

REQUEST FOR PROPOSAL

BENCHMARK ON TAX TRANSPARENCY

The Principles for Responsible Investment (PRI)¹ is commissioning research to benchmark the performance of selected companies on their corporate tax transparency. The research will examine tax policy, governance and risk management, and reporting practices of global, cross sector companies. This work will be a key resource for institutional investors participating in PRI's global collaborative engagement on tax. It will:

- enable better understanding of the status of tax related disclosures in selected sectors and markets
- identify key trends and gaps in corporate disclosure, which may then be used to facilitate discussions with companies on their approach.
- identify leading companies that provide high quality income tax disclosure (in selected sectors) and are open to sharing their experience with investors

WHO SHOULD APPLY?:

The PRI is inviting proposals from individuals or organisations (including consortiums) with:

- qualifications in accountancy and/ or demonstrable expertise in corporate income tax issues (professional/academic)
- experience in research and analysis and writing high-quality reports

SUMMARY OF THE ROLE:

The individual/service provider will undertake the following activities:

- **Identify indicators and conduct a benchmark assessment:**
 - develop indicators to measure tax transparency in line with the PRI publication, [Investors' recommendations on corporate income tax disclosure](#) working closely with the PRI and institutional investors and;

¹ The [Principles for Responsible Investment \(PRI\)](#) is a global and United Nations-supported initiative launched in 2006. The PRI has over 1700 signatories with more than US\$ 60 trillion in assets under management committed to six principles related to the integration of environmental, social and corporate governance issues into investment and ownership practices.

- assess public corporate income tax related disclosures of selected companies against these indicators. The companies (up to 50, likely in healthcare and information technology sectors) will be selected by the investors participating in the engagement group. The final list of companies will become available to the service provider by the beginning of November.
- **Written report (to be shared publicly):** short briefing document written to a professional standard (up to 5 pages) and pitched to a non-technical audience, highlighting best practices and key trends
- **Identify leading companies:** identify and benchmark companies that demonstrate comprehensive disclosure on corporate income tax relative to peers (up to 10 companies). The PRI will assist in developing this list of leading companies.

BACKGROUND

Aggressive corporate tax planning may present negative financial and reputational implications for companies, particularly where tax minimization takes precedence over sustainability and long term strategic considerations. Therefore, investors are keen to understand the underlying risks and encourage companies to adopt more responsible corporate tax practices.

The PRI has worked on the topic of corporate tax responsibility since 2015. Together with investors, PRI published the [Engagement guidance on corporate tax responsibility](#) to provide background, overview of key risks and a framework for investor-company dialogue on this topic. Following consultations with stakeholders and companies, this document was supplemented with the [Investors' recommendations on corporate income tax disclosure](#) which identifies key areas of disclosure that would enable investors to evaluate a company's tax strategy and exposure in context.

As the next step, the PRI will be initiating a global collaborative engagement. The engagement initiative will provide a forum for investors to talk to companies regarding their tax positions and strategy, and related risks and opportunities. The commissioned research is intended to guide informed and well-founded discussions between investors and companies.

DELIVERABLES AND TIMELINE

Proposed timeline of activities

- Selection of research service provider by 6 October 2017
- October 2017: service provider to work with the PRI and investors to select indicators and finalise methodology
- November 2017:
 - the engagement group will finalise the list of target companies by the beginning of this month.
 - the service provider will then benchmark these companies and share research findings with the investor group mid-way during the process.

- the research on selected target companies and leaders will be completed at the end of November.
- Beginning of December 2017: service provider to provide a short briefing document

HOW TO SUBMIT A PROPOSAL

Please send your proposal via email to [Vaishnavi Ravishankar](mailto:Vaishnavi.Ravishankar@unpri.org) by close of business **Friday 22 September 2017**.

Proposals must demonstrate:

- I. A summary of relevant competencies, professional or academic background related to tax or accountancy
- II. Proven expertise in qualitative and quantitative analysis of corporate income tax data for e.g. record of publications on this topic
- III. A summary of the approach that the researcher will take in developing a methodology from the [Investors' recommendations document](#), preferably with some worked examples
- IV. Experience in writing high-quality research reports
- V. Previous experience in working with institutional investors/companies (desirable)
- VI. A brief biography of individuals that would be involved, with indication of their locations.
- VII. Availability for the requested period / ability to achieve deadlines

QUERIES

If you have any queries on the requests outlined above or the allocated budget for this research, please contact Vaishnavi Ravishankar (vaishnavi.ravishankar@unpri.org).