The next round of tax transparency: Insights from the first wave of mandatory tax reporting

A review of the first disclosures under Pillar Two, EU Public Country-by–Country Reporting and the EU's Corporate Sustainability Reporting Directive

PwC's Building Trust Through Tax Reporting

Twelfth edition – June 2025

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Introduction

Welcome to the twelfth edition of trends in tax and tax-related sustainability reporting across the FTSE100.

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In this year's publication, we take a closer look at the first wave of new disclosures under Pillar Two, EU public country-by-country reporting (pCbCR), and the EU's Corporate Sustainability Reporting Directive (CSRD). We also share the results of our latest research into the tax reporting practices of the UK's largest listed companies, along with observations on how the tax transparency landscape is evolving in response to stakeholder and regulatory developments.

Since our last publication, we've continued to work closely with companies as they prepare for these new requirements. Peer benchmarking remains a key part of that preparation, helping companies understand how their disclosures compare with those of their peers and competitors. To support this, we're pleased to share a refreshed version of our new tech-enabled tax transparency benchmarking reports which are available upon request.

More information about these reports can be found in Appendix C.

Another important part of our work has been analysing early disclosures under these new regimes – providing valuable insight into how businesses are responding to an increasingly complex global tax reporting environment.

We examined the first year of statutory quantitative reporting on income taxes under the OECD's Pillar Two framework for FTSE100 companies. From 1 January 2025, in-scope UK companies were required to disclose the quantitative impact of top-up taxes on their current tax charge, in line with both UK legislation and amendments to the IFRS accounting standard IAS 12. Our analysis focused on the 60 FTSE100 companies with December year-ends, as these were the first companies required to include such disclosures in their 2024 financial statements.[1]

We found that 53 companies (88%) included a Pillar Two disclosure, with 40 of these (67%) disclosing a total of approximately £915m in top-up taxes. Of those 40, half provided accompanying narrative to explain the underlying drivers, while the remaining companies disclosed only the headline figure, with no accompanying explanation.

Seven companies (12%) made no reference to Pillar Two that we could identify. The variation in early reporting highlights differences in how companies are approaching Pillar Two disclosures – creating gaps that may limit stakeholder understanding and, ultimately, affect trust in how businesses manage and communicate this complex topic.

From our broader review of tax and tax-related sustainability reporting across the FTSE100, we observed a decline in disclosure activity in certain areas, while others showed no change from the prior year. We do not believe this signals a retreat from tax transparency. Rather, the reduction is largely attributable to changes in the FTSE100's composition, with 2024 seeing the largest outflow of companies from the London stock exchange since the global financial crisis in 2008/9.[2]

Beneath this volatility, momentum on transparency continues. We've seen new disclosures emerge during the year, including two new Total Tax Contribution disclosures and four new partial CbCR disclosures.[3] So while the headline figures in some areas suggest a reduction in tax transparency, we think the overall direction of travel remains clear.

[1] The remaining 40 FTSE100 companies with non-December year-ends are expected to include this disclosure in their 2024/25 financial statements, which will be published throughout the year.

[2] 2024 sees biggest exodus from London stock market since global financial crisis. Yahoo! finance, 6 January 2025

[3] As a minimum baseline all companies publishing 'partial' CbCR disclosed profits and corporate income tax paid per country in their most material locations of operation.

Introduction (continued)

One key indicator that illustrates this is the growing number of standalone tax reports published by FTSE100 companies.[4] Back in 2019, we identified just 22 such reports. In our latest review, this has risen to 36.

We also reviewed the initial wave of pCbCR reports published by companies under the Romanian legislation.[5] Of the 123 multinational enterprises (MNEs) identified as of January 2025, we located 74 reports – sourced via corporate websites (global or Romanian) or through broader internet searches. We observed a range in how companies approached the disclosure – from formatting and data presentation to the use of exemptions. These early reports reinforce that there is no 'one-size-fits-all' approach to pCbCR, and businesses preparing to report in the coming years will need to carefully consider how they communicate this information in a way that is consistent, clear, and meaningful to stakeholders.

As transparency expectations continue to evolve – and with a second wave of reporting expected in 2025 and into 2026 – companies that invest in consistent, narrative-rich reporting will be best placed to build trust with stakeholders and meet the demands of a rapidly changing global tax landscape.

Please let us know if you would like to discuss your tax reporting or to request your personalised tax transparency benchmarking report.

[4] We define a standalone tax report as a detailed, self-contained publication that goes beyond the minimum requirements outlined in HMRC's tax strategy guidelines. These reports typically include broader voluntary disclosures - such as a company's Total Tax Contribution – and often aligns with the organisation's sustainability or integrated reporting. For the purposes of this analysis, we have also included particularly comprehensive standalone websites on tax where companies demonstrate similar scope and transparency albeit through an alternative medium.

[5] While EU pCbCR will first apply in most Member States for financial years beginning on or after 22 June 2024, it applied in Romania for financial years beginning on or after 1 January 2023. The Romanian filing deadline is 12 months after the relevant year-end, so the first reports were due by 31st December 2024.

A closer look at the first Pillar Two income tax disclosures

This year marks the first review of statutory quantitative reporting on Pillar Two income tax disclosures across the FTSE100. Enacted in the UK during 2023,[6] and applicable for accounting periods beginning on or after 31 December 2023, the new rules require in-scope companies to disclose their exposure to Pillar Two income taxes in financial statements issued after 1 January 2025.

