



March 6, 2020

International Co-operation and  
Tax Administration Division Centre for  
Tax Policy and Administration  
Organization for Economic Co-operation and Development  
Paris, France

The Professional Institute of the Public Service of Canada (PIPSC) represents approximately 55,000 public service professionals across Canada, including nearly 12,000 auditors, managers, forensic accountants and other tax professionals at the Canada Revenue Agency (CRA).

PIPSC members recognize the importance of the OECD's Base Erosion and Profit Shifting (BEPS) initiative, particularly the enhanced accountability that comes with country-by-country reporting (CbCR). While BEPS represents a significant step forward, it does not go far enough. The initiative is designed to be conservative and advance slowly yet there are some logical next steps that should be taken more quickly.

1. The OECD's CbCR standards should move towards the Global Reporting Initiative Tax Standard to address data quality shortcomings. The GRI Standards would alleviate weaknesses highlighted in the consultation document: reconciliation with consolidated accounts, limited thresholds, intra-group transactions and reporting by stateless entities. In addition to addressing these problems, adopting these standards would reduce compliance costs, provide higher quality data and provide more clarity and transparency.
2. CbCR reports should be made available to the public. Doing so would shed light on undesirable business practices, increase public scrutiny and act as a powerful deterrent to aggressive tax evasion and avoidance. There is a strong push internationally to move in this direction but, at present, the rules vary across jurisdictions. Some countries require greater transparency and some corporations provide this information voluntarily, but many are resisting this movement in order to protect a perceived competitive advantage. A common public reporting standard would provide a simpler alternative to the current exchange system, enhance transparency and level the playing field. In 2018 PIPSC surveyed auditors at the Canada Revenue Agency to gauge their opinion on a variety of contemporary policy debates. In response to this issue, 65% were in favor of making CbCRs publicly accessible.
3. We believe the current threshold for CbCR is too high. The current standard of EUR 750 million results in too few corporations qualifying and therefore limits the positive impacts of enhanced accountability. Australia has already implemented stricter reporting requirements for

companies with income greater than AUS\$ 100 million —approximately EUR 60 million. The OECDs CbCRs could be lowered accordingly.

Thank you for your consideration of these recommendations.

Sincerely,

Debi Daviau  
President, PIPSC