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Regulatory mandates and responses to uncomfortable knowledge: The case of country-by-country reporting in the extractive sector

Lisa Baudot*
Kenneth G. Dixon School of Accounting
University of Central Florida
College of Business Administration
P.O. Box 161411
Orlando, Florida, USA
Email: lisa.baudot@ucf.edu

David J. Cooper
University of Alberta
School of Business
Edmonton, Alberta, Canada, and
Edinburgh University Business School
University of Edinburgh
Edinburgh, Scotland, UK
Email: dcooper@ualberta.ca

* Corresponding author: lisa.baudot@ucf.edu

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Abstract

We examine responses to pressures to act on extractive firm country-by-country reporting (CbCR) by three regulators: the International Accounting Standards Board, the European Commission, and the Securities and Exchange Commission. Debates over CbCR of payments that extractive firms make to governments center on improvements to transparency, governance, and accountability and raise questions about the division of regulatory labor in terms of where and by whom global reporting issues are undertaken and why. Our comparative analysis suggests that while the three regulators resist or respond reluctantly to similar pressures to act on CbCR, each responds in distinct ways that reflect and impact regulatory mandates. Specifically, we show how the regulators' responses constitute the purpose, problematize the objectives, and construct the perceived interests served by CbCR in relation to each regulator's mandate. We highlight how these responses can be understood through modes of discursive ignorance (McGoey, 2019) and the uncomfortable knowledge (Rayner, 2012) that each regulator may engage with when pressures challenge how regulators make sense of the world. Our study highlights that regulatory responses are based partly on what regulators assume are their mandates, their legitimacy and ways of operating. It analyzes their self-understandings and defense mechanisms, thereby providing an elaboration of responses to pressures for action and offering a richer political economy of regulation that highlights sensemaking in these processes. We further elaborate on what these responses imply for the division of regulatory labor around pressures to act on global reporting issues, as well as broader implications for participation in and ignorance around accounting regulatory projects.

Keywords: regulatory responses; uncomfortable knowledge; modes of ignorance; country-by-country reporting; regulatory mandates; accounting regulators

Regulatory mandates and responses to uncomfortable knowledge: The case of country-by-country reporting in the extractive sector

1. Introduction

Country-by-country reporting (hereafter, CbCR) involves multinational corporations (MNCs) disclosing their profits, taxes paid, and other indicators of activity for each country in which they operate.[1] Further to demands for global transparency, accountability, and governance, particularly around taxation, corruption, and risk, CbCR initiatives have emerged as a focus for accounting regulation. Stimulated by the OECD and the G20 templates for CbCR relating to MNC's profits and taxes (Felt & Hales, 2014; Radcliffe et al., 2018), European MNCs privately disclose CbCR to tax authorities since 2016 (De Simone & Olbert, 2019). In addition, the European financial industry is subject to mandatory public CbCR, which is being considered for expansion to all industries in the European Union (EU) (Brown et al., 2019; EY, 2021). Antecedent to these broader initiatives, *extractive industry* CbCR initiatives specifically propose that extractive industry MNCs disclose the payments that they make and that governments receive in the form of taxes, royalties, and other payments (Cortese & Andrew, 2020; Healy & Serafeim, 2013, 2020).

Civil society advocates call for greater transparency, accountability, and governance by extractive industry MNCs and by governments having significant relationships with these firms.[2] Proponents of CbCR, including international development, human rights, and civil society organizations, believe it provides information useful in both assessing the local impact of extractive activities and holding extractive firms accountable (Haufler, 2010). CbCR is also expected to mitigate against tax avoidance (Murphy, 2016) and other payment avoidance strategies (Humphreys et al., 2007) by extractive firms, particularly in countries that lack the capacity to effectively monitor MNCs (Arnold & Sikka, 2001). Opponents, including some governments and extractive firms, argue that CbCR communicates proprietary and competitive information, is administratively burdensome, and does not capture what is going on (e.g., Bushee & Leuz, 2005). Despite pressure for CbCR in multiple regulatory sites[3], such initiatives have

[1] Refer to Appendix A for a list of abbreviations.

[2] For instance, *Promoting Revenue Transparency: 2008 Report on Revenue Transparency of Oil and Gas Companies* issued by Transparency International and *PWYP Calls on Oil and Gas Companies to Do More to Fight Corruption and Poverty* issued by Publish What You Pay (PWYP) in 2008.

[3] In this study, a "site" of regulation refers to a regulatory body (whether public or private, national or international, in nature) around which a network of interested actors forms.

struggled to be globally enacted. The present study focuses on regulators in three sites and asks why and how these regulators respond to similar pressures for action on a global transparency, accountability, and governance issue and what we can learn from their responses. A focus on how and why regulators respond to CbCR proposals is important, considering the effects that regulators have on global reporting rules, including the nature and impact of the rules that are produced.[4]

In the last decade, questions have been raised over which regulatory bodies have the "right" or "obligation" to make the rules (Büthe, 2010b). Studies of accounting regulation investigate both private (non-government) bodies (e.g., Chua & Poullaos, 1993; Robson, 1993; Young, 1994, 1996) and public (government) bodies (Bealing, 1994; Bealing et al., 1996; Bozanic et al., 2012; Canning & O'Dwyer, 2016; Chiapello & Medjad, 2005). Studies also examine the relationship between international and national accounting bodies, for instance, exploring regimes in the EU that either promulgate rules themselves or continue to influence national rules (e.g., Caramanis, 2002; Caramanis et al., 2015; Cooper et al., 1996). Such studies are often based on the idea that the "division of regulatory labor" on accounting rules operates within a complex system of national and international, public and private, regulators whose responses to pressures for action lead to rules being spread as regulatory bodies either learn from, emulate, compete with, or are coerced by other regulatory actors (Gilardi & Wasserfallen, 2019). Within this system, studies show how regulatory bodies pick up issues and encounter conflict with regulatory actors, converging on a rule through compromise (Cortese & Andrews, 2020) or recursivity (Canning & O'Dwyer, 2016; Halliday & Carruthers, 2007, 2009). Yet other significant responses to pressures to act on issues, such as reluctance or resistance, are less well understood (Canning & O'Dwyer, 2013).

The CbCR initiative provides an opportunity to examine not only where rules get picked up and enacted but also why and how regulators might respond to pressures for a rule in (similar or) different ways. CbCR was raised as an issue for the private, non-government regulator, the International Accounting Standards Board (IASB). Later, the issue involved public, government regulators both in the United States (US) through the Securities and Exchange Commission (SEC) and in the Parliament of the EU through the European Commission (EC). CbCR appears in other regulatory sites, but we focus on the three regulatory bodies that dominate accounting

[4] We thank the Editor for pointing out that our case is also important because it can be regarded as a precursor to the issues that arise in the case of regulating ESG or sustainability reporting.

regulation. To investigate regulatory responses, we draw from an extensive collection of publicly available documents that encompass CbCR debates between 2002 and 2020. The result is an analysis of the public discourse of key regulators and interested actors around pressures for CbCR that helps us to understand each regulator's response. But ours is not a conventional lobbying study or an exposé of regulatory capture, although there are some indications of both. Rather, our study highlights that regulatory responses are based partly on what regulators assume are the motives and interests of those trying to influence them. Regulators may intend to serve these interests, but they also have self-understandings of their mandates, their legitimacy and ways of operating, which may themselves be dynamic. We show what happens when these self-understandings are challenged, creating "uncomfortable knowledge" (Rayner, 2012). Thus, our study focuses on regulators' self-understandings and defense mechanisms, thereby providing a more nuanced elaboration of responses to pressures for action and offering a richer political economy of regulation that highlights sensemaking in these processes.

Regulatory bodies respond to demands and pressures for action in accordance with the context in which they are embedded (Martinez Lucio & MacKenzie, 2004; Cooper & Robson, 2006). Within this context, regulators may perceive or make claims about broad purposes, specific objectives, and appeals to interests in relation to regulatory mandates that are neither precise nor given.[5] Regulatory bodies may then confront pressures to reconcile understandings, claims, and constructions around already imprecise regulatory mandates with certain stated (but sometimes tacit and potentially conflicting) demands that underlie or are embedded in a proposed issue (McGoey, 2007). Pressures may also arise in reconciling the regulator's own understandings, claims, and constructions of what their mandate should include or accomplish with the claims and constructions of other regulatory actors (Young, 1994). Where reconciling differences in understandings, claims and constructions is challenging or evokes further conflict or tension, the pressure to act on an issue can create a situation of uncomfortable knowledge (Rayner, 2012).[6] Situations representing uncomfortable knowledge for regulators include those that bring them into conflict with understandings of their mandate, with powerful actors, and/or

[5] We refer to regulatory mandates broadly as an authorization to act (or not), whether that authorization is officially established by law, articulated in public documents, or expressed as traditional practices.

[6] According to Rayner (2012) "uncomfortable knowledge" represents information that is in tension or outright contradiction with the simplified, self-consistent versions of the world that institutions develop in order to act. Flyvbjerg (2013) also describes uncomfortable knowledge as that which is disagreeable or intolerant to an organization. Greer and McLaughlin (2017) go so far as to suggest the need to understand public and private regulatory responses to tension or contradiction that involves institutional scandal.

with what Rayner calls “wicked problems” (2012, 123). In such situations, that regulators may prefer not to confront, regulatory discourses may reflect forms of “ignorance” in relation to the issue (McGoey, 2007, 2012a, 2012b). We position our analysis of CbCR as an instantiation of uncomfortable knowledge for regulators, referring to four “discourses of ignorance” identified by Rayner (2012) that we elaborate later and in Table 1: denial (absence, silence, refusal to engage a topic), *dismissal* (minimal acknowledgement, rebuttal of a topic as irrelevant), *diversion* (moving attention away from a topic), and *displacement* (suggesting or substituting an alternative topic).

CbCR is an uncomfortable proposal for regulators as such disclosure appears fundamentally different in terms of its “non-traditional” reporting purpose, objectives, and interests served. Responses by regulators to CbCR include a reluctance or resistance to regulate expressed through discourses of ignorance around regulatory mandates. In the site of private accounting regulation, the IASB resisted pressures to act on CbCR with regulatory actors establishing CbCR as falling outside of the IASB's regulatory mandate. The resistance of the IASB was discursively formulated around *denying* the social and political purpose of CbCR and *dismissing* the notion that CbCR was an issue of interest to capital market investors or that it concerned risks that “proper” investors care about. Public regulators in the US and the EU, the SEC and the EC, respectively, demonstrated reluctance to act on CbCR, although in different ways. The SEC's discourse appeased the US Congressional authority while discursively *dismissing* CbCR as an issue impacting investors under the SEC’s capital market-oriented mandate. The SEC claimed that CbCR was not relevant to investors, while also *diverting* the focus of the disclosure away from the accountability of extractive firms. In meeting its directive by the European Parliament (EP), the EC goes further than diversion in its formal *displacement* of the focus of CbCR on transparency, accountability, and tax governance of extractive firms towards a focus on the accountability of governments.

This study contributes to research on the division of regulatory labor and regulatory responses to pressures to act on global issues through claims around regulatory mandates. Firstly, we further our understanding of where, and by whom, rules are picked up and why, e.g., the “division of regulatory labor”. In contrast to Reinecke, Manning and Von Hagen (2012) who focus on different regulators competing or cooperating over regulatory dominance and Chiapello and Medjad (2009) who worry about the predominance of private versus public regulators, the CbCR case suggests that no particular regulatory body was keen to take up the issue, even when

required to do so. Our comparative case depicts the reluctance, if not outright resistance, to address pressures to act on CbCR, a disclosure suggested by all three regulators to be incompatible with their regulatory mandates. This shows how similar regulatory (e.g., institutional) pressures may appear before different regulators concurrently and yet reflect distinct (e.g., Oliver, 1991), and quite contested (Caramanis, 2002; Djelic & den Hond, 2014) responses. Furthermore, our work indicates that beyond resource or capacity considerations (Pianezzi & Ashraf, 2020; Shapiro & Matson, 2008), regulatory mandates represent an important factor impacting the division of regulatory labor.

Secondly, we highlight how regulatory bodies attend to uncomfortable issues, understand them differently and offer distinct responses in relation to claims about the purpose, interests, and objectives of their regulatory mandates. Specifically, we contribute to literature that theorizes regulatory dynamics and discursive resources in the "mandate interpretation stage" of rulemaking (Canning & O'Dwyer, 2013: 171), in the way that regulatory actors perceive mandates and actions around the objectives and the interests served by the regulator in comparison to the (perceived) objectives and interests served by CbCR. Our focus is less on technical (e.g., Pelger, 2016; Young, 1996) or structural (Caramanis, 2002) aspects of regulatory processes and more on the socially and politically constructed nature of responses to pressures to act on an issue (Young, 2014). CbCR forces regulators, particularly the SEC and EC, to confront implicit understandings of their mandates, bringing new conflicts to the fore on an issue interpreted as being in tension with the regulator's mandate and therefore "uncomfortable" to the regulators to act on, which lends to our third contribution.