The headline findings from our review are shown in Figure 1. Of the 60 FTSE100 companies with a December 2024 year-end,[7] 88% included a reference to Pillar Two in their 2024 financial statements, with 66% quantifying the impact. Collectively, these companies disclosed approximately £915 million in top-up taxes – the first such statutory disclosures under the OECD's global minimum tax framework, with the UK among the first jurisdictions globally to mandate this level of transparency.

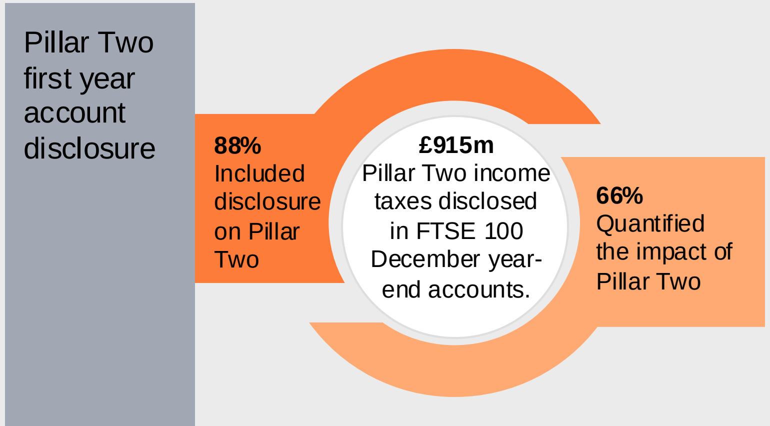
To put this into context, the UK Government has forecast £2.1 billion in top-up tax revenue due to the Exchequer in 2024/25.[8] The £915 million disclosed by just 60 FTSE100 groups represents a significant proportion of that total – although not all this amount will ultimately be payable to the UK Exchequer.[9] Interestingly, just 10 companies accounted for over 90% of the total disclosed – highlighting how Pillar Two top-up taxes, at least in this first reporting cycle, are concentrated among a small number of groups.

Moving on from looking at the headline figures in isolation, the quality and depth of the disclosures varied significantly. Figure 2 sets out how the 60 FTSE companies have approached Pillar Two disclosures in practice. While 40 companies disclosed a current tax expense related to Pillar Two, only half of those (20) provided any explanation – such as identifying affected jurisdictions or explaining the underlying drivers of the top-up tax.

A further 13 companies did not disclose a top-up tax amount, citing reasons such as reliance on transitional safe harbour relief, minimal expected impact on the group's tax position, or the rules not yet being enacted in their jurisdiction.[10] The remaining seven companies made no reference to Pillar Two that we were able to locate.

This variation highlights a wide range of approaches companies are taking to disclosure and transparency. As Pillar Two becomes more embedded – and transitional reliefs expire – greater consistency and clarity will be critical to developing stakeholder understanding of the framework's complexity.

Figure 1: Pillar Two first year account disclosures



Source: PwC analysis.

[6] The UK introduced an Income Inclusion Rule (IIR), also known as a "multinational top-up tax", and domestic minimum top-up tax (DTT) on 11 July 2023 as part of the Finance (No 2) Act 2023.

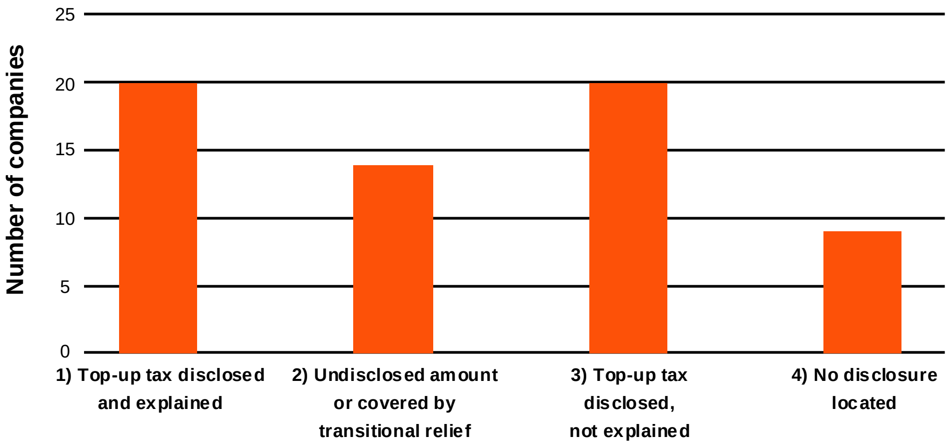
[7] The remaining 40 FTSE100 companies with non-December year-ends are expected to include this disclosure in their 2024/25 financial statements, which will be published throughout the year.

[8] HM Treasury, Autumn Statement 2022, Policy Costings

[9] UK companies are not required to disclose the mechanism by which the top-up tax is collected - whether via a Qualified Domestic Minimum Top-up Tax (QMDTT) or the Income Inclusion Rule (IIR). As such, it is unclear from this review how much of the £915 million disclosed is payable to the UK Exchequer.

