

December 21, 2010

Mr. Jonathan Faull
DG Internal Market and Services
European Commission
SPA 2, 00/93
1049 Brussels
Belgium

Dear Mr. Faull,

As regards the Consultation on Financial Reporting on a Country-by-Country Basis by Multinational Companies we, the undersigned investment institutions and investment advisers, with over \$20 billion under management, and responsible investment organizations have considered the call for the introduction of country-by-country reporting made for the extractive industries by Publish What You Pay, the Tax Justice Network and related organisations.

In our opinion country-by-country reporting, whether in the extractive industries or, preferably, universally would:

1. Enhance the information available to us to assess risk arising within the corporations in which we invest;
2. Provide us with information on the following issues, currently unavailable, but which would impact on our decision making processes if available:
 - a. Where corporations trade;
 - b. The relevant importance of different jurisdictional markets;
 - c. Where they do and do not pay their taxes;
 - d. Where they earn their profit;
 - e. How they structure their businesses;
 - f. How they structure their internal supply chains;
 - g. Where they allocate their resources;
 - h. Where they expose investors to geo-political risk;
3. Assist us in making decisions on the allocation of the capital under our management to corporations operating in the world's financial markets.

As such, we ask the European Commission to require country-by-country reporting within the annual audited financial statements of all multinational corporations listed on a stock exchange. This would be accomplished either by incorporating country-by-country into International Financial Reporting Standards, into the European Union's 4th and 7th Directives on Accounting or within the European Union Transparency Directive.

Yours,

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(cont.)

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