



EU Public Country-By-Country Reporting Developments Tracker

March 2024



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This document provides an overview of developments related to the implementation of the EU public country-by-country reporting CbCR (PCbCR) Directive.

Important notes

- ▶ This document provides background and a summary of legislative developments in the EU relating to the implementation of the Directive (EU) 2021/2101, referred to as EU PCbCR, which is also relevant for the European Economic Area (EEA) (i.e. the EU Member States and Iceland, Liechtenstein and Norway).
- ▶ It is important to note that the information provided in this document is subject to change. Although it is updated on a periodic basis to include the latest developments, it does not represent, and should not be viewed as representing, an exhaustive listing of the relevant news and developments with respect to the implementation of the EU PCbCR.
- ▶ This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, legal or other professional advice. It should not be relied upon for penalty protection or for any other purpose except for obtaining general familiarity with the subject matter thereof.
- ▶ The status summary herein is intended to be generic and should not be relied upon for the purposes of assessing any specific fact patterns. The administrative and legislative developments summarized in this document include items that have not been enacted and may undergo significant changes before they become law.
- ▶ To check for new developments or if you have questions regarding the specific items contained herein, please contact your EY engagement team or the EY professionals listed on page 9 of this document.

Overview of rules as set out in the EU PCbCR Directive

Who

- ▶ Any MNE Group - EU headquartered or not - with presence in the EU (subject to certain requirements) and global consolidated revenues exceeding EUR 750m in the last two consecutive years
- ▶ For non-EU headquartered MNE Groups, reporting would only be required if there is at least one 'medium-sized' or 'large' subsidiary or qualifying branch located in the EU (see thresholds below)

To classify as "medium-sized" or "large", at least two of the three following criteria needs to be met, on an entity basis, on two consecutive financial years (for financial years starting on or after 1 January 2024):

| Requirements ¹ | Small undertaking | Medium-sized undertaking ⁴ | Large undertaking |
|--|--|---------------------------------------|-------------------|
| Balance sheet total | ≤ EUR 5,000,000 ² (up to EUR 7.5m) | ≤ EUR 25,000,000 | > EUR 25,000,000 |
| Net turnover | ≤ EUR 10,000,000 ³ (up to EUR 15m) | ≤ EUR 50,000,000 | > EUR 50,000,000 |
| Average # of employees during the financial year | ≤ 50 | ≤ 250 | > 250 |

¹ Adjusted amounts (applying for financial years starting on or after 1 January 2024) as defined in the Commission Delegated Directive (EU) 2023/2775, Member States are required to implement by end of 2024 (deviations may be expected)

² A Member State may increase this threshold, but not exceeding EUR 7.5m

³ A Member State may increase this threshold, but not exceeding EUR 15m

⁴ Medium-sized undertakings are undertakings which are not small undertakings and that do not exceed the amounts mentioned

These amounts will be converted into the national currency of any relevant third countries using the exchange rate as of 21 December 2021.

When

- ▶ First financial year of reporting will generally be the year starting on or after 22 June 2024. Therefore, for MNE Groups with a financial year equal to the calendar year, the first year of reporting would generally be 2025 and the report should be generally made public by 31 December 2026
- ▶ However, Member States could choose to apply the rules earlier (e.g., Romania and Croatia, for financial years starting on or after 1 January 2023 and 1 January 2024, respectively)
- ▶ MNE Groups will typically need to publish a report within 12 months from the end date of the balance sheet of the financial year of the Ultimate Parent Entity (UPE). However, a Member State could choose to require an earlier publication (e.g., Hungary - five months, or Spain - six months)

Multinational Enterprise (MNE) Groups are required to disclose publicly the income taxes paid and other tax-related information within the EU, or within non-cooperative jurisdictions, on a country-by-country basis. Information related to the rest of the countries in which they are located, will be published on an aggregated basis.

Overview of rules as set out in the EU PCbCR Directive

What

According to the EU PCbCR Directive, information to be disclosed includes:

- ▶ Name of the ultimate parent undertaking, the financial year concerned and the currency used
- ▶ Subsidiaries located in the EU or in any jurisdiction of the EU list of non-cooperative jurisdictions for tax purposes
- ▶ Nature of the activities
- ▶ Number of employees on a full-time equivalent basis
- ▶ Revenues (including transactions with related parties)
- ▶ Profit or loss before income tax
- ▶ Income tax paid on a cash basis
- ▶ Income tax accrued (not including deferred taxes or UTP)
- ▶ Accumulated earnings

The information must be disclosed on a disaggregated basis, i.e., on a country-by-country basis, for EU Member States and EU list of non-cooperative jurisdictions for tax purposes. Information related to other jurisdictions may be disclosed on an aggregated basis.

EU Member States may allow for one or more specific items of information to be omitted when its disclosure would be seriously prejudicial to the commercial position of the MNE Group. However, information pertaining to tax jurisdictions included in the EU list of non-cooperative jurisdictions should never be omitted.

