



GRI 207: TAX
2019

GRI
207

Contents

Introduction	3
GRI 207: Tax	5
1. Management approach disclosures	5
Disclosure 207-1 Approach to tax	6
Disclosure 207-2 Tax governance, control, and risk management	7
Disclosure 207-3 Stakeholder engagement and management of concerns related to tax	9
2. Topic-specific disclosures	10
Disclosure 207-4 Country-by-country reporting	10
Glossary	14
References	16

About this Standard

Responsibility	This Standard is issued by the Global Sustainability Standards Board (GSSB) . Any feedback on the GRI Standards can be submitted to standards@globalreporting.org for the consideration of the GSSB.
Scope	<i>GRI 207: Tax</i> sets out reporting requirements on the topic of tax. This Standard can be used by an organization of any size, type, sector or geographic location that wants to report on its impacts related to this topic.
Normative references	This Standard is to be used together with the most recent versions of the following documents: GRI 101: Foundation GRI 103: Management Approach GRI Standards Glossary In the text of this Standard, terms defined in the Glossary are <u>underlined</u> .
Effective date	This Standard is effective for reports or other materials published on or after 1 January 2021. Earlier adoption is encouraged.

Note: This document includes hyperlinks to other Standards. In most browsers, using **'ctrl' + click** will open external links in a new browser window. After clicking on a link, use **'alt' + left arrow** to return to the previous view.

Introduction

A. Overview

This Standard is part of the set of GRI Sustainability Reporting Standards (GRI Standards). The Standards are designed to be used by organizations to report about their impacts on the economy, the environment, and society.

The GRI Standards are structured as a set of interrelated, modular standards. The full set can be downloaded at www.globalreporting.org/standards/.

There are three universal Standards that apply to every organization preparing a sustainability report:

[GRI 101: Foundation](#)

[GRI 102: General Disclosures](#)

[GRI 103: Management Approach](#)

GRI 101: Foundation is the starting point for using the GRI Standards. It has essential information on how to use and reference the Standards.

An organization then selects from the set of topic-specific GRI Standards for reporting on its material topics.

See the [Reporting Principles for defining report content in GRI 101: Foundation](#) for more information on how to identify material topics.

The topic-specific GRI Standards are organized into three series: 200 (Economic topics), 300 (Environmental topics), and 400 (Social topics).

Each topic-specific Standard includes disclosures specific to that topic, and is designed to be used together with *GRI 103: Management Approach*, which is used to report the management approach for the topic.

GRI 207: Tax is a topic-specific GRI Standard in the 200 series (Economic topics).

B. Using the GRI Standards and making claims

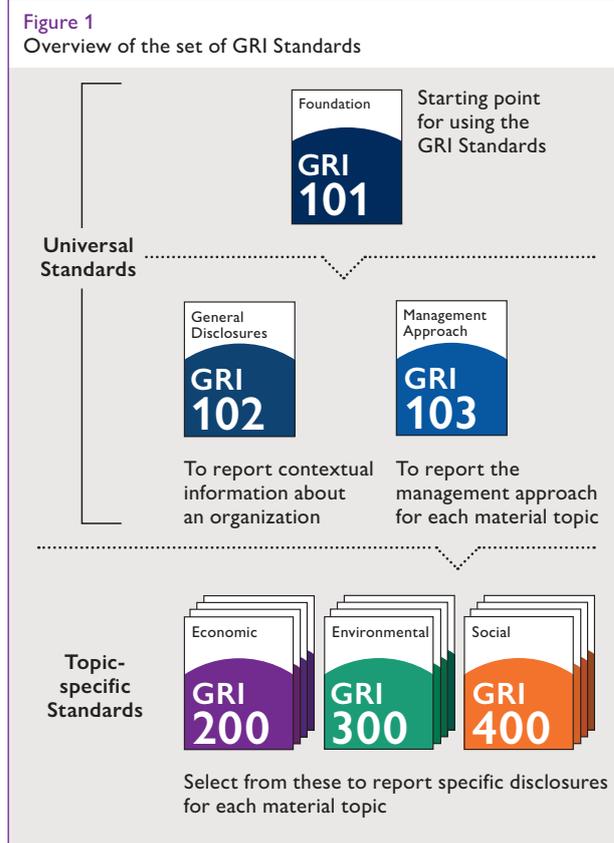
There are two basic approaches for using the GRI Standards. For each way of using the Standards there is a corresponding claim, or statement of use, which an organization is required to include in any published materials.

1. The GRI Standards can be used as a set to prepare a sustainability report that is in accordance with the Standards. There are two options for preparing a report in accordance (Core or Comprehensive), depending on the extent of disclosures included in the report.