[10] Of the 13 companies that disclosed no Pillar Two amount, five explicitly referenced meeting the transitional safe harbour provisions, while a further five indicated that the rules would not result in a significant increase in the group's tax liabilities. Two companies noted that the rules had yet been enacted in the jurisdiction where they are tax resident, and one company stated that it was structurally outside the scope of the Pillar Two rules.

Figure 2: Pillar two top-up tax disclosure categories

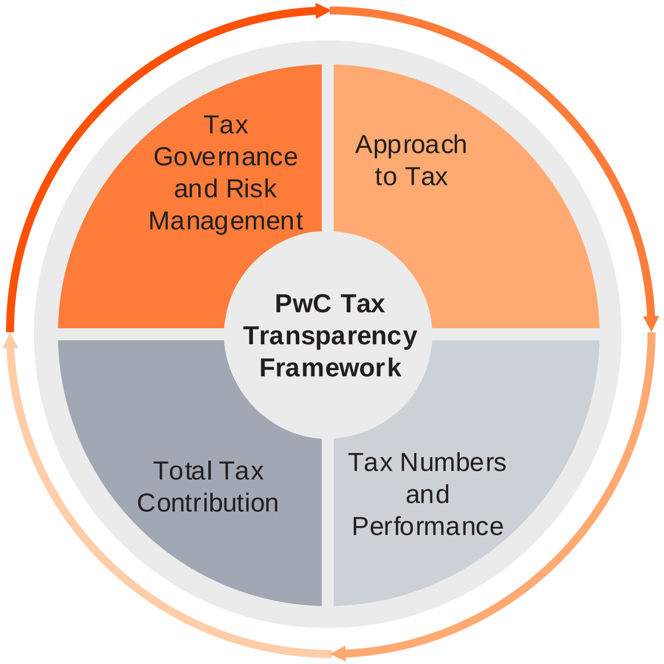


Source: PwC analysis.

Trends in transparency across the FTSE100 for 2024 year-ends

We reviewed the annual reports for financial years ending between January and December 2024 for all companies listed on the FTSE100 at 31 December 2024. Our analysis is based on the PwC Tax Transparency Framework – a set of broadly defined tax reporting criteria grouped into four categories: Approach to Tax, Tax Governance and Risk Management, Tax Numbers and Performance, and Total Tax Contribution and the Wider Impact of Tax. The Framework is designed to support companies as they develop their tax transparency strategies, respond to increasing stakeholder expectations, and prepare for more complex tax reporting requirements. It is aligned with the disclosure criteria from several leading external standards, including: GRI 207: Tax 2019, the tax portion of the S&P Corporate Sustainability Assessment (CSA), the OECD Guidelines for Multinational Enterprises, the World Economic Forum's (WEF) Stakeholder Capitalism Metrics on tax, and the EU Minimum Safeguards on taxation. Below, we present ten key disclosure indicators compared to last year's review. These findings are based on the most recent publicly available corporate reporting materials as of 30 April 2025. Further commentary and detailed insights are included in the appendix.

2024	2023	
70	70	**Governing body approval**
34	36	**Tax sustainability reporting[2]**
63	59	**Tax within TCFD**
48	52	**Total Tax Contribution**
24	20	**Country-by-country reporting[1]**



	2023	2024
Transfer pricing	67	63
Tax havens	58	58
Tax incentives	72	72
Cash tax reconciliation	24	25
ETR reconciliation narrative	59	51

Source: PwC analysis. The numbers shown refer to the number of FTSE100 companies.

[1] Country-by-country reporting disclosures refers to the public disclosure of, as a minimum baseline, profits and corporate income tax paid across jurisdictions where the company has a significant presence or operations. The number of companies publishing their full OECD table 1 remained at 5 in-line with the prior year.

[2] Companies that are fully or partially aligned with the GRI 207 tax standard.

Early EU pCbCR disclosures: Insights from Romania

Romania was the first EU Member State to implement public country-by-country reporting, requiring in-scope MNEs to publish reports for financial years beginning on or after 1 January 2023. As a result, Romania provides the first real window into how MNEs are responding to these new transparency requirements ahead of broader EU implementation in 2025. [11]

PwC conducted a high-level review of pCbCR disclosures published under the Romanian rules by MNEs with significant operations in the country. While not all disclosures were easily accessible, we identified 74 reports from an initial sample of 123 MNEs.[12] These findings reflect the range of disclosure strategies permitted under the Directive. Romanian law allows flexibility in presentation, and companies may rely on permitted exemptions and deferrals in their first year of reporting.

For example, while many groups used the EU template, others opted for alternative formats such as the OECD model or custom layouts.[13] Under both the EU Directive and Romanian rules, data must be disaggregated for EU Member States and for non-cooperative jurisdictions, with data for all other countries aggregated as “rest of world”. Most companies followed this approach, though a small number of companies provided greater levels of jurisdictional disaggregation as shown in Figure 3.[14]

Some groups also applied permitted exemptions – such as deferrals on commercial sensitivity grounds or the “power and possession” option. The commercial sensitivity exemption was used to restrict data for all or some EU Member States, [15] while the power and possession option was typically used to limit reporting to either Romania alone, or Romania and selected other jurisdictions.

[11] While most EU Member States have adopted the default application date of financial years beginning on or after 22 June 2024 as outlined in the directive, both Croatia and Bulgaria have brought the rules into effect earlier, from 1 January 2024. This means their first pCbCR reports will be due by the end of 2025 – one year after Romania’s first disclosure.

