



FOR IMMEDIATE RELEASE
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ATF Urges FASB to Adopt Country-by-County Reporting Requirement for Corporate Tax Statements

Financial Accounting Standards Board requested comments on an update to disclosure requirements for public corporations' income taxes

WASHINGTON, D.C. – Changes to the income-tax disclosure requirements for public corporations should include annual country-by-country reporting and the amount of deferred U.S. taxes owed on offshore profits, Americans for Tax Fairness Executive Director Frank Clemente wrote in comments submitted to the [Financial Accounting Standards Board](#).

Today is the deadline for public comments on FASB's [draft revisions](#) to the income tax disclosure framework for public corporations. [ATF's comment](#) urges FASB to expand the disclosure requirements to include annual country-by-country reporting for a U.S. corporation's subsidiaries that contains:

- Revenues, profits or loss before taxes
- Income tax accrued for the current year
- Income tax paid on a cash basis
- Effective tax rate
- Stated capital
- Accumulated earnings
- Number of employees
- Tangible assets other than cash or cash equivalents

Additionally, ATF urged FASB to require corporations to report the aggregate amount they would owe in U.S. taxes should they repatriate their offshore earnings, providing a country-by-country estimate of where the profits are being held.

ATF also urged FASB to require that this information be made available to investors and the public in a corporation's annual financial report to the SEC.

ATF illustrated the importance of full disclosure of financial information by corporate subsidiaries by highlighting three recent investigate reports it prepared on the offshore assets and subsidiaries held by [Walmart](#), Pfizer (two Pfizer reports, [here](#) and [here](#)), and [Gilead Sciences](#).

In the case of Walmart, ATF revealed that the retail giant had placed at least \$76

billion worth of assets in 78 subsidiaries located in 15 tax havens in which it had no retail stores.

“Walmart has never openly reported the existence of these subsidiaries in its SEC filings where subsidiaries are normally disclosed. The company has kept these tax-haven subsidiaries secret by burying mention of their existence deep inside of SEC filings and financial documents filed by Walmart subsidiaries all around the world. Only some of those documents are available to the public,” the ATF letter stated.

“Compiling this data required hundreds of hours of labor, which unearthed financial records from Washington to Switzerland, London to Luxembourg, and South Africa to Central America. Even then, because of the opacity of information under current rules, we were unable to fully assess the extent of Walmart’s network of tax-haven subsidiaries and how Walmart may use it to avoid paying U.S. taxes now and in the future,” Clemente wrote in ATF’s comment.

American for Tax Fairness’ full submission to FASB can be found [here](#).

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Americans for Tax Fairness is a diverse coalition of [425 national and state endorsing organizations](#) that collectively represent tens of millions of members. The organization was formed on the belief that the country needs comprehensive, progressive tax reform that results in greater revenue to meet our growing needs. ATF is playing a central role in Washington and in the states on federal tax-reform issues.

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