Studies on the sociology of ignorance (Bailey, 2007; Mallard & McGoey, 2018; McGoey, 2007, 2012a, 2012b; 2019) suggest that discourses of ignorance may allow regulators (and the regulated) to distance themselves from rulemaking they find uncomfortable (McGoey, 2012; Rayner, 2012). Institutions may exonerate themselves from uncomfortable knowledge through claims about the issue when it does not accord with their aims (McGoey, 2007, 2019; Rayner, 2012). Mechanisms of distancing through discursive ignorance may be exhibited in various discursive forms, including denial, dismissal, diversion, and displacement (Rayner, 2012). We find the three regulators present and express these mechanisms in different ways but with the similar result of creating space or distance between the regulator and the proposed issue. Thus, our work contributes to research on the way that regulatory actors discursively manage, (re-)

interpret, and ultimately rationalize rulemaking or lack thereof (Bozanic et al., 2012; Merino & Niemark, 1982; Pelger, 2016; Ravenscroft & Williams, 2009; Young, 1996, 2006; Zhang & Andrews, 2014). This is important since much research treats regulatory discourses as cheap talk, ideology, or mere rhetoric (Ramanna, 2015; Stenka, 2021), thereby neglecting the effects these discourses have on regulatory bodies and the consequences of their response to pressures to act.

2. Relevant literature

2.1 Regulatory mandates and the division of regulatory labor

Discussions about regulatory mandates focus on the aims and objectives claimed in the governance documents of regulatory bodies themselves (Canning & O'Dwyer, 2013) or on the assumed focus of regulatory work, such as the objectives of financial reporting (Ravenscroft & Williams, 2009). Thus, Canning and O'Dwyer (2013), in their study of Irish legislation surrounding professional bodies and what they call the "mandate interpretation" stage, highlight aspects of the constitution of regulators (see also Botzem, 2012, chapter 5) identifying three elements: intervention powers, disciplinary powers and communication rights and limits (ibid, 185). Research oriented to examining the focus of regulatory work instead examines the interests served and orientation of the regulatory bodies. For accounting regulation, this focus involves an examination of conceptual frameworks (e.g, Botzem, 2012: chapter 4) and their shift from stewardship to decision usefulness, most clearly in terms of capital market decisions (Young, 1994, 2006; Ravenscroft & Williams, 2009; Zhang & Andrews, 2014). Pelger (2016) and Pelger & Speiß (2017) offer an insightful hybrid analysis of the constitutional structures of regulatory debates about core features of financial reporting.

Different regulatory bodies may have different constitutional structures, both in relation to their governance and focus. While we are not here concerned about the so called "orchestration deficit" that has exercised scholars in international relations (Abbott & Snidal, 2009), such research is premised on managing the division of labor between different regulatory bodies. Research on the division of regulatory labor focuses on competitive and collaborative relations between regulators who operate in overlapping spheres and the responses by national governments to secure advantage in international activities (Gehring & Faude, 2014; Gilardi & Wasserfallen, 2019). It also manifests concerns over (private) regulators who desire to preempt alternative regulators from action (Cafaggi & Janczuk, 2010) or to avoid what some regulators

may see as undesirable outcomes (Green, 2010) by ensuring rules are established in a certain manner (Caramanis, 2002).

In elaborating on the division of regulatory labor, research offers disparate views on different regulatory bodies' responses to pressure for action. Some regulatory bodies may submit to pressures for action by nature of timing, resources, or structural dependence (Bealing, 1994; Bealing et al., 1996). Others may respond to some pressures but disregard others, which might then be picked up (or not) by another regulatory body as important, and vice versa. Furthermore, responses to pressures to act by one regulatory body may be supported by other regulatory bodies, or alternatively be viewed as a threat to their own regulatory ambitions (Büthe, 2010a, 2010b). Some regulatory bodies may exhibit a reluctance to regulate or be associated with certain demands (Malsch & Gendron, 2011; Cortese & Andrews, 2020; Young, 1996), while other regulatory bodies may reject demands and pressures for action (Canning & O'Dwyer, 2013). Our research builds on these debates about the regulatory division of labor in responding to similar pressure, but we extend the focus to consider multiple regulators.

Our study is influenced by work that examines regulatory responses with an emphasis on what regulatory bodies regard as appropriate to regulate. Appropriateness is often related to claims about regulatory mandates (Ravenscroft & Williams, 2009) and indeed Canning and O'Dwyer (2013) highlight the mandate interpretation stage as important to the realignment of regulatory spaces. The claimed regulatory mandates of both private and public accounting bodies are often linked to reporting objectives, such as stewardship or decision-usefulness, and to interests such as investor primacy (Ravenscroft & Williams, 2009; Müller, 2014). Thus, a stewardship objective dominated accounting rules for decades before being replaced in the 1980s with an objective of providing information that was claimed to be useful to financial statement users (Ravenscroft & Williams, 2009; Zhang & Andrews, 2014). Decision usefulness objectives are also dominant in the mandates of certain public regulators, such as the SEC (Merino & Neimark, 1982; Bealing et al., 1996).

The regulatory mandates of both public and private accounting regulators also claim to serve the interests and protection of an ill-defined "public". Alongside the supplanting of stewardship, research indicates a supplanting of the "public" orientation by the interests of select financial statement users (Young, 2006; Durocher & Gendron, 2011; Botzem, 2012; Pelger & Speiß, 2017; Zhang & Andrew, 2014). For instance, in 2010 the IASB's revised conceptual framework

relocated investors to the center of financial reporting (Ravenscroft & Williams, 2009; Zhang & Andrew, 2014). Specifically, the definition of user narrowed to existing and potential investors, lenders, and other creditors (Zhang & Andrew, 2014). More recently, Pelger and Speiß (2017) show that private accounting bodies privilege the interests of an "inner circle" of "informed" users that includes analysts, institutional investors, global auditors, and even multinational firms themselves. In the realm of public regulators, the SEC's accounting initiatives are a product of negotiation with those who are subject to SEC regulation (Bozanic et al., 2012). Furthermore, the process of incorporating private accounting rules into EU law has been similarly characterized as committing to private, capital market interests (Chiapello & Medjad, 2009) despite the claimed public interest values of the EU (Noel et al., 2010).

Overall, claims about regulatory mandates enable regulatory bodies to articulate and construct not only who should do what, but also what should not be done (Power, 2003; Gendron et al., 2007). Different regulators, faced with pressures to act on global issues, may not be clear regarding their own mandate (Walker & Robinson, 1994; Martinez Lucio & MacKenzie, 2004). These regulators may also actively monitor their regulatory mandates for threats posed by challenges or anomalies associated with "outside" or "unknown" pressures (Young, 1996). Or regulators may enact "collective thinking artefacts" based on their habitus, that suggest taken-for-granted rationalizations regarding their regulatory mandates (Stenka, 2021). Understandings, claims and constructions of regulatory mandates thus influence decisions about the appropriateness of addressing pressures to act on global issues (Büthe, 2010a, 2010b) and shed light on how and why different regulators respond to what seem to be similar pressures for action.

2.2 Interpreting regulatory mandates in rulemaking

Regulatory bodies are bound not only by their own understandings of, claims to, and constructions of, their regulatory mandates and what their work should include or accomplish, but also by the claims and constructions of other regulatory actors (Young, 1994; Klumpes, 1994; Walker & Robinson, 1994). Prior accounting research that focuses on responses of regulators to institutional pressures (Canning & O'Dwyer, 2013) typically draws on Oliver's classification of strategic responses (1991). We extend such work by highlighting strategic ignorance and the uncomfortable knowledge that can arise from institutional pressures (McGoey,

2007; 2012a). Addressing multiple pressures to reconcile stated, sometimes tacit, and potentially conflicting demands is challenging and the pressure to act on an issue can create a situation of uncomfortable knowledge for the regulator.

Regulatory bodies may only be willing to invest resources in rulemaking if it benefits the regulatory bodies themselves or, at least, is not uncomfortable, or detrimental, to their legitimacy or their relationships with other regulatory actors (Fuchs & Kalfagianni, 2010). For instance, when pressures for a regulatory body to act create incentives for noncompliance – such as requiring the regulated to acknowledge the negative effects of their activities – regulators' actions may be hindered by pressure from the regulated (Buthe, 2010a; 2010b). For example, Convery, Kaufman, and Warfield (2020) examine a private regulator's proposal for US government entities to publish financial projections. The authors find that actors pressured the private regulatory body not only to remove the proposal from its agenda but also to remove such proposals from their scope of authority (Convery et al., 2020). This overreach indicates that when regulatory issues are perceived as uncomfortable or potentially detrimental, regulatory actors may endeavor to ensure that policies are modified, watered down, ignored, or even revoked (Hancher & Moran, 1989) through constructions of the issue as falling outside of the regulatory body's mandate.

As such, regulatory bodies may prefer to conceal or obfuscate initiatives (Bailey, 2007; McGoey & Jackson, 2009), ignore responsibility for them (MgGoey, 2007), or cultivate some level of ignorance around the issue (Bailey, 2007; Luhmann, 1998; McGoey, 2007). This implies that regulatory bodies may respond to pressures to act on certain issues by "manufacturing ignorance" (Rappert, 2012) or employing it strategically (McGoey, 2012) to serve particular interests and reduce uncomfortable knowledge. Studies recognize the political capital or liability involved in refusing to notice a topic (DeNicola, 2017; Greer & McLaughlin, 2017) or appearing less than authoritative about a given topic (Pianezzi & Ashraf, 2019). Luhmann (1998) argues that "whoever communicates knowledge must consequently take responsibility for truths and untruths of the knowledge. Whoever communicates ignorance is excused" (91).

Ignorance can fill many roles. Davies and McGoey (2012) highlight how silence about certain topics can be mobilized to absolve inaction; how silence enabled questionable financial activities to endure, leading up to the financial crisis, despite growing unease about their implications of these activities. Ravenscroft and Williams (2021) focus on how mainstream

accounting academia reproduces "intellectual sclerosis" (1) by enabling continued silence around the global financial crisis. Similarly, Rappert (2012) explains how the UK government mobilized ignorance about the number of civilian deaths in the Iraq war to avoid public outrage, while Galison (2004) and Marquardt (2016) show the UK government's disinterest in producing knowledge on homelessness. Finally, Best (2012) explores how bureaucratic ambiguity allows the IMF and the World Bank to exploit ignorance as a response to standardizing and rationalizing practices.

Going beyond strategic ignorance or silences, Rayner (2012) suggests that a range of discursive modes of ignorance may be observed in response to uncomfortable knowledge, or that which does not fit well or is in tension with understandings of the world that institutions develop. Uncomfortable knowledge may be dangerous to a public or regulatory body in the sense of undermining the principles of the institution, or if they make the institution vulnerable to criticism (Rayner, 2012: 112). Demands for disclosure exemplify uncomfortable knowledge when those disclosures reflect or create tension, or are in outright contradiction, with the way regulatory bodies make sense of the world (Rayner, 2012: 107). Uncomfortable knowledge may also threaten key arrangements or the ability of regulatory bodies to pursue goals they consider important (Rayner, 2012). Table 1 presents Rayner's (2012) conceptualization of four discursive modes that actors engage with in responding to uncomfortable knowledge. The Table not only provides Rayner's definitions but also offers our explanation of the distinctive features of each mode. These distinctions are often subtle, and the modes can overlap to some extent. In section 5 we explain the three regulator's responses in more detail through these four discursive modes of ignorance.

Insert Table 1 about here

Relative to these discursive modes of ignorance, Rayner (2012) suggests that they "include not only deliberate attempts to manage information [uncomfortable knowledge] but also implicit or even completely unconscious strategies" (113) for keeping uncomfortable knowledge at bay. Our analysis suggests that it can be both – part habitual and part strategic – in the way that regulator's might interpret their world relative to taken-for-granted ways of operating and relative to others concurrently. In this way, discourses of ignorance are a useful way to understand how regulatory bodies experience pressure to act on global issues that may be

uncomfortable relative to the way that they make sense of the world. We develop Rayner's categories to show that the responses may be 'strategic' not necessarily in the sense that Rayner discusses (as conscious and deliberate) but may instead reflect regulators understandings of (or making sense of) regulatory mandates, including the purpose, objectives and interests served by regulatory bodies. Of course, we are not excusing or otherwise justifying regulatory behaviors (including inaction) but offer a more nuanced understanding of action or inaction by regulators than is provided by a strict emphasis on conscious and willful action of individual regulators or on taken-for-granted organizing principles. Our emphasis is how regulators make sense of regulatory mandates, a point that is often overlooked in classic, political economy analyses and which we return to in the Conclusion.

