
Dear Financial Accounting Standards Board,

We write to you today as individual investors living and working in the United States. We want to request that the Financial Accounting Standards Board, as the accounting standard setter for public companies designated by the Securities and Exchange Commission (SEC), require companies to include country-by-country reporting in their financial reports.

Many of us manage not just our own money, but have also been entrusted with managing other people’s money. As such, we know how important it is to know the risks our investments face. The only way to keep ahead of a world complicated by ever-changing technological advances, the varying legal frameworks of multiple countries, and shifting markets is to value a high degree of transparency. It is critical that investors understand how much a company is profiting in each country, and what taxes are being paid in those countries.

For years, multinationals have been booking profits overseas, fueling tax haven abuse and undermining investor and taxpayer confidence in the system. In the last year alone, the European Commission ruled that Apple owes $14.5 billion in tax penalties, Starbucks and Fiat Chrysler have also been hit with tax penalties by the European Commission, Caterpillar’s office was raided in connection with an ongoing tax probe that is sure to result in heavy penalties, and Facebook is under IRS investigation that could result in a $5 billion penalty. Just recently, the European Commission indicated that the EU should move forward with an overhaul of the tax system on digital firms even if the rest of the world did not immediately follow suit.

These penalties have a real impact on the market here in the United States.

In our current system, it is nearly impossible for an investor to determine the difference between legitimate low-tax expenses and abuse of the tax system that has risk of significant blowback. Shareholders and stakeholders alike need to be able to make judgement based on a high level of information. That is why we want annual country-by-country reporting.

You have the unique ability to mandate this type of transparency long before our government will be able to pass legislation that would do the same. We urge you to take action immediately, and allow for investment - a key driver of the economy - to have more transparency.

Sincerely,

Roger Bernstein
Stephanie Low
Whitney Tilson
Art Lipson
Morris Pearl

Jonathan Ruga
Josh Kanter
Joel Kanter
Terrence Meehan