[12] Our research was not intended to be exhaustive and there are likely to be reports that have been published by MNEs which we were unable to locate through our searches. There will also be MNEs that were required to prepare a report in Romania, but which did not appear in the list of MNEs used in our searches.

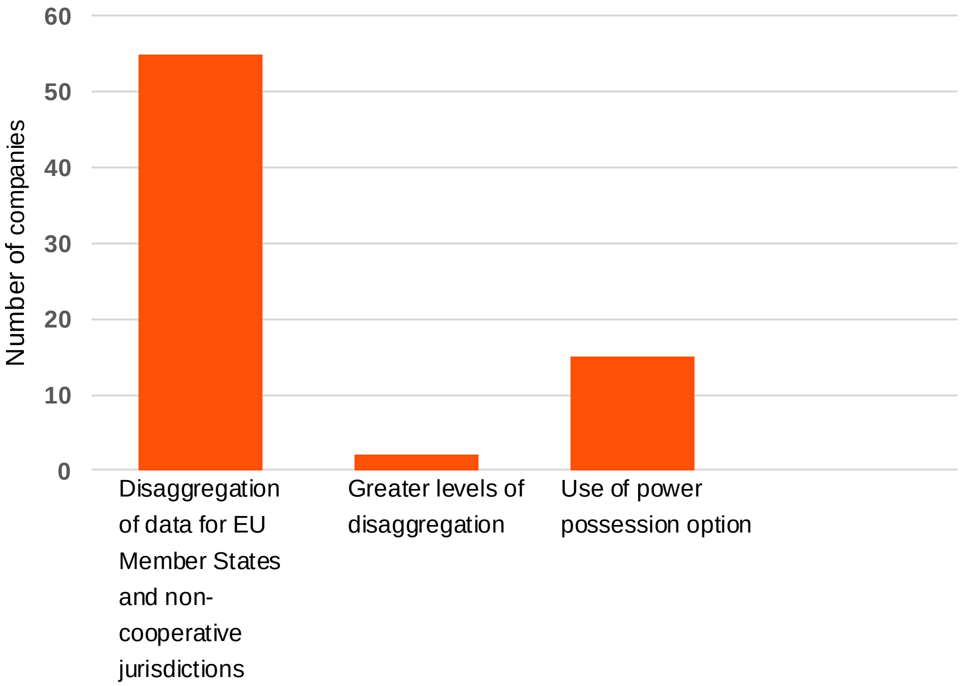
[13] Under Romanian pCbCR rules, businesses were permitted to use the format of their choice, including the OECD template or a company-specific layout. This contrasts with the EU Directive, which mandates the use of a prescribed template for EU-headquartered groups. Non-EU headquartered groups are not required to follow the EU template but must still meet the content requirements. Additionally, Romania did not require reports to be machine-readable in this first year, whereas the broader directive includes a machine-readability requirement for publication across the EU.

[14] As the Romanian rules permitted the use of the OECD reporting formats, a small number of companies broadly followed this format with their disclosures and disaggregated data for considerably more jurisdictions than is required by the EU Directive.

[15] The commercial sensitivity exemption can never be used to restrict reporting on non-cooperative jurisdictions.

Early EU pCbCR disclosures: Insights from Romania (continued)

Figure 3: Level of aggregation of pCbCR disclosures



Source: PwC analysis.

The complexity around pCbCR is further illustrated by the proposed reporting rules in Australia, which require disaggregated data for a specific list of "selected countries" that differs from the EU's list of non-cooperative jurisdictions.[16] For MNEs subject to both regimes, this divergence creates additional reporting challenges – particularly around how disclosures are structured and presented to meet overlapping but different requirements.

These early Romanian disclosures provide valuable insight into how MNEs are interpreting and applying the EU's pCbCR framework. However, they also highlight the complexity that lies ahead. As more EU Member States introduce pCbCR requirements into 2026, and Australia's regime takes effect, companies will need to navigate a fragmented and evolving global landscape.

This complexity underscores the need for a well-considered tax transparency strategy. Companies must prepare not only for the data disclosure requirements of multiple regimes, but also the narrative that accompanies those disclosures. Clear, consistent, and credible reporting will be critical in helping stakeholders understand what the numbers mean and how they reflect the business's broader approach to tax.

Make sure you're prepared for pCbCR with PwC's 10 step strategy.

[16] The latest list of "specified jurisdictions" can be found in the Treasury's official guidance here.

Early insights into CSRD disclosures and tax reporting

PwC's early analysis of corporate sustainability statements under CSRD, [17] published by 250 EU-based or EU-listed companies, shows that while organisations are beginning to align with the new sustainability reporting requirements, tax-related disclosures remain limited. Around 5% of the companies reviewed included tax content – some as a governance matter under the business conduct reporting standard,[18] others as entity-specific disclosures. [19]

These disclosures included qualitative discussion of corporate tax policy and governance, quantitative breakdowns of the company's total tax contribution, and other topics. With pCbCR set to become mandatory from 2026, it's understandable that some European companies are choosing to get ahead by incorporating country-level tax information into their sustainability statement now.

