

Swiss Re - Responsible Tax Practices in an Open and Transparent World

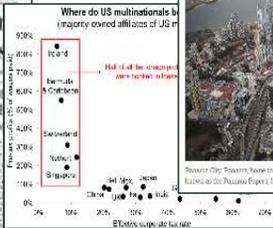
EEAG Report, Fair taxation in a mobile world
3 March 2020



Major Tax Trends Leading to Increased Tax Transparency

Global Crisis and Growing Mistrust

- 2008 crisis unveiled aggressive MNE tax planning and led to increased scrutiny and mistrust by stakeholders
- **MNEs are perceived as aggressive tax planners**



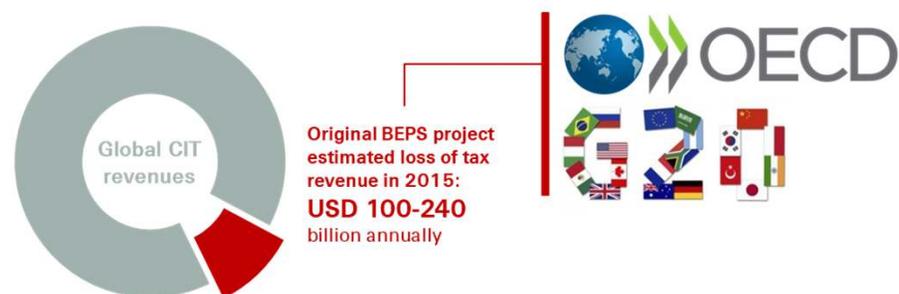
Evolving Stakeholder Interest

- ESG investment category experiencing rapid growth and importance
- **Increase focus on sustainability major driver for voluntary tax transparency**



OECD BEPS Initiative

BEPS Overview



Swiss Re Response

BEPS I: Disclosure CbC figures to tax jurisdictions where Swiss Re taxable presence (started in 2016)

BEPS II: Work with industry peers to meet the OECD and push for a financial services carve out

BEPS I: Designed to address the growing public concern about corporate tax avoidance when MNEs were all found to be paying very little tax in countries where they had substantial revenues.

BEPS II: Pillar I: New Taxing Right

- in 'market jurisdictions' even if no physical presence
- in exchange for cancelling Digital Service Tax proposals

Pillar II: Global Minimum Tax

- Creates an effective global minimum tax rate
- Expected to raise USD 100bn annually

Tax Transparency Reporting

Push & Pull Factors Increasing Demand for Transparency

Regulatory Standards

OECD BEPS: Country-by-Country Reporting as minimum standard

UK request to large businesses to publish tax strategy

Stakeholder Activism

Push for public tax disclosures, from NGOs through to Investors



Peer Disclosure

Increasing disclosure from peers and competitors in 2019



Sustainability Reporting

Survey questions on Tax Transparency:

- FTSE4 Good ESG Survey SAM Corporate
- Sustainability Assessment (DJSI). Recent rating 100/100 (maximum)

Swiss Re Response

Swiss Re has made it one of its goals to become a leader in sustainability and transparency reporting




Outlook: Impact of Tax Transparency on Tax Function

Transparency leaders steer narrative

Increased tax transparency disclosures as result of various push and pull factors

Leaders in transparency will be able to steer narrative

Tax Authority digitalization enables increased disclosure

Digitalization will allow easy, more consistent tax data collection and controls

Public disclosures (via digitalization) become automatic

Non disclosure becomes impossible

Transparency changes stakeholder interaction

MNEs proactively approach TAs with tax data and business plans

Relationship between tax payer and TA transforms

Transparency leads towards corporate self regulation

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