An organization preparing a report in accordance with the GRI Standards uses this Standard, *GRI 207: Tax*, if this is one of its material topics.

2. Selected GRI Standards, or parts of their content, can also be used to report specific information, without preparing a report in accordance with the Standards. Any published materials that use the GRI Standards in this way are to include a 'GRI-referenced' claim.

See [Section 3 of GRI 101: Foundation](#) for more information on how to use the GRI Standards, and the specific claims that organizations are required to include in any published materials.



Reasons for omission as set out in *GRI 101: Foundation* are applicable to this Standard. See [clause 3.2 in GRI 101](#) for requirements on reasons for omission.

C. Requirements, recommendations and guidance

The GRI Standards include:

Requirements. These are mandatory instructions. In the text, requirements are presented in **bold font** and indicated with the word 'shall'. Requirements are to be read in the context of recommendations and guidance; however, the organization is not required to comply with recommendations or guidance in order to claim that a report has been prepared in accordance with the Standards.

Recommendations. These are cases where a particular course of action is encouraged, but not required. In the text, the word 'should' indicates a recommendation.

Guidance. These sections include background information, explanations, and examples to help organizations better understand the requirements.

An organization is required to comply with all applicable requirements in order to claim that its report has been prepared in accordance with the GRI Standards. See [GRI 101: Foundation](#) for more information.

D. Background context

In the context of the GRI Standards, the economic dimension of sustainability concerns an organization's impacts on the economic conditions of its stakeholders, and on economic systems at local, national, and global levels. It does not focus on the financial condition of an organization.

The Standards in the Economic series (200) address the flow of capital among different stakeholders, and the main economic impacts of an organization throughout society.

GRI 207 addresses the topic of tax.

Taxes are important sources of government revenue and are central to the fiscal policy and macroeconomic stability of countries.

They are acknowledged by the United Nations to play a vital role in achieving the Sustainable Development Goals.¹ They are also a key mechanism by which organizations contribute to the economies of the countries in which they operate.

Taxes paid by an organization reflect that profitability depends on many factors external to the organization,

including access to workers, markets, public infrastructure and services, natural resources, and a public administration.

Organizations have an obligation to comply with tax legislation, and a responsibility to their stakeholders to meet expectations of good tax practices. If organizations seek to minimize their tax obligation in a jurisdiction, they might deprive the government of revenue. This could lead to reduced investment in public infrastructure and services, increase in government debt, or shifting of the tax obligation onto other tax payers.

Perceptions of tax avoidance by an organization could also undermine tax compliance more broadly, by driving other organizations to engage in aggressive tax planning based on the view that they might otherwise be at a competitive disadvantage. This can lead to increasing costs associated with tax regulation and enforcement.

Public reporting on tax increases transparency and promotes trust and credibility in the tax practices of organizations and in the tax systems. It enables stakeholders to make informed judgments about an organization's tax positions. Tax transparency also informs public debate and supports the development of socially desirable tax policy.

The disclosures in this Standard are designed to help an organization understand and communicate its management approach in relation to tax, and to report its revenue, tax, and business activities on a country-by-country basis.

Country-by-country reporting

Country-by-country reporting involves the reporting of financial, economic, and tax-related information for each jurisdiction in which an organization operates. This indicates the organization's scale of activity and the contribution it makes through tax in these jurisdictions.

In combination with the management approach disclosures, country-by-country reporting gives insight into the organization's tax practices in different jurisdictions. It can also signal to stakeholders any potential reputational and financial risks in the organization's tax practices.

¹ United Nations (UN) Resolution, *Transforming our world: the 2030 Agenda for Sustainable Development*, 2015. (See in particular Target 17.1: 'Strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection,' under Goal 17: 'Strengthen the means of implementation and revitalize the global partnership for sustainable development.')

GRI 207: Tax

This Standard includes disclosures on the management approach and topic-specific disclosures. These are set out in the Standard as follows:

- Management approach disclosures
 - Disclosure 207-1 Approach to tax
 - Disclosure 207-2 Tax governance, control, and risk management
 - Disclosure 207-3 Stakeholder engagement and management of concerns related to tax
- Topic-specific disclosures
 - Disclosure 207-4 Country-by-country reporting

1. Management approach disclosures

Management approach disclosures are a narrative explanation of how an organization manages a material topic, the associated impacts, and stakeholders' reasonable expectations and interests. Any organization that claims its report has been prepared in accordance with the GRI Standards is required to report on its management approach for every material topic.