For more information on how tax intersects with the CSRD, and what groups should do to be prepared, please read our Tax and CSRD series:

- The role of tax in CSRD double materiality assessment
- Exploring the intersection of Tax and the EU Taxonomy
- Navigating the connection between CSRD and transfer pricing

An update on CSRD and the Omnibus package 1

In February 2025, the European Commission proposed significant changes to CSRD as part of an Omnibus package of measures aimed at simplifying sustainability regulation. These proposals reduced the number of organisations in scope, introduced a 'Stop the Clock' Directive to give companies in 'wave 2' and 'wave 3' of CSRD reporting two more years to prepare, [20] and cut the number of mandatory data points, among other simplifications.

While these changes provide welcome breathing room, CSRD remains a complex and demanding piece of legislation. We continue to encourage companies to prepare early – particularly in areas like tax, where disclosure expectations are rapidly evolving, and alignment across multiple reporting regimes will be increasingly important.

The second wave of mandatory reporting 2

2025 is set to mark a broader expansion in mandatory tax reporting across jurisdictions and regimes, with several significant developments on the near horizon. This includes the early adoption of pCbCR in both Croatia and Bulgaria, [21] new disclosure requirements under US GAAP,[22] and the continued rollout of Pillar Two legislation in additional countries. In particular, the anticipated application of the Undertaxed Profits Rule (UTPR) – a core backstop within the Pillar Two framework – is expected to bring more entities into scope and increase the level of compliance for in-scope multinational groups.

These developments will significantly expand the number of companies required to publicly disclose tax-related information – and increase the complexity for multinational groups operating across multiple regimes. Preparing now for this second wave of mandatory reporting will help companies as they continue to navigate emerging complexities and ensure consistency across disclosures.

[17] In search of sustainable value: The CSRD journey begins

[18] Elements of tax transparency may be addressed under CSRD through ESRS G1 (Governance), which covers tax policy and control mechanisms, and ESRS S3 (Affected Communities), which may include consideration of responsible tax practices and contributions to public finances.

[19] Companies are encouraged to make an entity-specific disclosure if they identify a material topic not sufficiently covered by one of the ten European Sustainability Reporting Standards (ESRS) that underpin the CSRD regime. In September 2023, the European Financial Reporting Advisory Group (EFRAG) released a statement of interoperability with the GRI indicating that the GRI's 207 Tax Standard could be used for the purposes of tax reporting under CSRD.

[20] On 17 April, the EU enacted a 'Stop-the-Clock' Directive, to delay elements of CSRD and CSDDD. Member States have until December 31st, 2025, to transpose this directive into national law.

[21] Please refer to footnote 11.

[22] From 15 December 2024, public entities reporting under US GAAP will be required to disclose more granular information on foreign income taxes and to standardise certain elements of their effective tax rate reconciliation – including the disclosure of reconciling items that exceed a 5% threshold, presented on a jurisdictional basis.

Timeline: the global rollout of mandatory tax reporting, 2024 - 2027

01 — Wave 1

Applies to financial years beginning

2023/4

Regimes/Jurisdictions

- EU pCbCR (Romania).
- Pillar Two (UK).
- CSRD (for large EU-listed companies).

Year of reporting

2024/
early 2025

Key Features

- Romania becomes the first EU Member State to implement pCbCR.
- UK requires the first statutory quantitative reporting under IFRS on Pillar Two income taxes.
- First CSRD reports published by large EU public interest entities.

02 — Wave 2

Applies to financial years beginning

2024

Regimes/Jurisdictions

- Croatia and Bulgaria (EU pCbCR).
- US GAAP enhanced disclosures.
- Pillar Two UTPR.

Year of reporting

2025/
early 2026

Key Features

- Bulgaria and Croatia are the next EU countries to require pCbCR after Romania.
- US GAAP tax disclosure changes apply to public entities for fiscal years beginning after 15 December 2024.
- UTPR provisions are scheduled to come into effect from 2024 as part of the Pillar Two framework.

03 — Wave 3

Applies to financial years beginning

Mid-2024/2025

Regimes/Jurisdictions

- Full EU pCbCR (from 22 June 2024).
- Australian pCbCR (from 1 July 2024).
- Pillar Two adoption continues globally.

Year of reporting

2026/
early 2027

Key Features

- EU pCbCR applies for financial years beginning on or after 22 June 2024.
- Australian pCbCR applies for financial years starting 1 July 2024.
- Second wave of CSRD reporting begins for all large EU companies (covering FY 2027).
- Pillar Two transitional safe harbours begin to phase out from 2027 for jurisdictions which adopted the framework earlier.

Appendix A: PwC commentary on tax transparency and tax-related sustainability reporting trends of the FTSE100 for 2024 year-ends.

Approach to Tax

Tax havens

In this year's review, 58 companies referred to tax havens – unchanged from the previous year. As public country-by-country reporting regimes in the EU and Australia begin to take effect, with a particular focus on low-tax and non-cooperative jurisdictions, we expect companies to increase their disclosures relating to operations in these locations. Providing context on the substance and purpose of the activities in these locations will be important in managing stakeholder perception and addressing potentially sensitive data points on profit allocation and corporate income tax.

Transfer pricing

There was a modest decrease in the number of companies referencing transfer pricing in this year's review, falling from 69 in 2023 to 63 in 2024. This decline was entirely due to changes in FTSE100 composition, rather than companies removing previously disclosed content.

