



Mr Michel Barnier
Commissioner Internal Market and Services
European Commission
200 Rue de la Loi
1049 Bruxelles

1 June 2011

Dear Commissioner,

I would like to share with you some serious concerns which we have about country-by-country reporting by multinational companies.

We emphasise that country-by-country reporting has never been requested by investors and other capital market participants. To the extent that certain information on geographical segments can be useful to investors of EU listed companies, we believe these needs are appropriately met by the existing requirements under the Transparency Directive (management report containing a review of the business and the principle risks and uncertainties faced), the EU Accounting Directives (identify subsidiaries, jointly controlled entities and associates) and IFRS 8 Operating Segments (information about geographical areas).

In our opinion, country-by-country information would not only add to what is already regarded as increasingly complex and potentially confusing financial statements, but it would also impose significant further costs on companies, including those arising from the need for groups and their auditors to apply lower levels of materiality. Additionally, a more detailed reporting on a country-by-country basis would increase the risk of creating an information overflow and thus burden the investors' capacity to understand the material risks. Some of the information can also be commercially sensitive putting EU companies in a competitive disadvantage vis-à-vis non EU companies.

We hope that you will take account of these concerns and remain at your disposal should you wish to discuss this subject further.

Yours sincerely,

(French original signed by)
Philippe de Buck