An organization that has identified tax as a material topic is required to report its management approach for this topic using both the disclosures in *GRI 103: Management Approach* and the management approach disclosures in this section.

The disclosures in this section focus on how an organization manages tax. This section is therefore designed to supplement – and not to replace – the content in *GRI 103*.

Reporting requirements

- 1.1** The reporting organization shall report its management approach for tax using [GRI 103: Management Approach](#).

Disclosure 207-1

Approach to tax

Reporting requirements

The reporting organization shall report the following information:

- a. A description of the approach to tax, including:
 - i. whether the organization has a tax strategy and, if so, a link to this strategy if publicly available;
 - ii. the **governance body** or executive-level position within the organization that formally reviews and approves the tax strategy, and the frequency of this review;
 - iii. the approach to regulatory compliance;
 - iv. how the approach to tax is linked to the business and **sustainable development strategies** of the organization.

Disclosure
207-1

Guidance

Background

An organization's approach to tax defines how the organization balances tax compliance with business activities and ethical, societal, and sustainable development-related expectations. It can include the organization's tax principles, its attitude to tax planning, the degree of risk the organization is willing to accept, and the organization's approach to engaging with tax authorities.

An organization's approach to tax is often described in a tax strategy, but it could also be described in equivalent documents, such as policies, standards, principles, or codes of conduct.

Guidance for Disclosure 207-1-a

The reporting organization can illustrate its approach to tax by providing examples drawn from its tax practices. For example, the organization can provide an overview of its use of tax havens, the types of tax incentive it uses, or its approach to transfer pricing. These examples help demonstrate the organization's risk appetite and the tax practices deemed acceptable and unacceptable by the organization and its highest governance body.

Guidance for Disclosure 207-1-a-i

If the organization has a tax strategy but the strategy is not publicly available, the organization can provide an abstract or summary of the strategy.

If the organization has a tax strategy that applies to a smaller number of entities or tax jurisdictions than reported in Disclosure 207-4, the organization may report this strategy and list the entities or tax jurisdictions to which the strategy applies.

In addition to the overall strategy, if the organization has tax strategies that apply to individual entities or tax jurisdictions, the organization can explain any relevant differences between these strategies.

Guidance for Disclosure 207-1-a-iii

When describing its approach to regulatory compliance, the organization can describe any statements in its tax strategy or equivalent documents regarding its intention with respect to the tax laws in the jurisdictions in which it operates. For example, the organization can describe whether it seeks to comply with the letter and the spirit of the law. That is, whether the organization takes reasonable steps to determine and follow the intention of the legislature.²

Guidance for Disclosure 207-1-a-iv

When describing how its approach to tax is linked to its business strategy, the organization can explain how its tax planning is aligned with its commercial activities. The description can include any relevant statements from its tax strategy or equivalent documents.

When describing how its approach to tax is linked to its sustainable development strategy, the organization can explain the following:

- Whether it considered the economic and social impacts of its approach to tax when developing its tax strategy.
- Any organizational commitments to sustainable development in the jurisdictions in which it operates and whether its approach to tax is aligned with these commitments.

² Organisation for Economic Co-operation and Development (OECD), 'Taxation', *OECD Guidelines for Multinational Enterprises*, pp. 60-63, 2011.

Disclosure 207-2

Tax governance, control, and risk management

Reporting requirements

The reporting organization shall report the following information:

- a. A description of the tax governance and control framework, including:
 - i. the **governance body** or executive-level position within the organization accountable for compliance with the tax strategy;
 - ii. how the approach to tax is embedded within the organization;
 - iii. the approach to tax risks, including how risks are identified, managed, and monitored;
 - iv. how compliance with the tax governance and control framework is evaluated.
- b. A description of the mechanisms for reporting concerns about unethical or unlawful behavior and the organization's integrity in relation to tax.
- c. A description of the assurance process for disclosures on tax and, if applicable, a reference to the assurance report, statement, or opinion.

Disclosure
207-2

Guidance

Background

Having robust governance, control, and risk management systems in place for tax can be an indication that the reported approach to tax and tax strategy are well embedded in an organization and that the organization is effectively monitoring its compliance obligations. Reporting this information reassures stakeholders that the organization's practices reflect the statements it has made about its approach to tax in its tax strategy or equivalent documents.

Guidance for Disclosure 207-2-a

When describing the tax governance and control framework, the reporting organization can provide examples of effective implementation of its tax governance, control, and risk management systems.

Guidance for Disclosure 207-2-a-i

If the highest governance body in an organization is accountable for compliance with the tax strategy, the organization can specify the degree to which the highest governance body has oversight of compliance. The organization can also specify any accountability for compliance delegated to executive-level positions within the organization.