3. Research approach

Our study focuses on three regulators during the period from 2002, when proposals for country-by-country (CbCR) reporting became active, through the end of 2020. In the public realm, the regulators are the European Commission (EC) and the US Securities and Exchange Commission (SEC), while in the private sector we concentrate on the IASB.[7] These regulators are important sites of global governance and have enormous impact on global capital markets.[8]

In comparing regulatory responses of the three regulators, we developed cases for the regulators within their broader respective sites. Our cases focus on (1) the IASB's promulgation of IFRS 6 (*Exploration for and Evaluation of Mineral Resources*) and IFRS 8 (*Operating Segments*), (2) the law passed in the US legislature requiring a SEC ruling on the disclosure of payments by extractive firms, and (3) rules developed by the EC and enacted by the EP through the EU's Accounting and Transparency Directives.[9] We employ the case study approach of Berg and Lune (2012) who distinguish instrumental and intrinsic approaches. Our initial intrinsic approach produced cases with a chronologically ordered concern to better understand the responses of different regulatory bodies to CbCR. This entailed an analysis of public documents

[7] To our knowledge, CbCR disclosures have not been considered by the Financial Accounting Standards Board.

[8] We acknowledge that the three regulators operate in political contexts that are in some ways similar (jurisdictionally in terms of territories covered (e.g., the EC and the IASB) or administratively in terms of reporting to government authorities (e.g., the EC and the SEC) but in other ways are different (in terms of the specific extractive firms in each regulatory site; US versus European and fossil fuel versus mining, for instance). Thus, while we study three important sites of global governance, our sampling choices may impact the ability to bring complex relations between regulators to the fore; however, such "between-relations" are not our analytical focus.

[9] The Transparency Directive addresses the flow of information to EU regulated markets while the Accounting Directive regulates the provision of financial information by companies registered in the European Economic Area.

and press commentary associated with pressures on the three regulators to act on the CbCR initiative. The intrinsic version of the cases involved identifying the significant events and other regulatory actors, mapping out the sequence of events, and understanding each regulator's overall response to CbCR.

As we moved from an intrinsic to a more instrumental, analytical focus, we paid particular attention to the responses of regulatory bodies through the discourse mobilized by key actors around their regulatory mandates. Here, we bring political economy together with a discourse analysis informed by work on strategic ignorance (McGoey 2007) and discursive modes of ignorance and uncomfortable knowledge (Rayner, 2012). We differentiated the various responses by which regulatory bodies and actors dealt with the initiatives, notably whether (and in what ways) discourses of ignorance were used to respond to important jurisdictional debates. This second analysis is the empirical substance of our paper.

Our comparative cases involved a variety of data sources, notably archival documents obtained from the online, public archives of the IASB, the EC, the EP, the SEC, and the US Congress, among others. The archival data includes regulatory proposals, comment letter summaries, meeting minutes, white papers, press documents and other publicly available information specific to each site. We examined comment letters on IFRS 6, IFRS 8, revisions to IFRS 6, the EC proposal, and the SEC proposed and revised rulings. Our purpose is not to comprehensively analyze the content of comment letters for patterns or trends (the analyses in Crawford et al., 2014 and Crawford, 2017 on IFRS 8, and Cortese & Andrew, 2020 on the SEC consultation were very helpful to us) but to focus on the responses of regulatory bodies in relation to claims that regulatory actors make about regulatory mandates. Thus, we concentrate our analysis on documents issued by our focal regulatory bodies that indicate policy decisions made around CbCR, the rationale for those decisions, and any related reference to regulatory mandates.

Our instrumental case approach recognizes that there are fundamental struggles to define and locate accounting regulatory initiatives and institutions in the global system (Arnold, 2012; Power, 2009, 2012; Puxty et al., 1987). Our approach sees these struggles as informed by the discourses of regulatory bodies and other interested actors in the world system. The way they use language, concepts, and principles speaks to the aims and motivations of institutions (Robson, 1993). For example, Puxty et al. (1987) show how discursive shifts fundamentally inform the

responses of accounting rule makers in different national sites. We extend this analysis to a global initiative, incorporating political economic and discursive insights through our two-stage case analysis.

The scope and specific requirements for CbCR have considerable and varied consequences for different actors, prompting extensive debate. We reference primary sources focusing on the writing and speech of actors whose positions gave them more direct access to and knowledge of developments in the field. Where possible, evidence and interpretations were evaluated by triangulating between multiple document sources and actors.[10] We are sensitive to the strengths and weaknesses of our sources (Hammersley & Atkinson, 2007) as such documents may be produced with specific audiences and intentions in mind. Or regulatory texts may be produced with little reflexive thought (Stenka, 2021). However, once in the public domain, statements are not easy to disclaim or ignore (Prior, 2003). Therefore, our analysis relies on the idea that the discourse reflected in public documents is largely representative of the aims, motivations, ideological pressures, and presuppositions of actors in specific contexts (Phillips & Hardy, 2002).

This is consistent with a view that documents reflect the visible, public aspects of responses to regulatory pressures, while many dynamics around regulatory pressures may occur in the background. The visible content presented in public regulatory documents tell us a story about the regulators, regulatory processes, and critical elements of regulation as well as the role those documents play in shaping public perception and argument. Our instrumental analysis involves "the questioning of the document" in the sense that we ask, "not only what the documents tell us, but also whether they were telling the truth, and by what right they could be claiming to do so" by reconstituting the story "on the basis of what the documents say, and sometimes merely hint at" (Foucault, 1972: 6). The documents themselves elicit responses, in the way they call for certain types of action, on certain problems and even with further documents (Riles, 2006: 22). Our comparative analysis then provides an opportunity to contrast reconstituted regulatory responses as a series of interrelated yet distinct cases, each of which follows a specific path and represents individually compelling topics of analysis (Timmermans & Epstein, 2010).

[10] We supplemented archival documents with interviews conducted as part of a related study on the enactment and implementation of CbCR in a different national setting. Participants in that study held positions in government, international accounting and law firms, civil society organizations, and extractive industry associations that also highlighted global CbCR developments and actors.

4. Intrinsic case narratives: Emergence of CbCR in three sites

Through pressure for comprehensive CbCR by the Tax Justice Network (Murphy, 2003) and international NGO activism around societal impacts of extractive industry activities in resource-rich countries by the Publish What You Pay (PWYP) coalition[11], the CbCR initiative initially appeared in the private, international realm of the IASB. Later, alongside G20 and OECD debates[12] on the extractive industry's role in international development and corruption, the CbCR initiative secured legislative admission and enactment by US public regulators through the financial crisis. The admission of CbCR into US legislation occurred around the same time as CbCR was introduced in the EU amidst lobbying by PWYP of members of the EP and after CbCR was linked to non-action by the IASB.

4.1 IASB and CbCR

During an IASB project to develop a standard for extractive industry accounting, Murphy (2003), a legal and tax scholar, submitted a proposal recommending that MNCs in *all* sectors provide extensive disclosure for each country in which they operate, including payments made to governments (Gallhofer & Haslam, 2007). When the IASB invited comments on the proposed extractive accounting standard, *IFRS 6: Exploration for and Evaluation of Mineral Resources* in January 2004, the country-level proposal was not mentioned in the exposure. Nor was it discussed in any of the comment letters received by the IASB (Gallhofer & Haslam, 2007). In addition, there was no mention of country-level disclosure in IASB project meeting minutes or in the final IFRS 6 standard issued in December 2004.

Another version of a country-level proposal appeared during the IASB's deliberation on *IFRS 8: Operating Segments* in 2006 [IASB5].[13] Nearly half of the comment letters received by the IASB in the exposure period came from civil society organizations, who as members of PWYP, submitted letters with themes supporting the arguments of PWYP [IASB2]. The letters

[11] PWYP was launched in 2002 by civil society organizations, including Global Witness, Oxfam, Save the Children and Transparency International. PWYP was originally funded primarily by the Open Society Institute (now the Open Society Foundation) and the Hewlett Foundation.

[12] See for instance G20 Leaders' Statements in the Toronto Summit of July 2010 and the Seoul Summit of November 2010 as well as the 2016 OECD Secretary-General report on *Corruption in the extractive value chain: Typology of risks, mitigation measures and incentives.*

[13] In both our intrinsic case narratives (section 4) and our instrumental analysis (section 5), we reference the archival source documents reflected in Appendix B as follows [Narrative Case + Doc No.]. We have shortened the narrative case reference to reflect the regulator "IASB", "SEC", and "EC". The numbered archival documents in Appendix B are in chronological date order and reflect the title of the document, the source of the document, and the publication date of the document, where available.

from civil society were treated as one submission by the IASB and excluded from comment letter analysis (Crawford et al., 2014; Crawford, 2017; Gallhofer & Haslam, 2007) [IASB4]. CbCR disclosure was absent in the final IFRS 8 issued in November 2006 [IASB6].

In September 2008, the IASB debated CbCR disclosure during a session held with extractive industry representatives on a project to supersede IFRS 6 [IASB7]. In contrast to previous projects, CbCR disclosure appears in the April 2010 IASB exposure document, where the IASB included a question on "whether the requirement to disclose payments made by firms to governments on a country-by-country basis was justifiable on a cost-benefit basis" [IASB9]. While the IASB received comment letters from civil society organizations linked to a formalized PWYP campaign [IASB10], those letters were outnumbered by letters from extractive firms and industry associations. The IASB recommended further study of the potential costs of CbCR disclosure, a move that PWYP and its civil society partners criticized as caving-in to extractive industry pressure.[14] The IFRS 6 revision stalled in December 2010, when the IASB focused its efforts on projects identified for convergence with US GAAP. The IASB removed IFRS 6 from active consideration on its agenda in 2012 and CbCR disclosure has not been considered by the IASB since then. Based on the events analyzed herein, it appears the IASB has tried to resist addressing the issue throughout the period.

4.2 US/SEC and CbCR

An October 2007 legislative committee hearing on US energy security stressed increased revenue transparency in the extractive industry as important to energy development in resource-rich countries [SEC1]. In the following year, the Extractive Industries Transparency in Disclosure Act (EITD Act) was introduced and considered by the US Congress [SEC3, SEC4]. Under the EITD Act, all oil, gas and mining firms, domestic and foreign, with securities listed in the US would be required to disclose payments to foreign governments as part of their SEC reporting. Another proposal for CbCR disclosure was included in the Energy Security Act of 2009. Neither of these bills were enacted; rather, in July 2010, CbCR disclosure requirements were attached as a rider to the Dodd-Frank Act in Section 1504 (Cortese & Andrews, 2020)

[14] See, for instance, *Standard Setters Risk Putting Oil, Gas and Mining Companies Before Investors and Citizens in Steps Toward New Rule* (PWYP, Revenue Watch and Tax Research, April 2010).

[SEC7].[15] Congress assigned responsibility for implementing the detailed requirements of Section 1504 to the SEC.

The SEC issued a proposed rule for public comment in December 2010, with comments due in January 2012 [SEC8]. After a lawsuit was filed by civil society alleging unlawful delay[16], the SEC published its CbCR disclosure rule in August 2012 [SEC11]. The next month, the American Petroleum Institute (API)[17] and several industry co-plaintiffs filed a lawsuit requesting the SEC overturn the rule [SEC12]. The US District Court sent the rule back to the SEC in July 2013, requiring the SEC to reconsider whether the disclosures must be filed publicly and whether certain exemptions should be allowed [SEC13]. Nine months later, members of the Senate urged the SEC to meet its "statutory obligation to enact a rule in a timely manner" [SEC14]. Subsequently, in September 2014, Oxfam America sued the SEC for "unlawfully withholding" the rule [SEC17]. The courts granted the SEC until July 2016 to vote on a revised rule.

In December 2015, the SEC proposed its revisions [SEC18]. Comments on the revision were due by March 2016 and the SEC issued the revised rule in July 2016 [SEC21]. However, in February 2017, under a joint resolution of Congress under the incoming US administration, the revised rules were "disapproved", but Section 1504 was not repealed. The disapproval was such that the SEC could not reissue the 2016 rule in substantially the same form. In December 2019, the SEC proposed a re-revised rule and received comments on this revision through March 2020, ultimately issuing the third version of the rule in December 2020 [SEC23]. The final rule negates a controversial provision on project-level disclosure; disclosure that was adopted in the EC (and other national sites) thereby creating inconsistency in CbCR. Considering the chronology of events in this intrinsic case, the SEC has a faltering history in relation to CbCR, exhibiting degrees of reluctance to act.

4.3 EU/EC and CbCR

CbCR in the EU/EC was initiated by pressure from PWYP and parallel debates on CbCR emerging in the US (Litvinoff, 2015). The European Commission (EC) initially encouraged an approach to CbCR aligned with the IASB's operating segments standard [EC1]. However, the

[15] Title XV of the Dodd-Frank Act, where Section 1504 resides, was inserted into the bill the day before it passed without legislative debate. Over a decade of pressure from NGOs including Global Witness and Publish What You Pay is often credited with leading to this Section of the legislation.
[16] https://earthrights.org/case/oxfam-america-v-securities-and-exchange-commission/, accessed March 12, 2021.
[17] The API represents the US oil and natural gas industry.

