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# GRI 207: Tax 2019

## Frequently Asked Questions (FAQs)

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## 1. Why did GRI develop GRI 207: Tax 2019?

Taxes are acknowledged by the UN to play a vital role in achieving the Sustainable Development Goals. They are also a key mechanism by which organizations contribute to the economies of the countries in which they operate. Recent revelations have put the spotlight on the tax practices of organizations operating in an increasingly complex and globalized tax landscape. This has resulted in calls from many stakeholders – governments, investors, civil society, media and the public – for more tax transparency.

*GRI 207: Tax 2019* is a response to these calls. It is the first global reporting standard to combine disclosures on tax strategy, with public country-by-country reporting of business activities, revenues, profit and tax. *GRI 207* helps organizations be more transparent by using a framework for reporting that is developed in the public interest and follows international best practice. With this Standard, GRI aims to pave the way for more informed public debate on tax and its contribution to sustainability, and to enable better policy and investment decisions.

## 2. What was the process for the development of GRI 207: Tax 2019?

The development process of *GRI 207: Tax 2019* was overseen by the Global Sustainability Standards Board (GSSB), GRI's independent standard-setting body, following the Due Process Protocol.

The Standard was developed in the public interest through a transparent and inclusive process. The content was developed by a multi-stakeholder technical committee with leading tax experts and practitioners from around the world, from diverse constituencies, including business, civil society, investors, labor and mediating institutions.

Between December 2018 and March 2019, an exposure draft of the Standard was made available for public comment. Over 80 submissions were received from approximately 110 organizations across business, investment institutions, civil society, labor and mediating institutions. For more information about the development process of *GRI 207* please visit the project page.

## 3. How was feedback on the exposure draft of GRI 207: Tax 2019 addressed?

In line with due process, an exposure draft of GRI Standard: Tax and Payments to Governments was released for public comment between December 2018 and March 2019. All comments received during the public comment period were considered by the technical committee. An analysis of these comments was presented to the GSSB and summarized in the GSSB Basis for Conclusions. The basis for conclusions outlines the main themes identified from public comments and how the GSSB responded to these comments. It can be found on the project page for *GRI 207: Tax 2019*.

## 4. How to use the GRI 207: Tax 2019?

An organization reporting in accordance with the GRI Standards is required to report the following disclosures if it has determined tax to be a material topic:

- Disclosure 3-3 Management of material topics in *GRI 3: Material Topics 2021*
- Any disclosures from GRI 207 that are relevant to the organization's tax-related impacts (Disclosure 207-1 through Disclosure 207-4)

See Requirements 4 and 5 in *GRI 1: Foundation 2021*.

Reasons for omission are permitted for these disclosures.

## 5. What should I do if I cannot report information for every country where the organization has entities?

Reasons for omission are permitted for all disclosures in *GRI 207* if, in exceptional cases, the organization cannot report on these.

It is acknowledged that reporting organizations might need to build up their reporting for Disclosure 207-4 Country-by-country reporting over time. If the organization is unable to report the required information for a disclosure, or for all tax jurisdictions, it may use reasons for omission until it can obtain the required information.

The Guidance for Disclosure 207-4-b also includes information on using reasons for omission where the organization cannot report the required information where reporting for a tax jurisdiction is not possible because the organization holds a minority shareholding or is the non-operating joint venture partner in an entity.

For more information on reasons for omission, see *GRI 1: Foundation 2021*.

## 6. Is the Standard only relevant to MNEs and large organizations?

Country-by-country reporting can be undertaken by any organization regardless of its size or the number of jurisdictions in which it operates. If an organization does business in a jurisdiction, it can be reasonably expected to offer information on the scale of its activities and taxes paid in that jurisdiction, even if it operates in only one jurisdiction.

Organizations that operate in only one tax jurisdiction might already report some of the information required by Disclosure 207-4 in their audited consolidated financial statements or financial information filed on public record. In this case, the organization can choose to give a reference to where the information can be found instead of repeating these disclosures. For more information on how to present information, see *GRI 1: Foundation 2021*.