Guidance for Disclosure 207-2-a-ii

When reporting how the approach to tax is embedded within the organization, the organization can describe processes, projects, programs, and initiatives that support adherence to the approach to tax and tax strategy.

Examples of such initiatives can include:

- training and guidance provided to relevant employees on the link between tax strategy, business strategy, and sustainable development;
- remuneration or incentive schemes for the person(s) responsible for implementing the tax strategy;
- succession-planning for positions within the organization that are responsible for tax;
- participation in tax transparency initiatives or representative associations that seek to develop best practice around disclosures on tax or educate stakeholders on tax-related issues.

Guidance for Disclosure 207-2-a-iii

Tax risks are risks associated with the organization's tax practices that might lead to a negative effect on the goals of the organization, or to financial or reputational damage. These include compliance risks or risks such as those related to uncertain tax positions, changes in legislation, or a perception of aggressive tax practices.

When reporting on the approach to tax risks, the organization can describe its risk appetite and tolerance and provide examples of tax practices it has avoided because they are misaligned with its approach to tax and tax strategy. Risk appetite and tolerance indicate the degree of risk the organization is willing to accept in determining its tax positions.

Disclosure 207-2

Continued

When reporting how tax risks are identified, managed, and monitored, the organization can:

- describe the role of the highest governance body in the tax risk management process;
- describe how the tax risk management process is communicated and embedded across the organization;
- refer to any internal control frameworks or generally accepted risk management principles that are applied to tax.

Guidance for Disclosure 207-2-a-iv

When reporting how compliance with the tax governance and control framework is evaluated, the organization can describe the process through which the tax governance and control framework is monitored, tested, and maintained. An example of this is giving an internal auditor accountability for undertaking annual reviews of the tax department's compliance with the tax governance and control framework.

The organization can also specify the degree to which the highest governance body has oversight of the design, implementation, and effectiveness of the tax governance and control framework.

Guidance for Disclosure 207-2-b

One example of a mechanism for stakeholders to report concerns about unethical or unlawful behavior, or about activities that compromise the organization's integrity in relation to tax, is whistleblowing.

Disclosure 207-2-b is related to [Disclosure 102-17](#) in *GRI 102: General Disclosures 2016*. If the information reported by the organization in Disclosure 102-17 covers mechanisms used for reporting concerns about unethical or unlawful behavior and the organization's integrity in relation to tax, the organization can provide a reference to this information.

Guidance for Disclosure 207-2-c

Disclosure 207-2-c is related to [Disclosure 102-56](#) in *GRI 102: General Disclosures 2016*. If the assurance process for disclosures on tax has been completed as part of another assurance process, the organization can provide a reference to this information reported in Disclosure 102-56 or elsewhere.

Disclosure 207-3

Stakeholder engagement and management of concerns related to tax

Reporting requirements

The reporting organization shall report the following information:

- a. A description of the approach to stakeholder engagement and management of stakeholder concerns related to tax, including:
- i. the approach to engagement with tax authorities;
 - ii. the approach to public policy advocacy on tax;
 - iii. the processes for collecting and considering the views and concerns of stakeholders, including external stakeholders.

Disclosure
207-3

Guidance

Background

Organizations' tax practices are of interest to various stakeholders. The approach an organization takes to engaging with stakeholders has the potential to influence its reputation and position of trust. This includes how the organization engages with tax authorities in the development of tax systems, legislation, and administration.

Stakeholder engagement can enable the organization to understand evolving expectations related to tax. It can give the organization insight into potential future regulatory changes and enable the organization to better manage its risks and impacts.

Guidance for Disclosure 207-3-a-i

The approach to engagement with tax authorities can include participating in cooperative compliance agreements, seeking active real-time audit, seeking clearance for all significant transactions, engaging on tax risks, and seeking advance pricing agreements.

Guidance for Disclosure 207-3-a-ii

When reporting the approach to public policy advocacy on tax, the reporting organization can describe:

- its lobbying activities related to tax;
- its stance on significant issues related to tax that it addresses in its public policy advocacy, and any differences between its advocacy positions and its stated policies, goals, or other public positions;

- whether it is a member of, or contributes to, any representative associations or committees that participate in public policy advocacy on tax, including:
 - the nature of this contribution;
 - any differences between the organization's stated policies, goals, or other public positions on significant issues related to tax, and the positions of the representative associations or committees.

Disclosure 207-3-a-ii is related to the reporting requirements in [GRI 415: Public Policy 2016](#). If the organization has identified public policy as a material topic and has reported information in [GRI 415](#) that covers the organization's public policy advocacy on tax, the organization can provide a reference to this information.