European Parliament (EP) pushed the EC to support the "development of an appropriate accounting standard requiring country-by-country reporting by extractive companies" [EC2] and, ultimately, to include that standard within the EU Accounting and Transparency Directives (Crawford, 2017). The EC initiated a public consultation in October 2010, committed to evaluating "the feasibility of requesting certain firms to disclose key financial information regarding their activities in non-EU/EAA countries" by September 2011 [EC5].

The consultation invited stakeholders to consider two disclosures: (1) general CbCR by all MNCs and (2) specific transparency obligations for firms in the extractive industry [EC4].[18] The general CbCR proposal was promoted as a response to the EC's cooperation with developing countries on tax governance [EC3]. While the EU later proposed the general disclosure expanding CbCR [tax] disclosures to all firms [EC16], our focus remains on the specific disclosure obligations for the extractive industry. The EC consultation concluded in October 2011 with a proposal requiring that EU MNCs in the extractive industry disclose payments made to governments [EC10]. The EC's proposal was released along with an impact assessment considering a range of disclosure options, assessed according to their impact on transparency, competitiveness, and potential costs of compliance and their acceptability to stakeholders across these different factors [EC12]. While the impact assessment indicated reluctance by the EC, the EP voted in June 2013 to change the EU Directives, at which point the requirements were put into EU law [EC14]. This change was to be implemented in all EU member states by 2015 [EC15] but a recent survey found that adoption has been varied and patchy (STAR Collective, 2018). As such, while the EC proposal on CbCR was formally adopted into EU law, its focus shifted, and its implementation has been somewhat problematic.

Insert Table 2 about here

We present a synopsis of critical events related to CbCR in Table 2. In effect, Table 2 is the product of our intrinsic case analysis and sets the stage for our instrumental analysis. In outlining the status of pressures for three regulators to act on a proposed requirement for the extractive sector to disclose CbCR, we show that each regulator responded to similar pressures in different ways. Our instrumental case analysis explores those differences.

[18] The consultation reflects requirements similar to Section 1504 of Dodd-Frank but goes further by including the logging industry and by applying to large unlisted as well as listed companies.

5. Responses to CbCR and regulatory mandates

All three regulators respond to CbCR in ways that suggest the disclosure represents uncomfortable knowledge in the way the regulators' discourse indicates CbCR to conflict with claims about regulatory mandates. These claims relate to: (1) the broader purpose of each regulator's mandate (e.g., the nature of topics that are appropriate for the regulator to address), (2) the objectives that the regulator's mandate aims to achieve (e.g., whether the rule's objectives align with those of the regulator), and (3) the interests served by the regulator's mandate (e.g., who is a valid interest and user of information/knowledge). Regulators' discourse around each claim reflects attempts to resist pressures to act on CbCR, mainly the IASB, as well as regulators' reluctance in instances where higher government authorities, US Congress and the EP, ultimately required CbCR enactment by the SEC and EC, respectively.

Table 3 summarizes and frames the comparative insights emerging from our instrumental case analysis. The first row of Table 3 highlights the different modes of responding to uncomfortable knowledge, using the categories identified by Rayner (2012). The second row summarizes the regulator's broad mission as formally articulated in mission statements. These first two rows are elaborated throughout section 5. Rows three, four and five structure our analysis of the different responses of the regulators around three aspects of the mandates of the regulators that emerged from our analysis of archival documents. Section 5.1 discusses regulators' understanding of their broader purpose in relation to CbCR, in terms of whether CbCR is an appropriate issue for them to regulate. Section 5.2 presents regulators' understanding of their specific objectives in relation to CbCR or evaluating the appropriateness of what CbCR is aiming to achieve. Finally, regulators' understandings of the interests served in relation to CbCR is discussed in section 5.3, namely establishing who are the appropriate actors to participate in and benefit from regulator's work.

Insert Table 3 about here

5.1 Constituting the mandate of the regulator through claims about regulatory purpose

Each regulator's response to CbCR in some way depicted the issue as falling outside the topics appropriate for the regulator to address and/or suggested that other regulators were more appropriate to address CbCR. The IASB resisted engagement with CbCR, formulating its

resistance around denial of responsibility for the issue and dismissal of CbCR as a "political" issue and, thus, not one to be dealt with by the IASB. In the US, Congress mandated the SEC to develop CbCR, yet the regulator itself resisted the rule as both "political" and "social", and thereby outside the capital market purview of the SEC. The discourse that appears in the EU does not distance the EC from the "political" or "social" implications of the rule but attempts to displace mandatory CbCR with alternative initiatives and/or ones promulgated by other regulators. These responses reflect particular discourses around the purpose of CbCR in relation to each regulator's mandate.

According to Rayner (2012), denial includes a persistent refusal to act on pressures for information, as was the case for the IASB. When debating IFRS 6, the IASB initially denied the relevance of CbCR for itself. The IASB claimed that it "was the wrong place to tackle this issue" and that there were bodies "that knew more about the subject than the IASB", such as "the IMF, IOSCO, the World Bank and the International Public Sector Accounting Standards Board" [IASB5]. In relation to these bodies, the IASB Chairman highlighted the "political"[19] purpose of CbCR, a sentiment clearly absurd (all purposes are political) but nevertheless repeated by board members commenting that the IASB "did not have a clear mandate to pursue this [political] issue" [IASB5]. Here, the IASB's discourse moved from denial or lack of acknowledgement of CbCR to positioning CbCR as a non-financial market issue, dismissing the initiative as outside its mandate. The IASB's resistance illustrates how regulators may dismiss pressures for action when the action (CbCR) is perceived as uncomfortable in relation to understandings of its purpose.

Then, when civil society actors proposed that CbCR be addressed as part of operating segment disclosures in IFRS 8, the topic was again denied consideration in the IASB's public exposure document (Gallhofer & Haslam, 2007). Board members stated that the issue "needed to be taken on, but outside of the IFRS 8 project, and with the help of the international extractive industries" [IASB8], enrolling the industry itself to create the rules by which it would be regulated. The IASB also suggests that "the one group that could enforce this would be [government] regulators, who showed little enthusiasm for the debate" [IASB8]. While there is an aspect of diverting attention towards other regulators, McGoey (2012a) submits that mobilizing the ignorance (e.g., inaction) of higher authorities (such as government regulators) is

[19] Regulators still claim their activities are non-political. Clearly supporting the status quo and only focusing on financial interests is political (Cooper & Sherer, 1984).

a way for institutions to increase their ability to deny demands around issues considered irrelevant. The IASB is not explicitly accountable to a higher (government) authority (Crawford et al., 2014; Gallhofer & Haslam, 2007; Richardson & Eberlein, 2011) and, while likely concerned about supporters such as funders (through the IFRS Foundation) and capital market regulators, the costs of rejecting pressures may be perceived as low, as its supporters were unenthusiastic.

When CbCR finally appeared in an IASB consultation document proposing a revised extractive accounting standard in 2010, the IASB again challenged the fit of CbCR with the IASB's mandate by dismissing the purpose of the initiative as a social one [IASB13]. Dismissal involves acknowledging the existence of demands for information but only with the goal of rebutting the information as erroneous or irrelevant, and to justify rejecting demands for it (Rayner, 2012). In dismissing CbCR, the IASB constructs its regulatory mandate around the claimed mission "to develop standards that bring transparency, accountability, and efficiency to financial markets around the world" [IASB1] as one that excludes initiatives with a purpose that the IASB simply interprets to be "social". Here, the IASB goes beyond its unwillingness to recognize the issue by formally presenting CbCR as contradicting the IASB's capital market purpose.

While the SEC also attempts to dismiss CbCR, the US regulator further mobilized discourses of diversion in constructing its regulatory mandate relative to the purpose of CbCR. An extractive industry comment letter[20] reflecting industry sentiment referred to CbCR as a "global political concern" [SEC20], falling outside the SEC's "core mission… to protect investors and to promote competitive and efficient capital markets [and facilitate capital formation]" [SEC9]. Several SEC board members repeat this statement in dismissing the purpose of CbCR, highlighting the political sensitivity of the topic and how it does not further the mission of the SEC [SEC24-d]. This discourse takes for granted the capital market orientation of the SEC. Yet, such an orientation does not preclude social and political issues (however those may be defined) from consideration by public regulators and the SEC's own mandate to "promote a market environment that is worthy of the public's trust".[21] Still, over the years of CbCR debate, leaders of the SEC questioned the regulator's own efforts to "effectuate social policy or political change"

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[20] All comment letters referenced in this section of our paper were also referenced in the rules issues by the SEC. We interpret these letters as informing the SEC's rule-making process.
[21] https://www.sec.gov/about.shtml, accessed June 1, 2017.

[SEC16], dismissing CbCR as having a purpose falling "outside of our jurisdiction and practical authority" [SEC24-a].

However, the US Congress and judiciary compelled the SEC to engage with CbCR. In this sense, outright resistance to and denial or dismissal of pressure to act on CbCR was not an option for the SEC, placing the SEC somewhat at odds with its regulatory mandate and perhaps exacerbating its reluctance towards the uncomfortable knowledge it confronted. The SEC discourse also exhibits diversion around its regulatory mandate. For instance, the SEC presents its response to CbCR as meeting the SEC's mandate from Congress, quoting from the Dodd-Frank Act in stating that the rules would promote "US interests in… accountability, stability, and good governance" [SEC21, SEC19]. However, the SEC takes care not to claim this purpose as its own, instead highlighting how the SEC's "discretionary authority [to develop the rule]… is limited… to executing the Congressional mandate" [SEC21, SEC19]. Through such diversionary discourse, the SEC distances CbCR from its own regulatory mandate, appeasing the regulated as to the SEC's "powerlessness" in the matter, while appearing to conform to the requirements of higher authorities at the US Congressional level.

The EU setting also reveals resistance to respond to pressure to act on CbCR. The EU's political, social, and economic purpose is pursued and realized by different EU agencies, including the European Commission (EC) (Soverchia 2008). The EC's regulatory mandate suggests that it is responsible for proposing, implementing, and enforcing legislation that "protects the interests of the EU and its citizens" through its directives.[22] In contrast to the IASB and similar to the SEC then, the EC is a regulatory body whose mandate may be inferred to encompass the capital market, and also social and political issues, to a greater extent and thereby CbCR may represent a less uncomfortable topic for the regulator. Yet the EC initially resists the idea that CbCR disclosure falls under its regulatory mandate and alludes to a narrower capital market orientation. However, rather than debating over the political and social purpose of CbCR, the EC/EU discussion centered on rule-equivalence (e.g., supposedly similar rules developed by other regulators) to suggest that CbCR was already (and better) addressed by other regulators.[23]

Indeed, the EC's consultation document [EC3] and accompanying CbCR impact assessment [EC12] reflect attempts to not only divert attention towards another regulator but also displace

[22] https://europa.eu/european-union/about-eu/institutions-bodies/european-commission_en, accessed June 1, 2017.

[23] In the US setting, equivalent standards or rules were also mentioned. It appears that such rules were used to justifying decisions taken in promulgating the detailed rule.

CbCR as falling under the EC's purview by substituting alternative solutions (Rayner, 2012). For instance, the EC attempted diversion in its preference for a common global CbCR standard, suggesting that the IASB is a more appropriate regulator to promulgate CbCR, as "an international accounting standard would ensure a true level playing field worldwide" [EC7]. Yet, as Crawford (2014) reminds us, "international accounting standards can only be adopted if . . . they are conducive to the European public good and they meet the criteria of understandability, relevance, reliability and comparability required of the financial information needed for making economic decisions and assessing the stewardship of management".[24] In the EP's emphasis on the European public good, there is clear recognition of social and economic purpose within the regulatory mandate of EU regulators. It was also acknowledged that a rule promulgated by the IASB (and later enforced within the EU) would require "negotiation and compromise between the EU and its international partners, and the outcome of such negotiations would be difficult to foresee" [EC7].

Unable to shift CbCR to private accounting regulators, and required by the EP to proceed, the EC promoted the idea that "substantial equivalence" between EC rules and CbCR rules being implemented in other regulatory sites would "level the playing field"[25]. Substantial equivalence and levelling the playing field are common regulatory discourses that in this case displace attention from the EC's role in promulgating CbCR. For instance, the EC claimed that CbCR aligned with information already being made available voluntarily through the Extractive Industry Transparency Initiative (EITI)[26] (Chatzivgeri et al., 2017). In this way, the EC displaces the necessity to act by suggesting that the information the EC was pressured to act on is available elsewhere.[27] While the EC endorsed the EITI as a CbCR regime recognized worldwide, the voluntary nature of the EITI was argued not to go far enough to encourage EU countries to join. EITI progress at enrolling governments was (and remains) limited and all but a few extractive firms ignored calls for voluntary CbCR (Gallhofer & Haslam, 2007), lending to the conclusion that a mandatory rule was needed [EC12]. Obligated to act, the EC also identified its own rules

[24] This refers to the Directive of the European Parliament and of the Council of July 19, 2002 on the application of international accounting standards (COM (2002)1606).