The longer-term trend remains consistent: transfer pricing continues to feature prominently in corporate tax narratives. With HMRC enquiries into transfer pricing and diverted profits tax remaining elevated – both in volume and in the average age of cases – we expect this level of disclosure to be sustained in future years.[23] In addition, HMRC also recently introduced new transfer pricing documentation requirements for the UK's largest businesses, [24] reinforcing the continued scrutiny of cross-border pricing practices and tax governance.

Tax incentives

Tax incentives were mentioned by 72 companies in this year's review, which is the same as last year. As tax becomes more integrated into sustainability reporting, particularly through frameworks such as the EU's CSRD and the UK's TCFD-aligned disclosures, we expect to see more companies provide detail on the use of green and other policy-linked incentives.

This area is also increasingly relevant in the context of Pillar Two, where incentives and reliefs can significantly affect a group's effective tax rate in individual jurisdictions – and in some cases trigger top-up taxes under the global minimum tax rules.

[23] https://www.gov.uk/government/publications/transfer-pricing-and-diverted-profits-tax-statistics-2023-to-2024/transfer-pricing-and-diverted-profits-tax-statistics-2023-to-2024
[24] https://www.gov.uk/government/publications/transfer-pricing-documentation-requirements-for-uk-businesses

Appendix A: PwC commentary on tax transparency and tax-related sustainability reporting trends of the FTSE100 for 2024 year-ends. (continued)

Tax Governance and Risk Management

Governing body approval

In this year's review, 70 companies referred to either Board or a delegated governing body approving the tax strategy. This was the same number as last year. In most instances where the review and approval of the strategy had been delegated, it became the responsibility of the audit committee.

HMRC guidance on large business tax strategies was last updated in June 2018 and indicated that there should be Board approval of the tax strategy. It is now generally accepted best practice for this review and approval to take place on an annual basis. Senior stakeholders 'setting the tone from the top' and engaging with the company's tax strategy and overall approach to tax governance is an important factor that HMRC considers when assigning risk ratings under the BRR+ process.

HMRC continues to increase Business Risk Review Plus (BRR+) activity and the number of BRRs completed each year. HMRC completed 1,100 BRRs in 2024 – a 22.2% increase on the prior year. The number of BRRs is expected to continue rising, with HMRC processing record volumes and drawing on audit teams for additional support.

Tax sustainability reporting

Our review found 34 companies choosing tax as a topical standard for the purposes of GRI reporting, down from 36 last year. While compliance with the standard is voluntary, the companies identified were either partially or fully aligned with the disclosure requirements recommended under the GRI 207 Tax Standard. In 2023 and 2024, joint statements from GRI with both EFRAG and the IFRS Foundation confirmed that GRI standards can be used alongside CSRD and ISSB frameworks, helping companies align tax-related disclosures where tax is deemed a material topic. [25]

The latest GRI research indicates that 26% of the largest 1,000 public companies worldwide are voluntarily using the GRI Tax Standard in their sustainability reporting. [26]

Tax within TCFD

In this year's review, 63 companies included tax within their Task Force on Climate-Related Financial Disclosures (TCFD), up from 59 the previous year. This continued increase likely reflects the maturing of climate-related reporting, as companies begin to more clearly articulate the financial impacts of climate policy – including tax – within broader sustainability frameworks such as the EU's CSRD.

[25] In September 2023, EFRAG and the GRI released a joint statement confirming interoperability between the GRI standards and the European Sustainability Reporting Standards (ESRS), allowing GRI to be used where tax is considered material under CSRD. In May 2024, GRI and the IFRS Foundation published a similar statement highlighting alignment between GRI and ISSB standards to support streamlined sustainability reporting.
[26] One-in-four major companies report with GRI Tax Standard, 13 May 2024.

Appendix A: PwC commentary on tax transparency and tax-related sustainability reporting trends of the FTSE100 for 2024 year-ends. (continued)

Tax Numbers and Performance

Effective to statutory tax rate reconciliation narrative

This year, 51 companies provided additional narrative to explain reconciling items between their effective and statutory tax rates – a decrease of 8 from the previous year. While this drop was partly due to changes in FTSE100 composition, a small number of companies also reduced the level of narrative provided, particularly in relation to time-limited items such as the temporary super-deduction. [27]

This area continues to receive periodic attention from regulators and investors. The Financial Reporting Council (FRC), for example, issued thematic reviews in both 2016 and 2022 aimed at improving the clarity and quality of tax disclosures within financial statements. [28]

Cash tax reconciliation

Our review found that 25 companies provided a cash tax reconciliation – a slight increase from 24 in the previous year. While still a relatively uncommon disclosure, this metric is often valued by investors and analysts for its simplicity and usefulness in forecasting future cash flows.

With corporate income tax paid per jurisdiction now a mandatory data point under public country-by-country reporting regimes, we anticipate increased stakeholder scrutiny over this metric. The ability to compare cash tax paid in CbCR reports with the tax expense disclosed in financial statements will likely drive demand for greater transparency and reconciliation between these figures.

Total Tax Contribution

This year's review identified 48 Total Tax Contribution (TTC) disclosures - a modest decrease from 52 in the previous year. The decline was entirely attributable to changes in the composition of the FTSE100. Notably, two long-standing constituents published a TTC disclosure for the first time during the year, signalling continued momentum despite the slight drop in the headline figure.

