

# Public Tax Transparency

Public tax transparency and non-financial tax disclosures will inevitably become more important in the post COVID-19 era. Companies are developing their tax transparency strategies and aligning non-financial tax disclosures with sustainability reporting.



## What is public tax transparency?

Presenting easily understandable information on the broader economic contributions corporate taxpayers make by paying or collecting taxes in the jurisdictions in which they operate. Often this includes disclosing total tax contributions (sometimes on a country-by-country or region-by-region basis), a sound tax strategy and the approach to tax risk management.



## How should I respond?

Building public trust will become a top priority for companies in the post COVID-19 era. We will see companies attempt to regain public trust by means of sustainability reporting on tax transparency. You should aim to get ready by preparing your own public tax transparency strategy. This requires clarity and an in-depth look at tax strategy, risk management, total tax contribution and understanding the impact of tax. We can help you achieve this clarity among your internal and external stakeholders.



## Why should I be thinking about public tax transparency and COVID-19?

The debate around public tax transparency has gained significant momentum in recent years especially after the financial crisis in 2008/09. As a result, there is an increase in non-financial tax disclosures mainly on how companies manage their tax affairs and what their economic contributions are.

Given the unprecedented amounts that governments are spending on COVID-19 rescue packages, there is more pressure than ever for companies to consider public tax transparency strategically and take appropriate actions. Stakeholders want to be satisfied that emergency support, including respective tax measures, has been claimed legitimately and that companies are contributing proportionally to the recovery of the massive fiscal deficits triggered by the COVID-19 rescue measures.



## When should I be ready?

Many Swiss multinational companies are well prepared or started preparing for public tax transparency and aligning non-financial tax disclosures with their sustainability reporting. In addition, the tax functions are adding value in their organisations' by establishing trust with their stakeholders. It is clear that the time to make decisions is now as markets are moving forward into post COVID-19 era.

Want to read more? Read our thought leadership on public tax transparency and the role of tax in establishing trust with your stakeholders

We cover the topic of tax transparency, why it is important and what you can do to prepare over four short papers that can be found on our website at: [www.pwc.ch/taxtransparency](http://www.pwc.ch/taxtransparency)

Learn why companies include tax on their sustainability agenda with non-financial tax disclosures <https://www.pwc.ch/en/insights/disclose/31/contributing-sustainably.html>

## Contacts

### Armin Marti

Partner and Leader Tax Policy,  
PwC Switzerland  
+41 58 792 43 43  
[armin.marti@ch.pwc.com](mailto:armin.marti@ch.pwc.com)

### Charalambos Antoniou

Director, Tax Function Design Leader,  
PwC Switzerland  
+41 58 792 47 16  
[charalambos.antoniou@ch.pwc.com](mailto:charalambos.antoniou@ch.pwc.com)

### Stuart Jones

Tax Disruption Consulting,  
PwC Switzerland  
+41 58 792 45 16  
[stuart.jones@ch.pwc.com](mailto:stuart.jones@ch.pwc.com)



Please also see our regularly updated home page on COVID-19 at [www.pwc.ch/covid-19](http://www.pwc.ch/covid-19)

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