[25] The idea of level playing fields has been considered and critiqued by many scholars of public policy. For an attempt to see how such an ideal is operationalized in accounting policy making, see Smirnow and Cooper (2018).

[26] The Extractive Industries Transparency Initiative (EITI) focuses on reconciling governments reporting on revenues received from the extractive sector with MNCs reporting on payments made to those governments.

[27] EITI references are observed in the US setting in both the 2012 and 2016 SEC proposals with a similar argument that the voluntary nature of EITI would not bring about adequate CbCR disclosure.

as matching "requirements foreseen in other jurisdictions, creating a near identical regime to Dodd-Frank" [EC10]. The EC does not refute the purpose of CbCR or suggest the rule conflicts with its regulatory mandate, but instead suggests that it is enacting rules developed by other global regulators, thereby distancing itself from any discomfort associated with the detail of those rules.

Overall, regulators respond to pressure to act on CbCR by constituting their mandates through claims about the purpose of CbCR in a way indicating that CbCR represents uncomfortable knowledge for them. Each regulator suggests a different regulator would be more appropriate due to the political or social purpose of CbCR. Here we see an aspect of the division of regulatory labor that is quite different than the focus in the literature that emphasizes private takeover of regulation or a problem of international orchestration. When unable to resist pressure, the SEC and the EC also shift attention to CbCR actions undertaken in other regulatory sites to distance themselves from promulgation of the rules' details. Rayner (2012) draws on Mary Douglas' concern with collective memory and "structural amnesia", or collective forgetting, emphasizing that, "ignorance is a socially produced and maintained phenomenon, and the ways that knowing and not knowing are interdependent." (111) The regulators in our study refer to mandates but with no evidence that these were, in fact, carefully examined. A careful examination by regulators of the interdependence of the "social" or "political" nature of issues with the economic would allow a debate about mandate. Yet to do so would challenge or expose gaps in their collective understandings and accepted facts of the regulator. What is surprising is that those pushing for CbCR did not challenge the regulators' understandings of their mandates relative to the purpose of CbCR. Rayner further suggests regulators are more vulnerable to uncomfortable knowledge when they lack diversity of viewpoints; it is perhaps unsurprising then that the EU is the site where CbCR gains the most traction, even if, as we will see, the response is a displacement of the objectives of the regulation.

5.2 Re-problematizing objectives relative to regulatory mandates

Regulatory responses to CbCR involve each regulator problematizing what the issue specifically aims to achieve relative to the regulators' understanding of their mandates. IASB resistance to pressure to act on CbCR was formulated around the notion that CbCR's focus on corporate accountability to society was an inappropriate objective for the IASB. The SEC's reluctance was similarly formulated around the accountability of extractive firms but also accountability of governments to society and related anti-corruption efforts being outside of the SEC's core mission but trying to placate the US Congress in its focus on both. Finally, the EC response reveals discourse that downplays corporate accountability to focus on accountability of the governments in countries where extractive firms operate. This reflects a displacement of CbCR as less a problem of corporate accountability and more a problem of corruption in governments who host extractive firms.

According to Richard Murphy, the author of the 2003 report promoting CbCR with the IASB, broader CbCR began as a mechanism to reveal information about MNCs, including to understand "where it traded and what it did in each place", to provide information from a "local perspective on the global affairs of a multinational" [amounts of economic activity in a given jurisdiction, contribution made by the company to the local economy through taxes paid, etc.], and to indicate the "degree of dependency of a local operation on the group as a measure of the risk the operation creates in a local economy" (Murphy, 2016; TJF, 2014). Murphy further laments, "much debate on CbCR often ducks the substance of these three key issues" (TJF, 2014: 2). Indeed, debates over CbCR in the extractive industry initially promoted extractive MNC transparency and accountability around firm payments to governments in relation to the "resource curse" and the impact of extractive activities on local economic and social conditions.[28]

The IASB Chairman indicated that the focus on firm payments to governments "might cause some problems" [IASB5] as the objective of CbCR was suggested to be corporate accountability to governments rather than the capital market. Framing firms' payments to governments as the objective of CbCR aligns with the IASB's overall discourse that places the issue outside of the purview of the IASB whose mandate involves developing "IFRS that bring transparency, accountability and efficiency to financial markets around the world" [IASB1]. Key extractive industry actors commenting, for instance, on IFRS 6 argued that:

[28] For example, Global Witness, published, "A Crude Awakening" in 1999, on the role of oil companies and financial institutions in the misuse of state assets in Angola.

> "Helping citizens in developing countries hold their *governments* accountable for the use of revenues received from commercial industries is a laudable endeavor… Information about industry payments, government receipts, and government spending is needed… to achieve transparency and *government* accountability". [IASB11] (*Emphasis added*)

The implication is a dismissal of transparency and accountability of extractive firms resulting from CbCR as falling outside of the IASB's regulatory mandate, while the industry promotes the need for transparency and accountability of governments.

Debates over the focus of CbCR objectives on extractive firm or government accountability were also present in the US/SEC. Leading up to the enactment of CbCR legislation, US Congressional testimony focused on anti-corruption efforts and lack of societal progress despite significant payments to nation states imbued with natural resource wealth [SEC5]. In this regard, lack of transparency and accountability by extractive firms were asserted to:

> "lead to corruption; setbacks in the progress toward democracy; enrichment of elites; political instability; and a failure to invest in education, agriculture, and industries that create jobs and produce exports". [SEC6]

However, during early legislative debates a former extractive industry executive argued that CbCR of payments made to governments was in the interest of the extractive firms because:

> "Too often, companies are exclusively blamed for the lack of economic and social development in many of the poorer regions and countries in which they work. What is often not known by the citizens of such countries is the significant sums of money paid by companies to host governments in the form of taxes, royalties and signature bonuses." [SEC2]

This statement implies that CbCR might reduce the extent to which extractive firms are seen as responsible for corruption, political instability, and lack of societal progress in the regions those firms operate, allowing citizens to hold their governments accountable for the use of public funds. Discourse about objectives expressly distanced the extractive industry from accountability, maintaining that CbCR legislation was passed "to increase the accountability of governments, not to force public companies to pay more to develop natural resources, or to expose them to activism by special interest groups" [SEC20]. Thus, industry commentators do not argue that CbCR would fail to produce anti-corruption and accountability benefits, rather they link those benefits to transparency around government level activities, effectively diverting attention from firms.

Whereas extractive firms deflected the objective of CbCR away from corporate accountability, civil society articulated *both* firm and government accountability in their comment letters [SEC10]. Regardless, the 2016 revised SEC rule only vaguely suggests that *both* the accountability of extractive firms and the accountability of governments matter in addressing transparency, accountability, and corruption, as in:

> "The API appears to have an unduly narrow understanding [of Section 1504], ...whose accountability goals are broader and include, …providing transparency to members of local communities so that they can hold their government officials *and others* accountable for the underlying resource extraction agreements to help ensure that those agreements themselves are not corrupt, suspect or otherwise inappropriate." [SEC21] (*Emphasis added*)

In the 2016 revision to its CbCR rule, the SEC neglects to specifically identify extractive firms as the "others" to be held accountable. This claim about the objective of CbCR can be seen as a diversion (Rayner, 2012) as it again distracts attention away from the regulated, e.g., extractive firms, and towards an ambiguous "other". Furthermore, the SEC rule issued in 2020 no longer refers to "others" as part of the SEC's understanding of the principal objective of CbCR, now stated as a "tool that may help users of the information to hold various governments accountable for how those governments spend money received" [SEC23]. The US ultimately displaces extractive industry firm accountability completely. In addition, dissenters within the SEC suggest a change in the level of reporting in the 2020 rule makes it "difficult if not impossible to identify the source of corruption" [SEC24-b]. As such, the rule is not in keeping with "international transparency and anti-corruption efforts around the commercial development of oil, gas, and minerals and greater accountability of government officials" [SEC24-b]. Countering the dissenters, however, other SEC board members claimed that transparency, accountability, and anti-corruption efforts inherent to CbCR "touches on foreign relations, trade policy, international human rights, among other areas... simply not within our expertise, nor does it further our mission" [SEC24-d], dismissing the rule's objectives as incompatible with their view of the SEC's mandate.

The final rule written into the EU directives also focuses on government accountability [EC10], despite claims by the EC that what "a multinational pays to a host government will show a company's financial impact in host countries" [EC9]. Civil society actors in the EU also indicate that CbCR would allow them to assess accountability of extractive firms through the contributions they make to governments. In contrast, extractive firms argued that IFRS 8

provides adequate information on firms' country-level activities while agreeing that, through CbCR, civil society, "might have the information needed to hold governments to account for exploitation, for how the money has been spent locally and for whether contracts with the government delivered value to society" [EC8]. This shift in focus is reminiscent of the way in which US extractive firms initially divert and then displace attention from firm accountability, downplaying the role that CbCR plays in highlighting exploitation by firms, while emphasizing the role of CbCR in highlighting exploitation by governments outside the EU.

When CbCR was enacted into EU law, Commissioner Barnier claimed that the agreement would "bring in a new era of transparency to an industry which is far too often shrouded in secrecy… as well as create a framework so that both companies and governments can be held to account on the use of revenues from natural resources" [EC13]. However, the EU Directives do not contain language referring to the accountability of extractive firms, stating that CbCR disclosure will "serve to help governments of resource-rich countries to… account to their citizens for payments such governments receive from undertakings active in the extractive industry" [EC17]. Thus, the regulator does not engage with the extractive issuer accountability, promoting instead the government accountability objective of CbCR.

By the time the EU put CbCR into the Directive there were strong interconnections between the anti-corruption and government accountability and tax governance/justice movements which we also observed in lobbying over CbCR. There was also mounting public concern about tax evasion and avoidance, shrinking public finances, questions of ownership and contracting, and wider calls for tax justice in all sectors of the economy (Litvinoff 2015). Here, the EC's work follows through on the commitments made by G20 leaders, who pledged to ensure that tax authorities exchange information about large multinationals, including the use of CbCR [EC16]. At the same time, tax governance proposals embedded into the EC consultation on CbCR were claimed by extractive industry commenters as "outside of the scope of financial statements designed to communicate with shareholders, not tax authorities" [EC8]. On the other hand, public regulatory authorities "were interested in tax information on intra-group transfers" and civil society users for holding "governments and companies to account for tax policies and agreements" [EC8]. Despite issues of tax justice were as much about accountability to the public (after scandals involving firm such as Starbucks, Amazon and Apple), tax governance does not appear in the EU Directive on CbCR; however, the EC did unveil an action plan for fair and

efficient corporate taxation that would mandate multinational firms disclose CbCR (including profits and taxes paid) (Boland-Rudder, 2015).

Overall, regulators respond to pressure to act on CbCR by re-problematizing the objectives of the disclosure relative to their mandates. Despite having a mandate that speaks directly to transparency and accountability, the IASB dismisses CbCR as a mechanism of corporate accountability to society outside of its regulatory mandate. The SEC, whose mandate does not directly speak to transparency and accountability, but who is responsible for monitoring firms' compliance with anti-corruption laws, also dismisses the corporate accountability focus and diverts attention from that objective by highlighting CbCR as a government accountability mechanism. Likewise, the EC also diverts attention from corporate accountability as well as from corporate tax transparency. In each of our cases regulators try to avoid pressures to act on uncomfortable knowledge around CbCR by moving the objective away from extractive industry transparency and accountability. Indeed, both the US and EU case are examples of what Rayner (2012) refers to as displacement and reinforce Rayner's observation that "displacement is more subtle than diversion in that it does not merely distract attention away from an area that might otherwise generate uncomfortable knowledge by pointing in another direction, which is the mechanism of distraction [diversion], but substitutes a more manageable surrogate" (120). We are not willing however to support Rayner's suggestion that such responses may be necessary for organizations and societies to operate. What we have instead demonstrated is that each regulator (re) frames the objectives of CbCR in ways to manage the specific pressures that impact its own uncomfortable knowledge.

5.3 Constructing appropriate interests and excluding alternative interests

Debates about objectives of CbCR are related to but distinct from understandings about how CbCR relates to understandings of accounting's link to the public interest (Neu & Graham, 2005; DiFabio, 2020) or the construction of interests in accounting regulation (Robson, 1993). The responses of the regulatory bodies we study highlight CbCR as speaking to interests outside of the appropriate range of actors participating in and benefiting from accounting regulator's work and suggest that pressures to act on CbCR deriving from such interests are irrelevant. IASB resistance to pressure to act on CbCR was formulated around the notion that CbCR is not an issue of interest to investors, but rather one for "other users", and thus not an issue to be dealt with by the IASB. The SEC's reluctance to frames CbCR around the notion that CbCR is not beneficial to capital market decision-makers, or the extractive industry itself. The response in the EU site, however, reveals discourse that considers a wider range of interests and how CbCR appropriately serves those wider interests. Discourses around the interests that CbCR addresses are also set in relation to each regulator's understanding of its mandate.