From our conversations with businesses, it's clear that TTC reporting is increasingly viewed as a logical step in preparing for expanded disclosure requirements under pCbCR. TTC data offers stakeholders a holistic view of a company's tax footprint – it's easy to understand, widely accepted, and provides a clear, objective foundation on which companies can build their broader tax narrative.

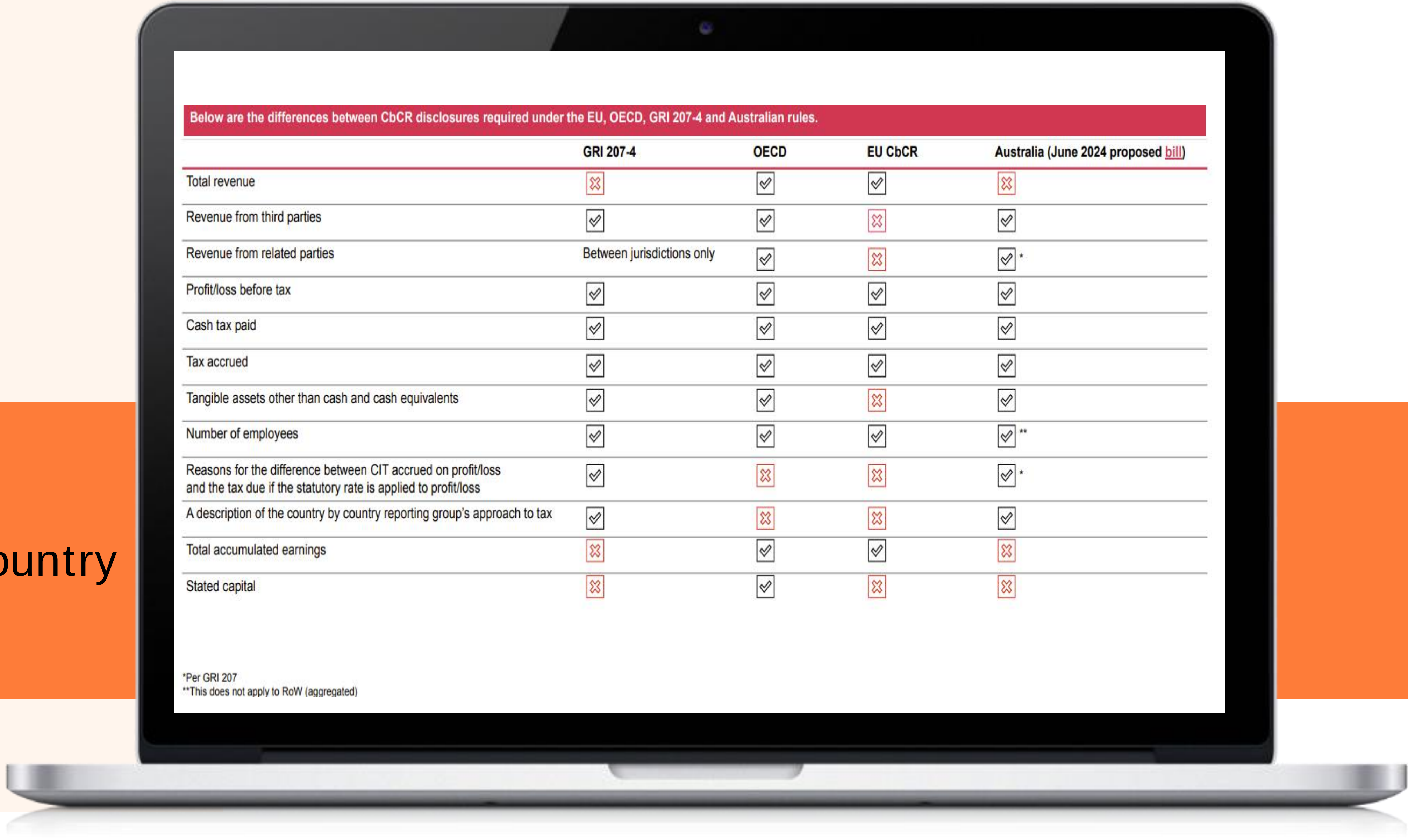
Country-by-country reporting

Our review found 24 companies disclosed some form of CbCR, [29] representing a modest increase from 20 in the previous year. Of these, 5 companies disclosed all data points required under Table 1 of the OECD's BEP Action 13 framework – the same number as last year.

We also assessed the extent to which companies provided narrative context alongside their CbCR data, recognising that raw numbers alone can be difficult for stakeholders to interpret. Encouragingly, all but one included some form of explanatory narrative – ranging from brief comments addressing outliers to more detailed commentary linking tax outcomes to the group's model or value chain.

[27] The super-deduction was available from 1 April 2021 until 31 March 2023 for companies investing in qualifying new plant and machinery assets.
[28] The FRC released a thematic paper in 2016 on increasing income tax disclosures, which was followed by another paper released in September 2022 which had a focus on deferred tax assets.
[29] As a minimum baseline, partial CbCR reports had to include profits and corporate income tax paid by jurisdiction where the company had their most material operations.

Appendix B: A comparison of country-by-country disclosure requirements



Below are the differences between CbCR disclosures required under the EU, OECD, GRI 207-4 and Australian rules.

