

September 26, 2025

The Honorable Scott Bessent
Secretary of the Treasury
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

Re: Australia’s Country-by-Country Reporting Law Is Aligned with Investor Demands

Dear Secretary Bessent,

We are a non-partisan alliance of more than 100 state, national, and international organizations promoting policies to build a fair and transparent global tax system, and we write to provide necessary context surrounding the need for public country-by-country reporting (CbCR), in particular, the intent behind Australia’s recently enacted law and its impact on U.S. companies.

During the extensive consultation process that led to the passage of the Australian CbCR law, the Australian government specifically named global investors (including American investors) as one of the primary intended audiences for published information. Improved corporate tax disclosures in line with global standards have widespread support among a broad range of investors, collectively managing more than \$10 trillion in assets.¹ This is because investors recognize that international tax issues are a growing source of material risks to companies in their portfolios.² Only last year, investors with more than \$2.3 trillion in assets under management petitioned the U.S. Securities and Exchange Commission to initiate a rulemaking requiring disclosure of additional tax information by U.S. public companies, in line with global standards that the Australian law also follows.³

¹ Oxfam America, “New Analysis Shows Investors Representing \$10T Support Greater Tax Transparency for Large Multinationals,” May 2023,

https://webassets.oxfamamerica.org/media/documents/10tril_AUM_Methodology_Note.pdf.

² FACT Coalition, “A Material Concern: The Investor Case for Public Country-by-Country Tax Reporting,” July 2022,

<https://thefactcoalition.org/report/a-material-concern-the-investor-case-for-public-country-by-country-tax-reporting>.

³ FACT Coalition, “Re: Petition for Rulemaking to Require Disclosure of Tax-Relevant Information for Each Country,” *Securities and Exchange Commission*, July 2024,

<https://www.sec.gov/files/rules/petitions/2024/petn4-835.pdf>.

Dozens of major multinational groups already voluntarily publish this information without facing any competitive disadvantage or inappropriate scrutiny. These include Shell, British Petroleum, Hess Corporation, Vodafone, Lush, and Allianz. Many more, including Ford, Honeywell, Molson Coors, and Philip Morris, among others, are disclosing required CbCR pursuant to a European Union Directive, which affects more than one-third of large US multinationals.⁴ Collectively, their experiences show that CbCR disclosures are feasible and valuable, and do not harm competitiveness. A senior Shell executive testified before the European Parliament that, rather than creating problems, publication of CbCR “has strengthened trust in Shell, and it continues to strengthen our relationships with our customers, investors, policymakers, and others.”

Merely disclosing basic financial and operational information, as required under Australia’s CbCR law, does not put American companies at a competitive disadvantage. The information that will be disclosed does not implicate any trade secrets. Moreover, business stakeholders – including US multinationals and industry groups – already won concessions from the Australian government during the drafting of the law, and have subsequently received guidance addressing questions of commercial sensitivity and violations of the law of another jurisdiction.

Australia’s CbCR law is a legitimate exercise of Australia’s tax sovereignty, and there is nothing “extraterritorial” about its nature or effect. Reporting requirements are only imposed on multinational groups that have substantial Australian operations (i.e., annual Australia-sourced income of more than AU\$10m), and disaggregated information is only required to be reported for Australia and certain high-risk jurisdictions. American companies are not, and should not be, treated any differently from multinational corporate groups based in other countries that are subject to these reporting requirements.

As the Trump administration has insisted that other nations respect the tax sovereignty of the United States, so too should the administration respect Australia’s sovereignty in this regard.

We appreciate your consideration of this important issue and are available for further discussion.

Sincerely,

Ian Gary
Executive Director
FACT Coalition

⁴ Giulia Aliprandi, Kane Borders, “Advancing Corporate Tax Transparency,” *EU Tax Observatory*, June 2024, <https://www.taxobservatory.eu/publication/advancing-corporate-tax-transparency>.

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