

## ▼ Main Data

 Audit

Event ID: FISMA/7926

Status: Minutes waiting for approval

Created by DG/Service: FISMA C/1

Title:

Visibility: DG

Meeting with

The Capital Group

Subject:

Meeting with The Capital Group on Public Country by Country Reporting and ESG and other reporting requirements


Reception date: 17/04/2019 

Event Date: 14/05/2019 16:00

Type of event: Meeting

Type of meeting: Interest Representative

Place of event: FISMA premises

Event involving a UK, US or CH issue: No 

Keywords:

Comment:

### Minutes:

Capital Group is a private US fund manager which has business within the US, and other jurisdictions including the EU. Being registered in the State of California as a Corporation

Capital Group has no obligation to publish financial or non financial information,

For this reason Capital Group opines that the extraterritorial reach in the Commission proposal for a reporting by large multinational on their payments to governments may be unproportionate. Besides, Capital Group already has to submit a country-by-country report to the US Internal Revenue Services (tax authority) in compliance with the OECD BEPS 13 specs and this poses no problem as long as it remains confidential. A paper was handed during the meeting (ICI analysis).

COM gave an update on the state of play of the file from a legislative point of view: EP adopted its position in first reading, and awaits Council position.

Capital Group then enquired about the Non Financial Reporting Directive and the Taxonomy. Capital Group sees the EU legislation as fundamental for asset managers, where more clarity could bring further results. Benchmarks providers play a very important role. A global framework would ensure comparability, recognising though that each sector has its own features. COM updated on the ongoing Fitness Check and calls, especially in the Parliament, to improve the legislation. For now, the Commission has undertaken to upgrade the guidelines with TCFD specs. Some judgment would remain inevitable.

## Meeting with [REDACTED]

## CSR Europe to discuss potential next steps on tax responsibility

### Meeting date and place

Meeting held on 18/07/2019 16:00 in FISMA ROOM SPA2 05/A007

### Participating organisation(s) & representative(s)

[REDACTED] CSR Europe, The Business Network for Corporate Social Responsibility (TRN: 56502415122-32)	Participant,
[REDACTED] CSR Europe, The Business Network for Corporate Social Responsibility (TRN: 56502415122-32)	Participant,
[REDACTED] CSR Europe, The Business Network for Corporate Social Responsibility (TRN: 56502415122-32)	Participant,

### Main issues discussed

CSR Europe presented 3 documents:

- Doc 1: Blueprint for Responsible and Transparent Tax Behaviour (public) which is guidance for companies on corporate tax (strategy, governance, public transparency, interaction with tax authorities, tax incentives, engaging with stakeholders)
- A leaflet on sustainable Finance: to urge governments to support climate change (public)
- A call by 200 CEOs to EU leaders (draft under construction) - however with no messages on it.

[REDACTED] said that around 20 companies wanted to be more transparent, and that was not enough. Plans on SDG, ESG etc. could not be taken seriously if the reporting companies were not paying their taxes! Therefore one had to start from the basics with transparency about taxes. He believed that taxes could even become a topic for ESG.

On that basis, CSR Europe planned on launching a vast awareness campaign with masterclasses on tax behaviour and tax transparency, involving researchers, academics, companies, and possibly the European Commission. He added as an illustration that if in ten years one can show that there is sustainability, one can show that one can invest in a city with advantages of investing for 3/4 years in groups of young people to have the certificate for jobs, then what is true for education is true for health, and this is possible only with transparency.

Commission marked interest in this initiative, but recalled that due to limited resources, it could do little more than a supportive stance. CSR Europe informed that they were planning on contacting in parallel other DGs, engaging with the European Parliament and the Council Presidency.

### Directorate or unit

FISMA C/1

### Internal participants

[REDACTED] FISMA C/1 ([REDACTED]@ec.europa.eu)	Participant,
[REDACTED] FISMA C/1 ([REDACTED]@ec.europa.eu)	Participant, Notetaker,

▼ Main Data

 Audit

Event ID: FISMA/9423


Status: Minutes waiting for approval

Created by DG/Service: FISMA C/1

Title: ICI on public CBCR

Visibility: DG

Subject: **potential public disclosure of commercially sensitive information**

Reception date: 10/01/2020 

Event Date: 29/01/2020 14:00

Type of event: Meeting

Type of meeting: Interest Representative

Place of event: DG FISMA

Event involving a UK, US or CH issue: No 

Keywords:

Comment:

Minutes:

As background, ICI Global carries out the international work of the Investment Company Institute, the leading association representing regulated funds globally. ICI's membership includes regulated funds publicly offered to investors in jurisdictions worldwide, with total assets of US\$29.2 trillion.

ICI Global, wanted to discuss the European Commission's 2016 proposal on public Country-by Country reporting for multinational companies (public CBCR).

Both Vanguard and Capital Group explained that they are private US companies (reporting to the SEC) with funds managed amounting to respectively to [redacted] million. Capital Group is employee owned whereas Vanguard is owned by the investors. Both file a CBCR with the US IRS. The CBCR proposal would have them report their US profitability because of their EU business, which is problematic to them as that information remains privately held so far (by a few authorised persons SEC +IRS). Thus competitors would be able to use that info whereas the other way around may not be true.

Commission explained the genesis of the file (restore confidence in tax system, external dimension) and recent interinstitutional developments (EP position in 1st reading, Council public debate). both institutions agree to permit withholding commercially sensitive info for a certain period of time.

ICI explained that 6 years may be OK in certain cases but too little in others (steady profitability, trend...). Vanguard and Capital Group said that the issue was n°1 in their respective CEO's vision about governmental affairs, and that they would probably factor in that constraint into their business decisions and development perspectives.

Commission explained its right of initiative and what its inter-institutional role would be in - yet unforeseen - trilogues.