Each regulatory body promotes the protection of an ill-defined "public interest" as the primary beneficiary of accounting. For instance, the IASB's mission claims to serve "the public interest by fostering trust, growth, and long-term financial stability in the global economy" [IASB1]. Yet the IASB's "public" is conceptualized through a specific financial model of capital market participants (Brine & Poovey, 2017), suggesting that only particular users and their interests matter, namely some, historically-varying, manifestation of investors (Young, 2006; Ravenscroft & Williams, 2009; Durocher & Gendron, 2011; Pelger & Speiß, 2017; Zhang & Andrew, 2014). Since regulators wish to avoid denial of a strong link to the public interest, their refusal to acknowledge such interests or their dismissal of those interests, especially where other groups seek to bring attention to broader matters or conceptions, may create discomfort for regulators (Rayner 2012).

In the IASB case, both IASB and extractive industry claims about appropriate interests align with the investor view. For instance, the extractive industry emphasizes a narrower regulatory mandate for the IASB in prioritizing the interests of investors, stating that:

> "the goal of financial reporting is to provide investors and capital market participants information on the financial position and the performance of an entity. It is not clear how providing proposed payment information helps this goal." [IASB12]

Civil society, however, interprets the IASB's regulatory mandate as serving a broader set of actors who may be interested in accounting and disclosure:

> "The publication of information on revenues paid by extractive industry operators and other companies to governments on a country-by-country basis is in the interests of all users of financial statements *and the public at large*. Both investors *and civil society organizations* in developed and developing countries are users of company financial statements". [IASB3] *(Emphasis added)*

While a few IASB members acknowledge that "from an investor's point of view it is important to know investment risk of operating in certain countries" [IASB5], the IASB also asserts that outside of "corporate governance activists [civil society organizations and responsible investments funds]… there is overwhelming opposition to the proposal to publish what is paid to the government" [IASB13]. In highlighting civil society and responsible investment fund managers as minority "activists", the IASB dismisses their claims, suggesting that such preferences do not align with the regulatory mandate of the IASB and insinuating that that such interests constitute an irrelevant source of pressure to act on CbCR.

Thereafter civil society organizations criticized the IASB for not recognizing civil society as a valid user of accounting and disclosure.[29] These users were confronted with the experience that the private accounting regulators operate in a domain in which the input of "other interests" is heavily constrained (Hopwood, 1994). Interestingly, the interests of 'responsible investment' funds are also disregarded as they are treated as behaving inconsistently with prevailing sense making within the IASB (Vaughan, 2005).

Similar sentiments are conveyed in the way the SEC interprets the interests served by CbCR in relation to its mandate. In the SEC setting, the extractive industry claims that CbCR addresses interests outside those of "a typical provision of the Exchange Act that seeks to protect investors" [SEC20], despite some investment firms claiming that CbCR is important to investment decisions. For example, a coalition of asset managers, responsible investors, and pension funds argued the benefits of CbCR to investors [SEC15]. An investment executive argued that:

> "From an investor perspective, the key is reducing risk – operating risk for oil, gas and mining companies who face potential unrest – even violence – from a populace that sees little benefit from its mineral wealth; commercial risk from the threat of contacts being torn up on the back of resource nationalism; and market

[29] *The Unaccountable Setter of the Accounting Standards* (PWYP, Nov 2, 2010).

> risk from volatility in commodities prices, which is exacerbated by social unrest." [SEC15]

Here, we have supposed legitimate users, investment firms, to whom the SEC's regulatory mandate speaks, indicating that CbCR is useful in incorporating a notion of risk that includes country-level investment risk associated with political and societal factors. Yet the SEC dismisses such investors as having interests excluded for being inconsistent with the frame of modern financial economics (Preda, 2005) through which the SEC's regulatory mandate is primarily viewed. Such investors may be future-oriented, calculative users, yet their views are dismissed as illegitimate since they do not behave in line with financial economic models.

The SEC elaborates its dismissal of investor interests further by suggesting that CbCR does not appear to "generate measurable, direct economic benefits to investors or issuers" [SEC21]. Yet in voting on the latest US rule, some argued that there is insufficient data (e.g., ignorance) about whether CbCR "could have longer term positive impacts on economic growth and investment in certain countries where affected issuers operate which in turn could benefit issuers and their shareholders" [SEC23]. Despite the claimed lack of evidence, the chairman of the SEC even went so far as to suggest that CbCR:

> "is employing the SEC's world leading, highly effective investor disclosure regime to address the interest of non-investors or parties for whom investing is not their primary interest. This posture runs the risk of our disclosure framework *subordinating the interests of investors to other interests*." [SEC24-a]

While the SEC dismisses "other interests" in CbCR, particularly of responsible investors who "consistently throughout the course of SEC rulemaking explained that the disclosures do yield material information [to investment decisions]" [SEC24-c], it diverts attention towards what are the SEC's understandings of the interests of the regulated. According to Rayner (2012), discourses that divert attention suggest the information is difficult to reconcile with policy intent and actions. Here, CbCR is regarded as difficult to reconcile with an interest in fair, orderly and efficient markets. For instance, the SEC has long promoted policy choices around CbCR that "lessen the compliance burden" and "alleviate competitive concerns" [SEC21] for firms, despite statements from firms themselves that significant compliance costs and anti-competitive effects have not materialized under CbCR regimes [SEC22]. Overall, the SEC's reluctance to regulate CbCR and its use of diversion promote the idea that CbCR does not serve the "right" interests, in this case the interests of extractive MNCs themselves. This aspect of the SEC's response as a

public regulator relates to Pelger and Speiß (2017) who show that (private) accounting regulators privilege the interests of an "inner circle" of not only investors but also the firms being regulated, such that firms constitute a significant pressure.

For the EU, we observe discourse referring to CbCR as serving the broader, public interest, as well as to narrower conceptions of market interests going beyond the inner circle of privileged user interests in the IASB and SEC setting. The regulatory actors commenting on the EC consultation primarily include civil society organizations and extractive firms, similar to the IASB and SEC cases. The difference being that commentators were invited to consider not only whether CbCR would be useful for investors but also on whether CbCR would be useful for improving government accountability and tax governance [EC3]. In this way, the EC's consultation process itself was, from the outset, directed at a broader range of "appropriate" interests (such as public concerns about accountability and tax).

The extractive industry rebuffed the usefulness of CbCR both for investors and global tax authorities, arguing that investors were not demanding the disclosure [EC8]. Interestingly, in this case the extractive firms seem correct as the only three investment firms commenting on the EC consultation suggest that CbCR is not of interest from an investing or tax standpoint. However, 13 commenters on the EC consultation document were civil society actors claiming that CbCR fills a gap in accounting and disclosure rules that are currently unfit for:

> "meeting the needs of investors, tax authorities (for whom current reporting offers almost no information benefit in the exercise of national tax collection functions), and citizens working to hold companies and their governments to account". [EC6]

In speaking for investors, one civil society commentator states as evidence "that all of the ten investor submissions to the IASB consultation on… extractive industry [accounting] supported the call for CbCR" [EC6]. Ultimately, the EC impact assessment describes CbCR as,

> "providing relevant information to *civil society* in order for it to hold governments accountable for their receipts from allowing the exploitation of natural resources." [EC11]

As such, in the EC setting, not only are "other interests" deemed appropriate in relation to the regulator's mandate to protect the public interest, but it seems that civil society organizations, rather than investors, constitute a *primary* user of CbCR. Indeed, the civil society organization PWYP, "claims and evidences themselves as a powerful international civil society movement" that drove the enactment of CbCR in the EU by initiating "high-level dialogue with EU political

leaders and officials in influential member states, with European Commissioners and with [Members of the EP] well before the first legislative proposals emerged" (Litvinoff 2015: 8).

Overall, regulators respond to pressure to act on knowledge that potentially conflicts with their regulatory mandates through claims about appropriate interests. Despite broader public interest claims, the IASB and the SEC dismiss both civil society organizations and responsible investors' interests as inappropriate interests compared to the interests of extractive firms. In contrast, the EC describes civil society organizations as the primary beneficiaries of the CbCR rule, displacing interests of the extractive firms and investors alike.

Of course, there is a well-established understanding from a variety of theoretical perspectives that interests are constructed and dynamic. Historical analyses show how understandings and construction of interests change (Young, 2006), are a product of political work (Robson, 1993; Willmott et al., 1993; Neu & Graham, 2005) and are used as discursive weapons in regulatory debates (Pelger, 2016). We see all three features in our cases. The IASB condemns proponents of CbCR as 'political', failing to acknowledge its own politics (e.g., Zeff, 2002) of maintaining support for capital market users, even as such users are shifting their so-called needs through expanding conceptions of risk. The SEC dismissal response is a story of shifting understandings of the role of the regulator and its relationship with Congress and the courts, moving to a response of diversion in its reluctance to act. The EU case conceptualizes interests in terms of a generalized public and in so doing, displaces the original interests promoted by many of those involved in tax justice and shifts to an interest in non-EU government accountability and corruption.

6. Discussion

Our instrumental analysis of the three regulators' responses to demands for CbCR extends our understanding of (discourses of) ignorance (McGoey 2007, 2012a, 2012b, 2019; Rayner, 2012) in regulatory settings by not only considering the nature of the problem and the possible solutions but also by considering the sense making of the regulators themselves. The demands regulators faced reflect not just the complexity of the associated issues, but the way these are understood by the regulators, in terms of the purposes, objectives and interests seen to be served by CbCR relative to regulatory mandates. We unpack these notions to highlight how regulators make sense of their world and respond when such issues threaten to undermine key institutional

arrangements or reveal substantive disagreements about the "facts" associated with what regulators do (Rayner, 2012). In doing so, we offer some further comments on the division of regulatory labor, evolving conceptions of regulatory mandates and participation in accounting regulation.

6.1 Implications for the division of regulatory labor

Regulators responded to similar pressures to act on CbCR through discourses reflecting regulatory resistance and reluctance. These discourses indicate that none of the regulators were eager to address CbCR, instead placing it outside the realm of their regulatory mandates and trying to shift responsibility for regulatory labor to others. The distinct responses of regulatory bodies to pressures to act on CbCR variously challenge prior research on trends in the division of labor between national and international, public and private regulatory bodies and the cooperative or competitive nature of global regulation. Whereas Reinecke et al. (2012) conceive of "standards markets", with different regulatory organizations competing or collaborating over a fixed object, our cases show (also unlike Chiapello & Medjad, 2009; Bengtsson, 2011; Crawford et al., 2014) little overt collaboration or competition between private or public regulators over CbCR. For example, the IASB's resistance to pressure to address CbCR suggest neither a private takeover of public initiatives (Caramanis, 2002; Cutler et al., 2001; Büthe & Mattli, 2011) nor a desire to prevent public regulators from picking up the initiative (Cafaggi & Janczuk, 2010; Green, 2010). Likewise, the public regulators in our cases can be considered neither to be explicitly in retreat (Cutler et al., 2001) nor to be looking to private regulators to develop rules into public law (Chiapello & Medjad, 2009; Crawford et al., 2014). Rather, each regulator was reluctant to act on pressures to develop CbCR, with private regulators resisting and public regulators reluctantly following through in different ways after being pressed by legislators and courts, and where wider pressures could be articulated.

For instance, in the US, if civil society had not brought a lawsuit against the SEC, we doubt whether the SEC would have developed specific and meaningful rules on CbCR. The SEC's reluctance, and ultimately its "justifiable compromise" on CbCR (Cortese & Andrews, 2020), suggests a desire to do nothing while appeasing the legislature and the courts. In addition, the 2020 SEC rule represents a weaker form of CbCR than enacted in the EC, with a more aggregate level of disclosure. That the rule stands in contrast to the more detailed, project level

requirements in the EU and elsewhere raises serious doubts about the rule's impact. The EC was aware of the IASB's resistance to CbCR and the SEC's reluctance. While the EC itself exhibited a certain reluctance to act on CbCR, the EP pushed the CbCR initiative. Debates about regulatory labor posit the EU as a "regulatory force" that "rivals the US" in its ability to shape rules (Mügge, 2014: 5). Some authors suggest the "regulatory imperialism" of the EU (St. Charles, 2010: 399) and the EU's attempt to control international rulemaking in the post financial crisis period (Mügge, 2014). In our case, questions around the fragility of EU commitment to CbCR remain since EU member states are required to write their own version of CbCR into law at the national level. Here, it appears that the rule has been weakly implemented and lacks a strong enforcement mechanism to hold governments, firms, or even the EC itself accountable for CbCR (Chatzivgeri et al., 2019; The STAR Collective, 2018). In this way, the response of the EC may reflect compromise between a greater market orientation, or desire to maintain the support of those regulated, along with an entreaty to maintain a position of power among global hegemons (Crawford et al., 2014).