Guidance for Disclosure 207-3-a-iii

When reporting the processes for collecting and considering the views and concerns of stakeholders, the organization can describe how the processes enable stakeholders to participate in this engagement. The organization can also provide examples of how stakeholder feedback has influenced the approach to tax, the tax strategy, or the tax practices of the organization.

2. Topic-specific disclosures

Disclosure 207-4

Country-by-country reporting

Reporting requirements

The reporting organization shall report the following information:

- a. All tax jurisdictions where the entities included in the organization's audited consolidated financial statements, or in the financial information filed on public record, are resident for tax purposes.
- b. For each tax jurisdiction reported in Disclosure 207-4-a:
 - i. Names of the resident entities;
 - ii. Primary activities of the organization;
 - iii. Number of employees, and the basis of calculation of this number;
 - iv. Revenues from third-party sales;
 - v. Revenues from intra-group transactions with other tax jurisdictions;
 - vi. Profit/loss before tax;
 - vii. Tangible assets other than cash and cash equivalents;
 - viii. Corporate income tax paid on a cash basis;
 - ix. Corporate income tax accrued on profit/loss;
 - x. Reasons for the difference between corporate income tax accrued on profit/loss and the tax due if the statutory tax rate is applied to profit/loss before tax.
- c. The time period covered by the information reported in Disclosure 207-4.

Disclosure
207-4

- 2.1 When compiling the information specified in Disclosure 207-4, the reporting organization shall report information for the time period covered by the most recent audited consolidated financial statements or financial information filed on public record. If information is not available for this time period, the organization may report information for the time period covered by the audited consolidated financial statements, or the financial information filed on public record, immediately preceding the most recent ones.
- 2.2 When compiling the information specified in Disclosure 207-4-b, the reporting organization shall:
 - 2.2.1 reconcile the data reported for Disclosures 207-4-b-iv, vi, vii, and viii with the data stated in its audited consolidated financial statements, or the financial information filed on public record, for the time period reported in Disclosure 207-4-c. Where the data reported does not reconcile with the audited consolidated financial statements, or the financial information filed on public record, the organization shall provide an explanation for this difference;
 - 2.2.2 for Disclosure 207-4-b-ix, include corporate income tax accrued in the time period reported in Disclosure 207-4-c and exclude deferred corporate income tax and provisions for uncertain tax positions;
 - 2.2.3 in cases where an entity is deemed not to be resident in any tax jurisdiction, provide the information for this stateless entity separately.

Disclosure 207-4

Continued

Reporting recommendations

- 2.3 The reporting organization should report the following additional information for each tax jurisdiction reported in Disclosure 207-4-a:
- 2.3.1 Total employee remuneration;
 - 2.3.2 Taxes withheld and paid on behalf of employees;
 - 2.3.3 Taxes collected from customers on behalf of a tax authority;
 - 2.3.4 Industry-related and other taxes or payments to governments;
 - 2.3.5 Significant uncertain tax positions;
 - 2.3.6 Balance of intra-company debt held by entities in the tax jurisdiction, and the basis of calculation of the interest rate paid on the debt.

Guidance

Background

Country-by-country reporting is the reporting of financial, economic, and tax-related information for each jurisdiction in which the organization operates.

Guidance for Disclosure 207-4-a

In the context of this Standard, tax jurisdictions are identified according to where the entities included in the organization's audited consolidated financial statements, or in the financial information filed on public record, are resident for tax purposes. These entities include permanent establishments and dormant entities.

Guidance for Disclosure 207-4-b

Unless otherwise stated, country-by-country information is to be reported at the level of tax jurisdictions and not at the level of individual entities.

Number of employees, revenues, profit/loss before tax, and tangible assets other than cash and cash equivalents are indicators of the organization's scale of activity within a tax jurisdiction. When considered in conjunction with the other required and recommended information, they can inform assessments about the level of taxes being paid in a jurisdiction.

In addition to this information, the organization can report any other information relevant for understanding the scale of its activity within a jurisdiction.

If the reporting organization cannot report all required information for all the tax jurisdictions reported in Disclosure 207-4-a, it may use reasons for omission as set out in *GRI 101: Foundation 2016*. The organization is required to describe the specific information that has been omitted and provide a reason for this omission as set out in *GRI 101*. See [clause 3.2 in GRI 101](#) for requirements on reasons for omission.

If complete 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, the organization may specify that this information is unavailable as the reason for omission and provide a reference to the majority shareholder or operating partner.

