By PwC Deutschland | 12.11.2021

Update: EU regulations force more tax transparency on multinationals

On 11 November the EU Parliament will vote on a provisional agreement with the Council that would oblige companies with an annual revenue of more than €750 million and with operations in more than one country to declare the profits they have made, the corporate income tax paid and the number of employees in each EU country for the previous financial year.

Multinational companies will have to disclose publicly how much tax they pay in each EU country, which will increase scrutiny of their tax practices.

The companies will also have to publish details about their profits, staff and taxes in some non-EU countries, including countries that do not cooperate with the EU on tax matters and those that do not meet all standards but have committed to reform. The EU keeps lists of the jurisdictions in the two categories, which it reviews regularly.

The aim of the new rules is to shed more light on where multinationals pay taxes and make it more difficult for them to avoid paying their fair share.

Update (12 November 2021)

On 11 November 2021 the Members of the European Parliament (MEPs) adopted the new rules obliging big multinationals to publicly declare the taxes they pay in each EU country, in order to undermine tax avoidance.

Source:

EP TODAY– online news

Keywords

Country-by-Country Reporting (CbCR) / Ertragsteuerinformationsberichterstattung, tax transparency