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Public country-by-country reporting: EU Council paves the way for greater corporate transparency for big multinationals

The Council of the European Union adopted its position at first reading on the proposed directive on the disclosure of income tax information by certain undertakings and branches, commonly referred to as the public country-by-country reporting (CBCR) directive, paving the way for its final adoption. The adoption of the Council's position follows a provisional agreement reached with the European Parliament in June.

The CBCR directive aims to enhance the corporate transparency of big multinational companies. It will require certain multinational undertakings with revenue of more than €750 million to disclose publicly in a specific report the income tax they pay. For the first time, non-European multinationals doing business in the EU through subsidiaries and branches will also have to comply with the same reporting obligations as EU multinational undertakings.

The reporting will take place within 12 months of the date of the balance sheet for the financial year in question. The directive sets out the conditions under which a company may defer the disclosure of certain information for a maximum of five years.

The proposed directive also stipulates who bears responsibility for ensuring compliance with the reporting obligation.

Read more.

Source:

European Council, press release of 28 September 2021.

Keywords

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