

## Trace the Tax Campaign

October 28<sup>th</sup>, 2010

Debt and Development Coalition Ireland and Christian Aid launched their 'Trace the Tax' campaign as part of their push for greater financial transparency by multinational companies. International bodies such as the Organisation for Economic Co-operation and Development (OECD) recognise that tax avoidance and evasion by some multinational companies is likely to cost impoverished countries more than they receive in aid. Christian Aid estimates that this figure may be more than \$160 billion each year.

Christian Aid and Debt & Development Coalition Ireland are calling for a new international accounting standard of country-by-country reporting that would require companies to reveal the profits they are making and the taxes they are paying in every country where they operate. This will help impoverished countries collect more of the tax billions which are rightfully theirs.

Sorley Mc Caughey of Christian Aid said: *'Tracing the tax is like searching for a needle in a haystack - that is why we are asking Vodafone and Unilever to support our campaign for greater tax transparency, including our call for a new international accounting standard to ensure companies report on their profits made and taxes paid in every country where they operate. It is really important to stress that we are not accusing these two companies of tax dodging. In fact, we believe that they could be leaders in their sectors by encouraging other multi-national companies to support the campaign.'*

The International Accounting Standards Board (IASB) is the body with the power to introduce country-by-country reporting. It is funded by the 'Big Four' accountancy firms – PricewaterhouseCoopers, KPMG, Deloitte and Ernst & Young – which have significant influence. Christian Aid and DDCI have chosen to focus on Vodafone and Unilever because each of them is audited by one of the 'Big Four' accountancy firms. As well as asking the two companies to publicly support country-by-country reporting, Christian Aid and DDCI are calling on them to ask their auditor to support it too.