The organization can also report any contextual information necessary to understand how data has been compiled, such as any standards, methodologies, and assumptions used.

Guidance for Disclosure 207-4-b-i

Disclosure 207-4-b-i is related to [Disclosure 102-45 in GRI 102: General Disclosures 2016](#). Disclosure 102-45 requires the organization to report a list of all entities included in its consolidated financial statements or equivalent documents. Disclosure 207-4-b-i requires the organization to report a list of entities by tax jurisdiction.

If the organization's publicly available audited consolidated financial statements, or the financial information filed on public record, include a list of all its entities by tax jurisdiction, the organization can provide a reference to this information.

When reporting the names of the resident entities for a tax jurisdiction, the organization can specify if any of the entities are dormant.

Guidance for Disclosure 207-4-b-ii

When reporting its primary activities in a tax jurisdiction, the organization can provide a general description such that a report reader can clearly identify the organization's main activities in the jurisdiction, for example, sales, marketing, manufacturing, or distribution. The organization is not required to list the activities of each entity in the jurisdiction.

Disclosure 207-4

Continued

Guidance for Disclosure 207-4-b-iii

Employee numbers can be reported using an appropriate calculation, such as head count at the end of the time period reported in Disclosure 207-4-c or a full-time equivalent (FTE) calculation. To enable comparability, it is important that the organization applies the approach consistently across all tax jurisdictions and between time periods.

If the organization is unable to report exact figures, it can report the number of employees to the nearest ten or, where the number of employees is greater than 1000, to the nearest 100.

The number of employees is one indicator of the organization's scale of activity in a tax jurisdiction. In addition to the number of employees, the organization may report the number of workers (excluding employees) performing the organization's activities, if this helps explain the organization's scale of activity in the jurisdiction. It is important that the organization reports the number of employees and/or the number of workers consistently across all jurisdictions and between time periods.

Guidance for Disclosures 207-4-b-iv and 207-4-b-v

These disclosures require the organization to report revenues from third-party sales for each tax jurisdiction and from intra-group transactions between that jurisdiction and other tax jurisdictions. Intra-group transactions within the same tax jurisdiction are not required, but the organization can report this information separately.

Intra-group transactions between jurisdictions can influence the tax bases of the organization in the jurisdictions involved in these transactions. Intra-group transactions within the same tax jurisdiction do not affect the tax base of the organization within that jurisdiction.

For this reason, revenues from third-party sales and intra-group transactions with other jurisdictions are a more appropriate indicator of an organization's scale of activity in a tax jurisdiction than aggregated revenues. Aggregated revenues could result in local revenues being double-counted, which might create a misleading impression about the organization's scale of activity in a jurisdiction.

The organization can also report other sources of revenue, for example, dividends, interest, and royalties, where this is standard practice in the sector of the organization.

Guidance for Disclosure 207-4-b-vi

When reporting profit/loss before tax for a tax jurisdiction, the organization can calculate the consolidated profit/loss before tax for all its resident entities in the jurisdiction.

Guidance for Disclosure 207-4-b-vii

When reporting tangible assets for a tax jurisdiction, the organization can calculate the consolidated total of the net book values of tangible assets for all its resident entities in the jurisdiction.

Guidance for Disclosure 207-4-b-viii

When reporting corporate income tax paid on a cash basis for a tax jurisdiction, the organization can calculate the total actual corporate income tax paid during the time period reported in Disclosure 207-4-c by all its resident entities in the jurisdiction. This includes cash taxes paid by entities to the jurisdiction of residence and to all other jurisdictions (e.g., withholding taxes incurred in other tax jurisdictions).

If the tax paid includes a significant amount of withholding tax, the organization can explain this. If taxes are incurred in other tax jurisdictions, the organization can report the amount of tax paid to the other tax jurisdictions separately and identify the jurisdictions where the tax was paid.

Guidance for Disclosure 207-4-b-x

When reporting the reasons for the difference between corporate income tax accrued on profit/loss and the tax due if the statutory tax rate is applied to profit/loss before tax, the organization can describe items that explain the difference, such as tax reliefs, allowances, incentives, or any special tax provisions where an entity benefits from preferential tax treatment.

The organization can group explanatory items into a generic category, such as 'other', if these items together do not exceed 10% of the difference.

The organization can also report the expiration date, investment requirements, and likely long-term continuity of tax reliefs or incentives for a jurisdiction.

In addition to providing a qualitative explanation as required by this disclosure, the organization can also report a quantitative corporate tax reconciliation.

