to do so. Rob Wilson (rwilson@mfs.com), a research analyst based in our Boston office, can assist in that process.

Sincerely,

A handwritten signature in black ink, appearing to read "Ted Maloney", with a stylized, flowing script.

Ted Maloney
Chief Investment Officer
MFS Investment Management