GLOBAL FINANCIAL INTEGRITY

January 28, 2011

Meredith Cross
Director
Division of Corporate Finance
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549

Re: Proposed Rule on "Disclosure of Payments by Resource Extraction Issuers" File No. S7-42-10

Dear Ms. Cross:

We appreciate the opportunity to contribute to the Security and Exchange Commission's request for comments on its proposed rule regarding Disclosure of Payments by Resource Extraction Issuers, which implements Section 1504 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

We are pleased to submit the following materials for the Commission's consideration:

1. Letter to Mr. Jonathan Faull, DG Internal Market and Services, European Commission, dated December 21, 2011, from the investment institutions and investment advisors signatory thereto, in response to the European Commission's public consultation on the subject of financial reporting on a country-by-country basis for listed companies ("country-by-country reporting"); and

2. the New Haven Declaration on Corporate Financial Transparency, a policy declaration by investment institutions and investment advisors calling for regulatory action to establish a country-by-country reporting standard for multinational corporations.

We submit these materials as evidence of significant investor interest in financial disclosure, broken down to at least a country-by-country level, in order to "assess the possibility of political, legal and reputational risk to the firm, and to provide a better understanding of the corporation's aggregated financial statements." (New Haven Declaration)

Section 1504 is limited to financial disclosure by resource extraction issuers, which is more limited than the country-by-country reporting requirement discussed in the

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documents attached; however, it requires disclosure of information that country-by-country reporting would produce. Section 1504 disclosures could therefore be used by investors to perform the analyses described in the attached documents.

We respectfully request that the Commission take into account growing investor concern over risk that is "hidden" by aggregated financial reporting, evidenced in the attached documents, as it develops rules to implement Section 1504. The investors stated that more detailed financial information would be used to inform specific investment decisions. Investors should therefore have the right to hold a company legally accountable for providing incorrect or incomplete financial information that was subsequently relied upon by investors to form their investment decisions. We believe that this warrants a decision by the Commission that when such information is provided, it should be filed as opposed to furnished.

Thank you for your time and the measured consideration that you and your colleagues have given to this provision and the rulemaking process. Please do not hesitate to contact Heather A. Lowe, Legal Counsel & Director of Government Affairs at Global Financial Integrity, at hlowe@gfip.org should you have any questions or concerns regarding these materials.

Kind regards,

Raymond W. Baker
Director
Global Financial Integrity

December 21, 2010

Mr. Jonathan Faull
DG Internal Market and Services
European Commission
SPA 2, 00/93
1049 Brussels
Belgium

Dear Mr. Faull,

As regards the Consultation on Financial Reporting on a Country-by-Country Basis by Multinational Companies we, the undersigned investment institutions and investment advisers, with over $20 billion under management, and responsible investment organizations have considered the call for the introduction of country-by-country reporting made for the extractive industries by Publish What You Pay, the Tax Justice Network and related organisations.

In our opinion country-by-country reporting, whether in the extractive industries or, preferably, universally would:

1. Enhance the information available to us to assess risk arising within the corporations in which we invest;
2. Provide us with information on the following issues, currently unavailable, but which would impact on our decision making processes if available:
    a. Where corporations trade;
    b. The relevant importance of different jurisdictional markets;
    c. Where they do and do not pay their taxes;
    d. Where they earn their profit;
    e. How they structure their businesses;
    f. How they structure their internal supply chains;
    g. Where they allocate their resources;
    h. Where they expose investors to geo-political risk;
3. Assist us in making decisions on the allocation of the capital under our management to corporations operating in the world's financial markets.

As such, we ask the European Commission to require country-by-country reporting within the annual audited financial statements of all multinational corporations listed on a stock exchange. This would be accomplished either by incorporating country-by-country into International Financial Reporting Standards, into the European Union's 4th and 7th Directives on Accounting or within the European Union Transparency Directive.

Yours,

Bennett Freeman
Senior Vice President
Sustainability Research and Policy
Calvert Asset Management Company, Inc.

(cont.)

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New Haven Declaration on
Corporate Financial Transparency

We recognize that although one of the first responsibilities of business to society is to pay its fair share of taxes, aggressive and 'creative' global tax strategies have become commonplace among multinational corporations, resulting in significant tax losses to both developed and developing countries. Some of these strategies involve violations of local law;

We are also aware that approximately $100 billion in tax revenue leaves developing economies each year due to trade related price manipulation by corporations;

We recognize that yearly tax losses due to corporate trade mispricing are equal to annual Official Development Assistance and that these flows aggravate poverty and are a human rights concern of great importance;

We also note with concern the growing research on the annual flow of illicit capital out of developing countries, estimated to be in excess of $1 trillion (including the $100 billion in tax losses noted above). The term illicit capital refers to funds that are illegal in their origin, movement or use and that are solicited, transferred or managed by institutions in western financial centers or in secrecy jurisdictions, often referred to as "tax havens";

We further recognize the linkage between opacity in the global financial system and the facilitating role it plays in allowing politically exposed persons, corrupt dictators and tax evaders to move illicit money around the globe;

We stress that reducing illicit capital flows requires greater financial transparency and that achieving this is a prerequisite to creating an economic framework that is open, accountable, fair, and beneficial for all;

We state that it is unethical, and often illegal, for companies to declare profits in tax havens in order to avoid the payment of taxes in nations where the labor, sales and resources that produced those profits occurred. Current financial reporting requirements allow companies to hide these practices from investors and governments;

We underscore the importance of having corporate financial reporting that is disaggregated by country ("country by country reporting") as a way to assess the possibility of political, legal and reputational risk to the firm, and to provide a better understanding of the corporation's aggregated financial statements;

We strongly urge the G8, G20, WTO, the European Union and other international fora, as well as national governments, world leaders, faith groups, civil society organizations and corporations to recognize the linkage between corporate financial transparency, good corporate governance, social justice and stable markets;

We commit, as organizations concerned about risk mitigation in our investment strategies and long-term, economic growth issues related to poverty alleviation and development, to call on governments and relevant multilateral institutions to establish a country-by-country financial reporting standard for multinational corporations;

We also commit to monitoring corporate activity in this area and raising these concerns with corporate management as part of our investment management practices;

We further pledge to work in the coming months to pursue this agenda and look to add additional voices to this effort:

Signed

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Asia Initiatives

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Creative Investment Research, Inc.

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Laura Berry
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December 8, 2010