Guidance for Disclosure 207-4-c and clause 2.1

The principle of Timeliness is described in [clause 1.10 in GRI 101: Foundation 2016](#). The organization is expected to commit to regularly providing a consolidated disclosure of its economic, environmental, and social impacts, at a single point in time. However, the information required in Disclosure 207-4 might not be available for reporting until a later point in time.

If the information required in Disclosure 207-4 is not available for the time period covered by the most recent audited consolidated financial statements or financial information filed on public record, the organization may report information for the time period covered

Disclosure 207-4

Continued

by the audited consolidated financial statements, or the financial information filed on public record, immediately preceding the most recent ones.

Where this time period differs from the reporting period, the organization can specify the reason why.

Guidance for clause 2.2.1

For each of the disclosures specified in clause 2.2.1, the data is considered to be reconciled when the sum of this data for all tax jurisdictions equals the amount reported in the organization's audited consolidated financial statements or in the financial information filed on public record.

Guidance for clause 2.2.3

When providing information for stateless entities, the organization can also include their jurisdiction of incorporation.

Guidance for clause 2.3.1

Total employee remuneration in a tax jurisdiction can reflect the business value provided by the entities in that jurisdiction to the organization as a whole.

Total employee remuneration also represents the basis for calculating taxes withheld and paid on behalf of employees, covered under clause 2.3.2.

Guidance for clause 2.3.2

Taxes withheld and paid on behalf of employees refer to taxes withheld by the organization from employee remuneration to be paid to the tax authorities. These can include income taxes, payroll taxes, and social security contributions.

Guidance for clause 2.3.3

Taxes collected from customers refer to taxes and duties charged on and collected on the sales of certain products and services. These are paid by the organization to the tax authorities on behalf of customers.

Guidance for clause 2.3.4

Examples of industry-related and other taxes or payments to governments include:

- industry taxes (e.g., energy tax, airline tax);
- property taxes (e.g., land tax);
- product taxes (e.g., customs duties, alcohol and tobacco duties);

- taxes and duties levied on the supply, use, or consumption of goods and services considered to be harmful to the environment (e.g., vehicle excise duties).

Guidance for clause 2.3.5

When reporting significant uncertain tax positions for a tax jurisdiction, the organization can report the value of the tax positions in line with its audited consolidated financial statements or the financial information filed on public record.

The organization can provide a description of tax positions that have not been agreed with the relevant tax authorities at the end of the time period reported in Disclosure 207-4-c. The description can include the nature of the disagreement and the reasons for any change in tax positions that occurred during the time period, where relevant.

Glossary

This Glossary includes definitions for terms used in this Standard, which apply when using this Standard. These definitions may contain terms that are further defined in the complete [GRI Standards Glossary](#).

All defined terms are underlined. If a term is not defined in this Glossary or in the complete *GRI Standards Glossary*, definitions that are commonly used and understood apply.

employee

individual who is in an employment relationship with the organization, according to national law or its application

governance body

committee or board responsible for the strategic guidance of the organization, the effective monitoring of management, and the accountability of management to the broader organization and its stakeholders

highest governance body

formalized group of persons charged with ultimate authority in an organization

Note: In instances where the highest governance body consists of two tiers, both tiers are to be included.

impact

In the GRI Standards, unless otherwise stated, 'impact' refers to the effect an organization has on the economy, the environment, and/or society, which in turn can indicate its contribution (positive or negative) to sustainable development.

Note 1: In the GRI Standards, the term 'impact' can refer to positive, negative, actual, potential, direct, indirect, short-term, long-term, intended, or unintended impacts.

Note 2: Impacts on the economy, environment, and/or society can also be related to consequences for the organization itself. For example, an impact on the economy, environment, and/or society can lead to consequences for the organization's business model, reputation, or ability to achieve its objectives.

material topic

topic that reflects a reporting organization's significant economic, environmental and social impacts; or that substantively influences the assessments and decisions of stakeholders

Note 1: For more information on identifying a material topic, see the [Reporting Principles for defining report content](#) in *GRI 101: Foundation*.

Note 2: To prepare a report in accordance with the GRI Standards, an organization is required to report on its material topics.

Note 3: Material topics can include, but are not limited to, the topics covered by the GRI Standards in the 200, 300, and 400 series.

remuneration

basic salary plus additional amounts paid to a worker

Note: Examples of additional amounts paid to a worker can include those based on years of service, bonuses including cash and equity such as stocks and shares, benefit payments, overtime, time owed, and any additional allowances, such as transportation, living and childcare allowances.

reporting period

specific time span covered by the information reported

Note: Unless otherwise stated, the GRI Standards require information from the organization's chosen reporting period.

stakeholder

entity or individual that can reasonably be expected to be significantly affected by the reporting organization's activities, products and services, or whose actions can reasonably be expected to affect the ability of the organization to successfully implement its strategies and achieve its objectives

Note 1: Stakeholders include entities or individuals whose rights under law or international conventions provide them with legitimate claims vis-à-vis the organization.