Without government backing the rules, firms have limited incentive to disclose information voluntarily, while civil society has limited monitoring and no enforcement capacity. Therefore, public regulators continue to play a powerful and important role (Alon et al., 2019; Arnold & Sikka, 2001; Joyce, 2014), despite regulators may seek to limit or constrain access to alien elements in their jurisdiction.[30] If doing so produces justifiable compromise and weak implementation by public regulators, their powerful and important role may actually threaten to diminish the proposed benefits of CbCR. As such, our study suggests the need to further investigate the role and accountability of public regulators in implementing, monitoring and enforcing rules of business conduct (Kourula et al., 2019). This includes exploring a broader conception of the possibilities for accounting and disclosure to address core social, environmental, and political concerns of different segments of society, and which aim to make targets of regulation more accountable to multiple parties (Murphy et al., 2013). Such exploration is in keeping with research that highlights questions around what both private and public regulators mean when they claim objectives in the public interest (IFRS Foundation/IASB, 2015) and to continue to flush out who represents the "real" public to these

[30] We thank the Editor for acknowledging out how our case reflects the opposite of regulatory competition and jurisdictional expansion, contrasting extant literature on regulatory dynamics as well as Abbott's (1988) thesis on the division of expert labor where the field of expertise is competitive, and jurisdiction is to be staunchly protected.

regulators, and what are their interests. Overall, if we are to understand the division of regulatory labor around issues that make regulators (and others) uncomfortable, it seems we must not only better explicate regulatory mandates but also further explore discourses of ignorance around the purpose, interests, and objectives that underpin those mandates (Kourula et al., 2019; Stenka, 2021).

6.2 Implications for constructions of regulatory mandates

When regulatory bodies face uncomfortable knowledge, or pressures to act on issues that they may interpret as contradicting their mandates, their responses may reflect the cultivation of ignorance (Mallard & McGoey, 2018; McGoey, 2007, 2012a, 2012b, 2019; Rayner, 2012). Indeed, the responses we observe reflect modes of ignorance that demonstrate how each regulator's mandate is perceived to conflict with CbCR, in the way that CbCR speaks to wider social and political concerns, has different objectives, and appeals to a broader set of interests than conventional understandings of the mandates of our three regulators seem to imply.

Requiring extractive firms to report on the payments they make to governments highlights the way broader conceptions of disclosure speak to the fundamental interdependence of economic, political, and social purposes of corporate disclosures, an interdependence that has long been disregarded by accounting and corporate regulators. Research highlights regulatory awareness about MNC's impact on society (e.g., Veltmeyer, 2013 and others), but until recently there has been an unfortunate tendency to view accounting and social reporting as separate regulatory domains, with literature that fails to relate to the other. Social and political concerns continue to represent uncomfortable knowledge for regulators who focus on financial market concerns and ignore public interest concerns with corporate accountability (Ravenscroft & Williams, 2009; Zhang & Andrews, 2014). For instance, the SEC discursively shifted the focus away from extractive firms, their social impacts, and wider conceptions of risk. This is despite accounting for extractive firms emphasizes the inseparability of politically and socially sensitive risks that investors now worry about in relation to the extractive sector (Healy & Serafeim, 2013, 2020), as well as in ESG and sustainability more generally.

In relation to these risks, all three regulators shifted the gaze of regulatory objectives away from extractive firm activities and the exploitation of developing countries by extractive firms, and towards accountability and corruption by the governments of resource rich countries. For example, the EC moves the discourse away from transparency in tax governance and extractive

firm accountability and towards non-EU government accountability, an objective that aligns with the EU tradition of emphasizing civil law and public interest regulation (Crawford, 2017; Ogus, 2004) yet ignores extractive firms. Social and environmental campaigns, however, continue to expose unfavorable effects of natural resource exploitation, with bribery and corruption in contracting between MNCs and governments often seen as leading to social unrest, environmental degradation as well as a lack of societal progress (Santora, 2015; Verweijen & Dunlap, 2021). Furthermore, evidence of tax avoidance and profit shifting by extractive MNCs, as well as tax deals that benefit MNCs and/ or state elites, but whose benefits do not benefit society, continue to prompt discussions on fair and efficient corporate taxation (Losson, 2015; Taylor et al., 2015). As such, the specific objectives underlying the way that corporate activities are regulated and the way regulators and interested actors conceptualize transparency (Mehrpouya & Salles-Djelic, 2019), accountability (Radcliffe et al., 2017), and corruption as accounting and disclosure objectives (or whether they remain as such) represent important concerns for both research and policy-making.

As of this writing, debates over whether the IFRS Foundation should take a more proactive role in "non-financial" accounting and disclosure are playing out in attempts to create a new international board regulating sustainability reporting alongside other regulatory bodies (such as the GRI and the recently merged SASB and IIRC). This is an important turn of events for an institution that governs the IASB, most notably in terms of the interests to be served and whether accounting regulators are only concerned with acting for financial interests. Further, the SEC has similarly been pressured to act on issues perceived as having a "non-financial" purpose, including conflict minerals, diversity, and political action disclosures. Future research would do well to examine evolving responses to pressure for action on socially or politically sensitive, so-called "non-financial", initiatives and the uncomfortable knowledge these initiatives may represent to regulators. Further, there are important questions of whether and how uncomfortable knowledge should or can be made comfortable through regulatory interventions around sustainability reporting. Such interventions, alongside regulators' responses to pressures to act, are significantly influenced by who is involved in accounting regulation and what status they have for regulators. With this observation we turn to some of the implications of our case relating to debates on participation in accounting regulation.

6.3 Implications for participation in (uncomfortable) regulatory debates

Rayner (2012, 123) discusses uncomfortable knowledge as:

> "a bridge between wicked problems and clumsy solutions. Clumsy solutions come about when multiple, diverse, perhaps incompatible, perspectives are brought to the bear on an issue, resulting in a settlement that is inelegant from any single perspective, but robust because it relies on more than one epistemological and ethical foundation. The way to cope with (I will not say solve) the challenge of uncomfortable knowledge is to ensure that there is a minimum level of diversity in decision-making processes. This recommendation leads inevitably to a discourse about forms of pluralism, power and governance which…. cannot be resolved merely through the turn to public participation."

Relative to this line of thinking, our analysis reveals a diffuse distribution (Fransen, 2011; Mehrpouya, 2015) of regulatory interests that involves not only investors and the regulated but also (and more importantly) civil society pressures for appropriate corporate conduct within regulatory sites with capital market-oriented mandates (Braithwaite & Drahos, 2000). In the case of CbCR, however, the discourse of regulators not only suggests that CbCR does not meet the needs of capital market users but also that, alongside civil society, socially oriented ("responsible") investors are not recognized as appropriate users by accounting regulators (Pelger & Speiß, 2017). In contrast, the interests of extractive firms remain a powerful consideration in all three sites.

Embracing CbCR would have required the IASB to contradict conventional views of what falls within its mandate (Heimer, 2012) and confront the extractive industry. By not acting on uncomfortable issues, the private accounting body thus preserves its relationship with these interests (Davies & McGoey, 2012) and prevents interpretations of the IASB's regulatory mandate from broadening beyond its investor-oriented domain. The SEC both suggested that CbCR doesn't have anything to do with its mandate, deeming CbCR irrelevant for inclusion in SEC rulemaking (McGoey, 2007), and highlighted Congressional pressure to disclose uncomfortable knowledge, lessening the SEC's own discomfort by distancing the SEC from responsibility for making the issue transparent (McGoey, 2012a). At the same time, the SEC's response seems to expose where it believes its primary regulatory objectives and interests lie.

Like in the SEC case, the EC initially attempts to place the rule outside its realm of responsibility. When the EP directs the EC to act, it displaces the focus of CbCR on corporate accountability and tax governance to (non-EU) government accountability. In this respect, our work challenges the optimism of Crawford (2017) who promotes the role of civil society in CbCR and a shift away from a singular focus on providing information for neoliberal capitalism.

While we acknowledge the important role of civil society, we interpret this “shift” less as a movement towards an emancipatory accounting (at least not where CbCR is concerned) and more as the EC (and other) regulators acknowledging a more diffuse distribution of interests at play.

At the same time, our work raises questions about the extent to which a diffuse distribution of interests can produce rules that have desirable effects on social conduct without strong regulatory intervention and formal recognition of diversity in opinions. Of course, the IASB has expanded its own attention to due process (Richardson & Eberlein, 2011), but without more diverse and inclusive regulatory processes, with regulators drawn from broader backgrounds and with more open-minded attitudes and understandings about regulatory mandates and issues, proposals that seem unusual or outside the norm will be dismissed or trivialized, as was the IASB’s initial response to CbCR. Recognition that all regulatory activity (including inaction and inattention) is political would be a helpful initial step, but a greater concern with issues of agenda setting, the politics of attention and forms of activity and inactivity are likely to be enhanced with a more diverse and inclusive regulatory processes. While there have been some promising developments about such issues in accounting regulation, including calls for more pluralist and agonistic perspectives (Cooper & Morgan, 2013; Brown & Dillard, 2013; Brown, 2009), pluralism in participation faces many challenges and there will need to be greater recognition of the politics of consensus (Farjaudon & Morales, 2013). Yet if imprecise or ignorant interpretations of regulatory mandates, whether expressed through discursive ignorance or otherwise, go unchallenged due to lack of diversity, accounting may become more and more entrenched as a vehicle for narrow and special interests (Cooper & Sherer, 1984; Murphy et al., 2013).

The distribution of special interests considered in regulatory responses to the uncomfortable knowledge of CbCR touches on prior research on the interests of users as an abstract notion (Young, 2006; Durocher & Gendron, 2011; Stenka & Jaworska, 2019). We wonder whether a focus on investors as “made up users” has not led to the neglect of firms themselves, the supposed targets of accounting regulation. This is not to suggest reviving a crude version of regulatory capture but to revisit the construction of the user in modern regulatory settings and consider the extent to which firms themselves can be considered as divorced from user interests. Meaning that firms, as preparers and presenters of accounting and disclosure, are themselves

users of such information in the way they make sense of rules and convey a picture of firm activities through those rules. Furthermore, in relation to uncomfortable knowledge around wicked problems of corporate conduct we question the extent to which firm interests can be clearly delineated from those of regulators themselves without evidence of strong implementation, monitoring, and enforcement of such rules and accountability of regulators in this regard. Thus, we support calls to recognize the multiplicity of ways in which firms participate in regulatory initiatives and, in doing so, to move away from the one-sided nature of the regulatory capture thesis to acknowledge interconnections between regulators and corporate corrupters beyond rulemaking (McGoey, 2019, chapters 3 and 5).

7. Conclusion

Overall, our work highlights the impact of imprecise notions of purpose, objectives, and interests in regulatory mandates. This imprecision, or even ambiguity, suggests that, fundamentally, what is at stake in regulatory responses and understandings of mandates are issues of what types of knowledge, uncomfortable or not, are made visible and acted on, and what are the consequences of such choices. We employ concepts proposed by Rayner (2012) and McGoey (2007; 2012a; 2012b) to elaborate on regulatory responses; however, accounting research can, no doubt, make even more of the notion of uncomfortable knowledge and discourses of ignorance around such knowledge. Our work develops McGoey's observation that, "we need to better understand ignorance pathways: plausible accounts of how micro-ignorance contributes to larger unknowns…" (2019; 168). McGoey implies that part of the explanation is less about deliberate misrepresentation and more about blindness to conflict and not escaping from old ideas. On the latter, Gilardi and Wasserfallen (2019) and Stenka (2021) reinforce the suggestion of Cooper and Robson (2006) that regulatory studies might consider how regulatory issues are defined, the ideological stances of regulatory bodies, and doubts about regulators assumptions and expected political effects. We see such issues being played out regarding corporate sustainability disclosures and recent proposals to limit the focus to sustainability issues relevant to capital markets.

Taken together, these ideas reconcile well with our suggestion that regulatory responses may be both habitual and intentional. We posit a kind of bridge between political economy and the sensemaking of regulators that requires further exploration in defining the contours and

conditions under which responses may be one or the other, or indistinguishable. In this regard we propose that the various forms of ignorance discussed by McGoey (2019), such as unwitting, rational, elite, sanctioned, reckless, and willful ignorance may be a useful way forward. While we can further extend these concepts to better appreciate the mandate interpretation stage of rulemaking (Canning & O'Dwyer, 2013), discursive ignorance can also be rendered beyond this stage, in exploring approaches to agenda setting and implementation issues (May, 1993) and monitoring and enforcement (Cooper & Robson, 2006), with greater regard for both the role of mandates and for who is effectively interested, and able to participate, in accounting and corporate regulation.