	GRI 207-4	OECD	EU CbCR	Australia (June 2024 proposed bill)
Total revenue	✗	✓	✓	✗
Revenue from third parties	✓	✓	✗	✓
Revenue from related parties	Between jurisdictions only	✓	✗	✓ *
Profit/loss before tax	✓	✓	✓	✓
Cash tax paid	✓	✓	✓	✓
Tax accrued	✓	✓	✓	✓
Tangible assets other than cash and cash equivalents	✓	✓	✗	✓
Number of employees	✓	✓	✓	✓ **
Reasons for the difference between CIT accrued on profit/loss and the tax due if the statutory rate is applied to profit/loss	✓	✗	✗	✓ *
A description of the country by country reporting group's approach to tax	✓	✗	✗	✓
Total accumulated earnings	✗	✓	✓	✗
Stated capital	✗	✓	✗	✗

*Per GRI 207
**This does not apply to RoW (aggregated)

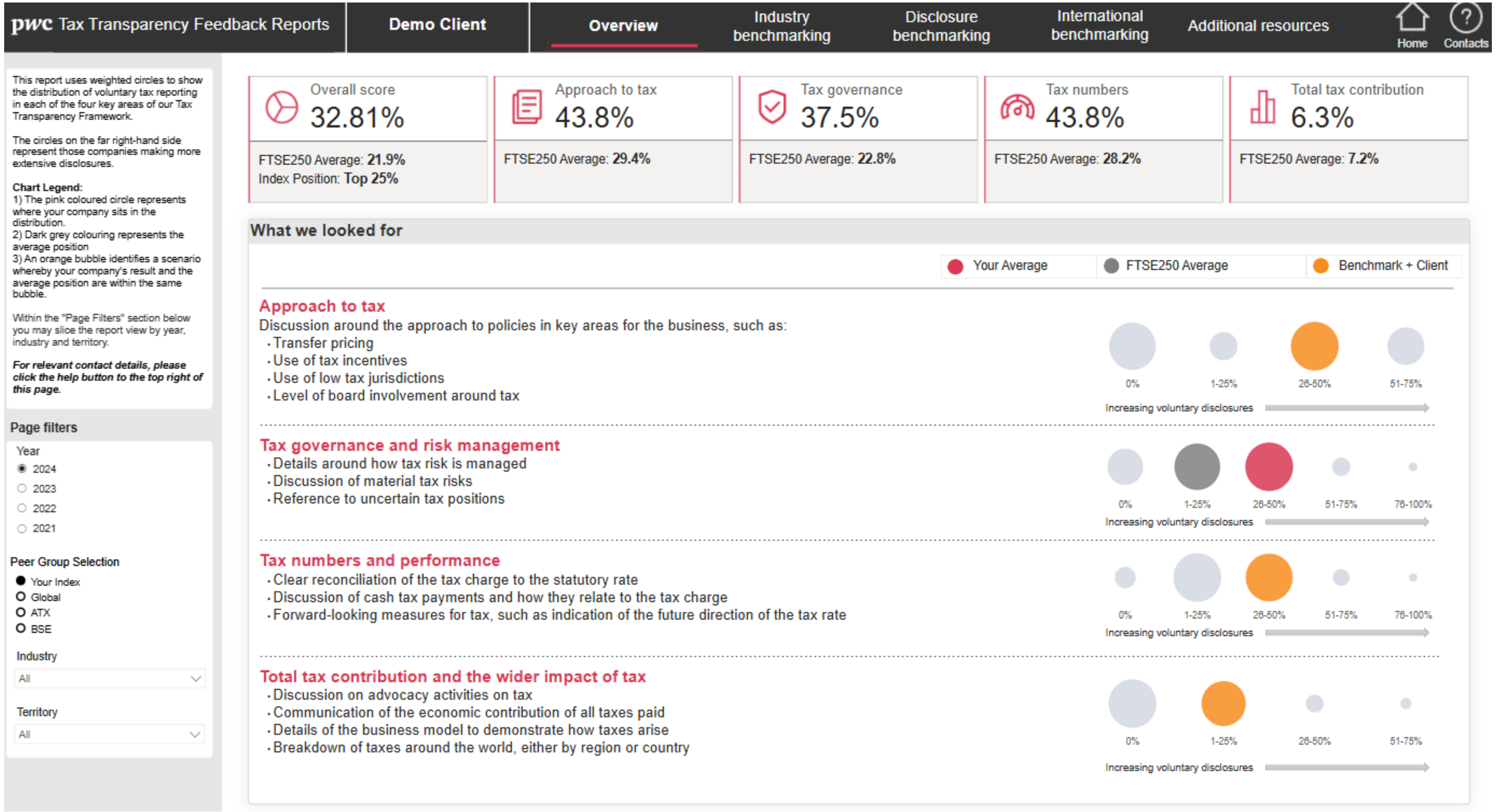
Appendix C: Understanding how your business compares

In today’s environment - where tax is increasingly viewed through a reputational lens – it is more important than ever to understand how your company’s tax and tax-related sustainability disclosures compare to those of your peers across your industry and markets.

Drawing on publicly available data from our review of the FTSE350, along with insights from our recent global tax transparency review, we have developed bespoke Tax Transparency Benchmarking Reports.

These market-leading reports provide a comprehensive overview of how your disclosures compare to peers within the FTSE350 and internationally, using the PwC tax transparency framework.

Please get in touch if you would like to receive or discuss your personalised report.



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