Note 2: Stakeholders can include those who are invested in the organization (such as employees and shareholders), as well as those who have other relationships to the organization (such as other workers who are not employees, suppliers, vulnerable groups, local communities, and NGOs or other civil society organizations, among others).

sustainable development/sustainability

development that meets the needs of the present without compromising the ability of future generations to meet their own needs

Note 1: Sustainable development encompasses three dimensions: economic, environmental and social.

Note 2: Sustainable development refers to broader environmental and societal interests, rather than to the interests of specific organizations.

Note 3: In the GRI Standards, the terms 'sustainability' and 'sustainable development' are used interchangeably.

tax jurisdiction

country or territory with autonomous taxing powers similar to a country

Note 1: Territories with autonomous taxing powers similar to a country are those that have a level of autonomy such that they can participate in the Organisation for Economic Co-operation and Development (OECD) and Council of Europe's *The Multilateral Convention on Mutual Administrative Assistance in Tax Matters*. Examples of such territories include Bermuda, Hong Kong, and Jersey.

Note 2: The definition for tax jurisdiction includes those countries or territories that choose not to exercise their fiscal autonomy to charge taxes.

worker

person that performs work

Note 1: The term 'workers' includes, but is not limited to, employees.

Note 2: Further examples of workers include interns, apprentices, self-employed persons, and persons working for organizations other than the reporting organization, e.g., for suppliers.

Note 3: In the context of the GRI Standards, in some cases it is specified whether a particular subset of workers is to be used.

References

The following documents informed the development of this Standard and can be helpful for understanding and applying it.

Authoritative intergovernmental instruments:

1. Organisation for Economic Co-operation and Development (OECD), *Co-operative Tax Compliance: Building Better Tax Control Frameworks*, 2016.
2. Organisation for Economic Co-operation and Development (OECD), *OECD Guidelines for Multinational Enterprises*, 2011.
3. Organisation for Economic Co-operation and Development (OECD), *Transfer Pricing Documentation and Country-by-Country Reporting, Action 13 - 2015 Final Report*, OECD/G20 Base Erosion and Profit Shifting Project, 2015.
4. Organisation for Economic Co-operation and Development (OECD) and Council of Europe, *The Multilateral Convention on Mutual Administrative Assistance in Tax Matters: Amended by the 2010 Protocol*, 2011.
5. United Nations (UN) Resolution, *Transforming our world: the 2030 Agenda for Sustainable Development*, 2015.

Other relevant references:

6. International Financial Reporting Standards (IFRS) Foundation, *IAS 12 Income Taxes*, 2016.
7. International Financial Reporting Standards (IFRS) Foundation, *IFRS 12 Disclosure of Interests in Other Entities*, 2019.

standards@globalreporting.org
www.globalreporting.org

GRI
PO Box 10039
1001 EA
Amsterdam
The Netherlands

Legal liability

This document, designed to promote sustainability reporting, has been developed by the Global Sustainability Standards Board (GSSB) through a unique multi-stakeholder consultative process involving representatives from organizations and report information users from around the world. While the GRI Board of Directors and GSSB encourage use of the GRI Sustainability Reporting Standards (GRI Standards) and related Interpretations by all organizations, the preparation and publication of reports based fully or partially on the GRI Standards and related Interpretations are the full responsibility of those producing them. Neither the GRI Board of Directors, GSSB nor Stichting Global Reporting Initiative (GRI) can assume responsibility for any consequences or damages resulting directly or indirectly from the use of the GRI Standards and related Interpretations in the preparation of reports, or the use of reports based on the GRI Standards and related Interpretations.

Copyright and trademark notice

This document is copyright-protected by Stichting Global Reporting Initiative (GRI). The reproduction and distribution of this document for information and/or use in preparing a sustainability report is permitted without prior permission from GRI. However, neither this document nor any extract from it may be reproduced, stored, translated, or transferred in any form or by any means (electronic, mechanical, photocopied, recorded, or otherwise) for any other purpose without prior written permission from GRI.

Global Reporting Initiative, GRI and logo, GSSB and logo, and GRI Sustainability Reporting Standards (GRI Standards) are trademarks of Stichting Global Reporting Initiative.

© 2019 GRI
All rights reserved.

ISBN: 978-90-8866-131-0