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By PwC Deutschland | 28 March 2021

Reminder: Reporting obligations pursuant to Brexit

The German Central Tax office reminds of the reporting requirements pursuant to Section 138 (2) sentence 1 No. 4 of the German Fiscal Code and the consequences due to Brexit.

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According to Section 138 (2) Sentence 1 No. 4 of the German Fiscal Code (Fiscal Code) taxpayers with domicile, habitual residence, management or seat within the meaning of the Fiscal Code (domestic taxpayers) shall notify the competent tax office (i.a.) of the fact that they, alone or together with related parties within the meaning of Section 1 (2) of the Foreign Tax Act, may for the first time directly or indirectly exercise a controlling or determining influence over the corporate, financial or business affairs of a third country company.

The United Kingdom (UK) is treated as an EU Member State until 31 December 2020, pursuant to Section 1 of the Brexit Transition Act. - The German Central Tax Office therefore once again reminds taxpayers to comply with the above reporting obligations under Section 138 (2) sentence 1 no. 4 Fiscal Code as of 1 January 2021. The Central Tax Office further points out that a “controlling or determining influence over the corporate, financial or business affairs of a UK company that already existed prior to 1 January 2021 and that continues to exist beyond that date must also be notified to the competent tax office due to Brexit if the requirements of Section 138 (2) sentence 1 number 4 Fiscal Code are met.

Source:

Central Tax office, Press release 24 March 2021.

Keywords

Brexit, controlling influence, reporting obligation