Appendix A: List of abbreviations

API	American Petroleum Institute
CbCR	Country-by Country (Disclosure or Reporting)
EC	European Commission
EITD	Extractive Industries Transparency Disclosure Act
EITI	Extractive Industries Transparency Initiative
EP	European Parliament
EU	European Union
FASB	Financial Accounting Standards Board
GRI	Global Reporting Initiative
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
IOSCO	International Organization of Securities Commissions
MNC	Multinational Corporation
NGO	Non-governmental Organization
OECD	Organization for Economic Cooperation and Development
PWYP	Publish What You Pay
SASB	Sustainability Accounting Standards Board
SEC	US Securities and Exchange Commission

Appendix B: Archival sources (ordered Chronologically)

Doc No.	Title	Source	Date
IASB Case			
1	Press Release: IASB Chairman presents new mission statement	IFRS	April 16, 2005
2	Comment letter to IASB on IFRS 8 constituting a Report recommending updates to IAS 14 (Segment Reporting)	PWYP	Dec 2005 (Report Date)
3	Comment letter to IASB on IFRS 8	CARE France	May 15, 2006
4	Analysis of comment letters to ED on IFRS 8: IASB Staff Agenda Paper 5	IASB	July 2006
5	Board meeting minutes, IFRS 8 Operating Segments	IASB	Sept 2006
6	Final Standard: IFRS 8 Operating Segments	IASB	Nov 2006
7	Information for Observers: Extracts of Briefing Paper for IASB Round Table on Extractive Activities	IASB	Sept 2008
8	Board meeting minutes, IFRS 6 Extractive Activities	IASB	Sept 2008
9	Discussion paper: IFRS 6 Extractive Activities (DP/2010/1)	IASB	April 2010
10	Campaign for country-by-country reporting by companies: Action Pack – New International Financial Reporting Standards for extractives	PWYP	May 2010
11	Comment letter to IASB on IFRS 6	API	July 23, 2010
12	Comment letter to IASB on IFRS 6	Chevron	July 23, 2010
13	Board meeting minutes, IFRS 6 Extractive Activities	IASB	Oct 2010

Doc No.	Title	Source	Date
US/SEC Case			
1	Transparency of Extractive Industries: High Stakes for Resource-Rich Countries, Citizens and International Business	House Financial Services Committee Hearing	Oct 25, 2007
2	Testimony of Alan Detheridge, Former Vice President of External Affairs, Royal Dutch Shell (among the initiators of 2002 EITI)	House Financial Services Committee Hearing	June 25, 2008
3	Extracting Natural Resources: Corporate Responsibility and Rule of Law	Senate Judiciary Committee Hearing	Sept 24 2008
4	Resource Curse or Blessing: Africa's Extractive Industries in a Time of Record Oil and Mineral Prices (Subcommittee on Africa Hearing)	Senate Foreign Relations Committee	Sept 24, 2008
5	Testimony of Ted Moss, Department of State/Bureau of African Affairs	Senate Foreign Relations Committee Hearing	Sept 24, 2008
6	Statements of US Senator (Lugar)	Senate Foreign Relations Committee Hearing	Sept 24, 2008
7	Letter to SEC	Mike Koehler, Assistant Professor of Business Law, Butler University	Sept 3, 2010
8	Disclosure of Payments by Resource Extraction Issuers (Proposed Release No. 34-63549), later reissued to grant an extension of the comment period (Release No. 34-63795)	SEC	Dec 23, 2010 Jan 28, 2011
9	Comment letter submitted to SEC on Proposed Release No. 34-63549	API	Jan 28, 2011

10	Comment letter submitted to SEC on Proposed Release No. 34-63549	PWYP	Dec 20, 2011
11	Disclosure of Payments by Resource Extraction Issuers (Proposed Release No. 34-67717)	SEC	Aug 22, 2012
12	Motion for Stay of Rule 13q-1 and Related Amendments (API, Chamber of Commerce, Independent Petroleum Association of America, and National Foreign Trade Council)	US District Court	Oct 25, 2012
13	Memorandum Opinion: American Petroleum Institute (Plaintiffs) v. Securities and Exchange Commission (Defendant) and Oxfam America, Inc (Intervenor-Defendant)	US District Court	July 2, 2013
14	Letters to SEC (5/13 Senators)	US Senators	Aug 2, 2013 May 1, 2014
15	Letter to SEC, "Investors with $5.6 trillion of assets raise alarm at possible rollback of SEC disclosure rules for oil, mining companies"	Asset Management Network	Aug 28, 2013
16	Speech on "The Importance of Independence" (Chair Mary Jo White)	SEC	Oct 2, 2013
17	Oxfam America Inc. v. SEC, 14-13648	US District Court for the District of Massachusetts	Sept 18, 2014
18	Disclosure of Payments by Resource Extraction Issuers (Proposed Release No. 34-76620)	SEC	Dec 11, 2015
19	Letter submitted to SEC (Lugar, Levin, & Dodd)	US Senators	Feb 4, 2016
20	Comment letter submitted to SEC on Proposed Release No. 34-76620	API	Feb 16, 2016
21	Disclosure of Payments by Resource Extraction Issuers (Proposed Release No. 34-78167)	SEC	July 27, 2016
22	Comment letter submitted to SEC on Proposed Release No. 34-78167	Kosmos Energy	Dec 14, 2020
23	Disclosure of Payments by Resource Extraction Issuers (Release No. 34-90670)	SEC	Dec 16, 2020
24	Public webcast on final rule recommendation (a) Chair Jay Clayton (b) Commissioner Caroline Crenshaw (c) Commissioner Allison Herren Lee (d) Commissioner Elad Roisman	SEC	Dec 16, 2020
Doc No.	**Title**	**Source**	**Date**
	EU/EC Case		
1	Analysis of the impact of International Financial Reporting Standard 8 *Operating Segments*	EC	Sept 10, 2007
2	Draft resolution amending Regulation (EC) No 1725/2003 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council as regards IFRS 8, concerning disclosure of operating segments (P6_TA (2007) 0526)	EP	Nov 14, 2007
3	Communication on Tax and Development: Cooperating with developing countries on promoting good governance in tax matters (COM (2010) 163 final)	EC	April 21, 2010
4	Public Consultation on Country-by-Country Reporting by Multinational Companies	EC	Oct 22, 2010

5	Commission Declaration: in relation to Omnibus amendment on transparency directive/country-by-country reporting	Council of the EU	Nov 10, 2010
6	Comment letter submitted to EC on CbCR Consultation	Revenue Watch	Dec 18, 2010
7	Comments at Joint Monitoring Board and IFRS Foundation Trustees Meeting (Michel Barnier, Commissioner for Internal Market and Services)	EC	April 1, 2011
8	Summary Report of the Responses Received to the Commission's Consultation on Country-by-Country Reporting by Multinational Companies	EC	April, 2011
9	More responsible businesses can foster more growth in Europe (IP/11/1238)	EC	Oct 25, 2011
10	Directive of the European Parliament and of the Council: on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings (COM (2011)684 final)	EP/EC	Oct 25, 2011
11	Executive Summary of the Impact Assessment for financial disclosures on a country-by-country basis ((2011) 1290 final)	EC	Oct 25, 2011
12	Impact Assessment for financial disclosures on a country-by-country basis ((2011) 1290 final)	EC	Oct 25, 2011
13	Statement by Commissioner Michel Barnier (Memo/13/323)	EC	April 9, 2013
14	Press Release: Oil, gas, mineral and logging firms obliged to disclose payments to governments	EC	June 12, 2013
15	New disclosure requirements for the extractive industry and loggers of primary forests in the Accounting (and Transparency) Directives (Country by Country Reporting) – frequently asked questions (Memo/13/541)	EC	June 12, 2013
16	Press Release: Commission launches public consultation on corporate tax transparency	EC	June 17, 2015
17	Directive of the European Parliament and of the Council: on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings (COM (2013)182/19)	EC	June 26, 2013

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Table 1. Discursive Modes of Information Management

Discursive mode	**Tacit Meaning** (Rayner, 2012, 113)	Crucial Features and Exemplar
Denial	"a refusal to acknowledge or engage with information…"	No recognition of knowledge or problem. Absence, silence, inability or unwillingness to recognize a problem, even when external bodies or individuals in the organization seek to bring it to collective attention. *This information has nothing to do with me, is not my problem.*
Dismissal	"acknowledges the existence of information, and may involve some minimal engagement up to the point of rebutting it as erroneous or irrelevant"	Some explicit consideration of knowledge or problem and engagement with it before rejection of information through various claims (information is unreliable, imprecise, not timely, etc.). *This information is not a "real" problem.*
Diversion	"creation of an activity that distracts attention away from an uncomfortable issue, without substitution"	A decoy activity that diverts attention away from knowledge or problem but without a formal substitute or solution. Drawing attention to the disconnect between published attention and delivery of the solution. *We shouldn't be looking at this information but other information instead. OR Don't look at me, look at another regulator.*
Displacement	"engages with an issue, but substitutes management of a representation of a problem for management of the represented object or activity" (i.e., the rule itself becomes the object to be managed rather than the issue driving the rule)	Beyond diverting attention towards a decoy, or away from an area that generates uncomfortable knowledge, points in another direction *and* substitutes a surrogate or alternative solution. *If we must look at something, then let's look at information about a different (better) model.* *Following what other regulators are doing.*

Note: The modes are reflected per Rayner (2012) in order of degree of engagement with uncomfortable knowledge.

Table 2. Chronology of Critical Events

	IASB	US/SEC	EU/EC
2004	Proposes IFRS 6 for consultation: Limited extractive industry accounting		
2005	Issues IFRS 6: *Exploration for and Evaluation of Mineral Resources*		
2006	Proposes IFRS 8 for consultation: Segment reporting Issues IFRS 8: *Operating Segments*		
2007		Legislative hearing on revenue transparency in the oil, gas and mining industries	
2008		Legislature introduces Extractive Industries Transparency and Disclosure Act	
2009		Legislature introduces Energy Security Act	
2010	Proposes revision of IFRS 6 for consultation: Comprehensive accounting for *Extractive Activities*	US Congress signs Dodd-Frank Act into law, Section 1504 on CbCR disclosure	
2011	Project to revise IFRS 6 stalls in deliberation	SEC issues proposed rule on CbCR disclosure	EC initiates consultation on CbCR disclosure
2012	Removes project to revise IFRS 6 from agenda	Civil society files suit against SEC to issue rule SEC issues rule on CbCR disclosure Extractive industry files suit against SEC	EC proposes CbCR disclosure
2013		US District Court sends SEC rule back for redrafting	EP signs CbCR disclosure into law through revised EU Directives
2014			
2015		Civil society files suit against SEC to issue rule SEC proposes revised rule on CbCR disclosure	
2016		SEC issues final (revised) rule on CbCR disclosure	
2017		US administration/Congress disapproves Section 1504 provision of Dodd-Frank Act	
2019		SEC proposes re-revised rule on CbCR disclosure	
2020		SEC issues re-revised rule on CbCR disclosure	

Table 3. Regulatory Responses to Demands for CbCR

	IASB *Private, International*	**US/SEC** *Public, National*	**EU/EC** *Public, International*
Discursive modes of dealing with uncomfortable knowledge	Mainly denial, some dismissal	Mainly dismissal, but diversion of objective	Both diversion and displacement
Broad Mission	Our mission is to develop standards that bring transparency, accountability and efficiency to financial markets around the world. Our work serves the public interest by fostering trust, growth and long-term financial stability in the global economy. (https://www.ifrs.org/about-us/)	The mission of the SEC is to protect investors; maintain fair, orderly, and efficient markets; and facilitate capital formation. The SEC strives to promote a market environment that is worthy of the public's trust. (https://www.sec.gov/about.shtml)	Politically independent executive arm of the EU: Promotes the general interest of the EU by proposing and enforcing legislation as well as by implementing the EU budget and policies and decisions of the EP and Council of the EU. (https://europa.eu/european-union/about-eu/institutions-bodies/european-commission_en)
Understandings of the Broader Purpose of CbCR	"Political / social purpose, not capital market purpose, no clear mandate." *Alludes to the flawed premises of the demand for regulation relative to IASB mandate.*	"Political / social purpose, outside of the SEC's capital market purview." *Placates the political apparatus obliging the disclosure while highlighting tension with SEC mandate.*	"Information (civil purpose) is already available elsewhere, developed by others/" *Mimics institutional CbCR models in other market-oriented regulatory sites as aligned with EC mandate.*
Understandings of the Specific Objectives of CbCR	"Corporate transparency/accountability of firms to governments and society." *Suggests that CbCR objectives conflict or are in tension with regulator and regulated objectives*	"Accountability/corruption of extractive firms to accountability/ corruption of governments to citizens/CSOs." *Initial parity between firm and government CbCR objectives moves towards objectives focused on governments, downplaying corruption*	"Transparency/accountability/tax governance of firms to accountability of governments to citizens of resource-rich countries." *Displaces CbCR broader objectives focused on firms with objectives focused on government accountability, downplaying tax concerns*
Understandings of the Interests Served by CbCR	"Serves other users (CSO, responsible investors), not capital market users" *Condemns as inappropriate the interests and actors that support the disclosure of uncomfortable knowledge.*	"Serves other users (CSO, US government), not capital market users or extractive firms" *Suggests the subordination of traditional interests served by the regulator to other "illegitimate" interests.*	"Serves public interest of EU citizens/CSOs, not capital market users" *Adheres to norms in relation to public actors yet highlights inappropriate interests of those actors (e.g., in tax governance).*