

**GRI 207: Tax - Topic Standard - Cross-sectoral**

Disclosure GRI 207-4

## Country-by-country reporting

**Framework:** GRI Standards

**Type:** Metrics + narrative

**Regime:** Voluntary

**Effective:** 2021-01-01

**ESRS:** ESRS G1 Business Conduct

### Datapoints & assurance

| Datapoint                | What to capture  | Owner                 | Risk an assurer probes   | Evidence to check   |
|--------------------------|--|-----------------------|--|---|
| Reconciliation note      | A plain explanation for any gap between the tax data reported here and the figures in the audited group accounts or other public financial filing. | Tax reporting         | Does not reconcile to the audited group accounts or filed public record, so the difference is left unexplained.                  | Tie-out schedule to the audited consolidated financial statements or filed public accounts, with a written explanation for each difference. |
| Resident tax locations   | Every tax country or territory where the entities in the audited group accounts, or in the public financial filing, are tax resident.              | Tax reporting         | A resident entity is missed because the list is not reconciled to the consolidation perimeter or legal entity register.          | Group structure chart, legal entity register and tax residency schedule aligned to the consolidated reporting perimeter.                    |
| Tax country              | The specific country or territory used for tax residency for the entity being reported.  | Tax reporting         | The jurisdiction name is entered using a legal entity location instead of the actual tax residence country.                      | Legal entity tax file, residency certificate or tax registration record.  |
| Resident entity names    | The legal names of the entities that are tax resident in the stated jurisdiction.  | Tax reporting         | Entity names do not match the legal entity register, so a branch or trading name is used instead of the resident company name.   | Legal entity register and tax residency schedule.   |
| Main business activities | A short description of what the organisation mainly does in that tax jurisdiction.   | Tax reporting         | The activity description is too generic or reflects a group-wide function rather than the local entity's main business.          | Management reporting, local entity profiles and business descriptions used in statutory filings.  |
| Employee count           | The number of employees for the reporting basis used in this disclosure, as defined by the organisation's chosen method.                           | HR / People analytics | Headcount and FTE are mixed, or the figure is taken from a different source system than HR/payroll.                              | HRIS headcount report or payroll extract, with the counting method documented and dated.  |
| Counting method          | A clear description of how the employee number was calculated, including the population and counting rule used.                                    | HR / People analytics | The basis is not documented, so the reported number cannot be traced to the same population or counting rule as the source data. | Method note showing the source system, inclusion rules and any exclusions.  |
| External sales revenue   | Revenue earned from sales to customers outside the group for the tax jurisdiction.   | Finance               | Intercompany revenue is included by mistake, so the figure does not reconcile to third-party sales only.                         | Local ledger, management accounts and revenue mapping to external customer sales.   |
| Tax expense accrued      | The corporate income tax charge recognised on profit or loss for the period in that jurisdiction.  | Tax reporting         | Current tax and deferred tax are mixed, or the amount is taken from cash tax paid instead of the accrued charge.                 | Tax provision workings, current tax journal entries and the tax note in the financial statements.   |
| Intercompany revenue     | Revenue from sales between group entities that involve other tax jurisdictions.  | Finance               | External sales are included, or the intercompany total is not aligned to the transfer pricing and ledger records.                | Intercompany billing records, transfer pricing reports and local ledger extracts.   |

| Datapoint                  | What to capture   | Owner                  | Risk an assurer probes   | Evidence to check   |
|----------------------------|---|------------------------|--|---|
| Pre-tax result             | The profit or loss figure before income tax for the period in the relevant jurisdiction.                      | Finance                | The figure is taken after tax or from a different reporting period, so it does not match the pre-tax result used in the tax bridge.          | Local statutory accounts, management accounts or tax provision bridge to pre-tax profit/loss. |
| Non-cash assets            | The value of tangible assets in the jurisdiction, excluding cash and cash equivalents.                        | Finance / Fixed assets | Cash balances are left in the asset total, or intangible assets are included even though only tangible assets are meant to be counted.       | Fixed asset register and local balance sheet, with cash balances removed from the total.      |
| Cash tax paid              | Corporate income tax actually paid in cash during the period for the jurisdiction.                            | Tax / Treasury         | Accrued tax is reported instead of cash paid, or payments are captured in the wrong period because settlement dates are used inconsistently. | Tax payment confirmations, bank statements and cash tax ledger entries.                       |
| Tax difference explanation | A short explanation of why the tax charge differs from applying the statutory rate to pre-tax profit or loss. | Tax reporting          | The explanation does not match the tax reconciliation, or a key driver such as permanent differences or rate effects is omitted.             | Tax reconciliation working paper showing the main drivers and supporting schedules.           |
| Period start date          | The first date covered by the information reported for this disclosure.                                       | Reporting / Finance    | The start date is taken from the wrong reporting cycle, so the period does not match the rest of the disclosure.                             | Reporting calendar, consolidation timetable or disclosure pack cover sheet.                   |
| Period end date            | The last date covered by the information reported for this disclosure.  | Reporting / Finance    | The end date is not aligned to the same reporting period as the start date, creating a scope or period mismatch.                             | Reporting calendar, consolidation timetable or disclosure pack cover sheet.                   |

## How to prepare

- 1 Set the reporting window first.** Confirm the opening and closing dates for the period you are covering, and use that same window consistently across the disclosure.
- 2 Fix the population you will report on.** List every tax country where entities in the audited group accounts, or the publicly filed financial information, are tax resident.
- 3 Define the data fields and the basis behind them.** For each country, capture the resident entities, the business activities, employee count and how that headcount was worked out, plus the financial measures needed for the disclosure.
- 4 Gather source evidence for each figure and narrative point.** Pull the amounts, descriptions and supporting records from the group accounts, public filings and internal tax or finance workings so each reported item can be traced back.
- 5 Prepare the explanation notes where needed.** If any reported tax figure for the specified items does not tie to the audited group accounts or the public filing, write a clear reason for the gap; also explain why the tax charge differs from the amount implied by applying the statutory rate to profit before tax.
- 6 Check the final pack against the official source before sign-off.** Make sure the reported period, country list, entity names, activities, headcount basis, financial amounts and any difference explanations are complete, and record any exclusions or changes in method so the submission is transparent.

This LRA assistance tool is designed for educational and internal data-collection purposes. It is not an official interpretation of the GRI Standards, IFRS Sustainability Disclosure Standards or EU CSRD/ESRS requirements. When applying these frameworks in professional practice, users should consult and double-check the official standards, guidance and applicable regulatory sources.

For users who may require additional expert guidance or consultancy support on sustainability reporting, the application of reporting standards, data collection processes or disclosure preparation, the London Reporting Academy team would be pleased to assist. Please contact us at [hello@reporting.academy](mailto:hello@reporting.academy) or submit an enquiry through the contact form: <https://reporting.academy/en/contacts/>

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