Where

- ▶ For EU-headquartered MNE groups, the UPE is responsible for filing the report with the commercial registry and publishing it on its website
- ▶ For non-EU headquartered MNE groups, the report needs to be published by the medium/large subsidiaries or branches in the EU. Exemptions could apply when the UPE publishes the report, including those subsidiaries and branches. The report should follow similar content as foreseen in the Directive and other certain requirements should be met



EU PCbCR developments at a glance

- ▶ EU PCbCR Directive entered into force on 21 December 2021
- ▶ EU Member States were required to transpose the Directive into national legislation by 22 June 2023
- ▶ As of 20 March 2024, 21 EU Member States have final legislation, 2 EU Member States have draft legislation and no activity has been observed for 4 EU Member States
- ▶ EEA¹: Liechtenstein has issued draft legislation, however, no activity has been observed for Norway

| Final legislation | Draft legislation | No activity seen yet |
|-------------------|---------------------|----------------------|
| Belgium | Finland | Austria |
| Bulgaria | Liechtenstein (EEA) | Cyprus |
| Croatia | Slovenia | Italy |
| Czechia | | Malta |
| Denmark | | Norway (EEA) |
| Estonia | | |
| France | | |
| Germany | | |
| Greece | | |
| Hungary | | |
| Ireland | | |
| Latvia | | |
| Lithuania | | |
| Luxembourg | | |
| The Netherlands | | |
| Poland | | |
| Portugal | | |
| Romania | | |
| Slovakia | | |
| Spain | | |
| Sweden | | |

¹ Iceland is not covered in this version of the tracker.



Summary overview: Current status of EU PCbCR developments across all EU Member States and EEA countries (1/3)

| Member State | Implementation status | Early application | Early application date ¹ | Optional clauses | | | Deadline for publication |
|---|-----------------------|-------------------|-------------------------------------|-------------------------------|------------|--------------------------------|---|
| | | | | Safeguard clause ² | | Publication | |
| | | | | Included | Duration | Website exemption ³ | |
| Austria  | No activity seen yet | - | - | - | - | - | - |
| Belgium  | Final legislation | No | N/A | No | N/A | Yes | 12 months after the balance sheet date of the financial year for which the report is drawn up |
| Bulgaria  | Final legislation | No | N/A | Yes | Five years | Yes | 12 months after the balance sheet date of the financial year for which the report is drawn up |
| Croatia  | Final legislation | Yes | 1 January 2024 | Yes | Five years | Yes | 12 months after the balance sheet date of the financial year for which the report is drawn up |
| Cyprus  | No activity seen yet | - | - | - | - | - | - |
| Czechia  | Final legislation | No | N/A | Yes | Five years | Yes | 12 months after the balance sheet date of the financial year for which the report is drawn up |
| Denmark  | Final legislation | No | N/A | Yes | Five years | Yes | 12 months after the balance sheet date of the financial year for which the report is drawn up |
| Estonia  | Final legislation | No | N/A | No | N/A | No | 12 months after the balance sheet date of the financial year for which the report is drawn up |
| Finland  | Draft legislation | No | N/A | Yes | Five years | Yes | 12 months after the balance sheet date of the financial year for which the report is drawn up |
| France  | Final legislation | No | N/A | Yes | Five years | Yes | 12 months after the balance sheet date of the financial year for which the report is drawn up |

Notes

¹ Early application means the legislation will be applicable for financial years starting before 22 June 2024.

² The Safeguard Clause enables Member States to allow for one or more specific items of information to be temporarily omitted from the report where their disclosure would be seriously prejudicial to the commercial position of the undertakings to which the report relates. Information pertaining to tax jurisdictions included in Annexes I and II of the EU list of non-cooperative jurisdictions for tax purposes shall never be omitted.

³ Member States may exempt companies from publishing the report on their websites if the public registry provides free access to the reports. The company's website must indicate this exemption and provide a link to the relevant register's website

Summary overview: Current status of EU PCbCR developments across all EU Member States and EEA countries (2/3)

| Member State | Implementation status | Early application | Early application date ¹ | Optional clauses | | | Deadline for publication |
|--|-----------------------|-------------------|-------------------------------------|-------------------------------|------------|--------------------------------|---|
| | | | | Safeguard clause ² | | Publication | |
| | | | | Included | Duration | Website exemption ³ | |
| Germany  | Final legislation | No | N/A | Yes | Four years | Yes | 12 months after the balance sheet date of the financial year for which the report is drawn up |
| Greece  | Final legislation | No | N/A | No | - | Yes | 12 months after the balance sheet date of the financial year for which the report is drawn up |
| Hungary  | Final legislation | No | N/A | No | N/A | No | 5 months after the balance sheet date of the UPE |
| Ireland  | Final legislation | No | N/A | Yes | Five years | Yes | 12 months after the balance sheet date of the financial year for which the report is drawn up |
| Italy  | No activity seen yet | - | - | - | - | - | - |
| Latvia  | Final legislation | No | N/A | Yes | Five years | Yes | 12 months after the balance sheet date of the financial year for which the report is drawn up |
| Liechtenstein ⁴  | Draft legislation | No | N/A | Yes | Five years | No | 12 months after the balance sheet date of the financial year for which the report is drawn up |
| Lithuania  | Final legislation | No | N/A | Yes | Five years | Yes | 12 months after the balance sheet date of the financial year for which the report is drawn up |
| Luxembourg  | Final legislation | No | N/A | Yes | Five years | Yes | 12 months after the balance sheet date of the financial year for which the report is drawn up |
| Malta  | No activity seen yet | - | - | - | - | - | - |

Notes

¹ Early application means the legislation will be applicable for financial years starting before 22 June 2024.

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⁴ EEA country

Summary overview: Current status of EU PCbCR developments across all EU Member States and EEA countries (3/3)

| Jurisdiction | Implementation status | Early application | Early application date ¹ | Optional clauses | | | Deadline for publication |
|---|-----------------------|-------------------|-------------------------------------|-------------------------------|------------|--------------------------------|---|
| | | | | Safeguard clause ² | | Publication | |
| | | | | Included | Duration | Website exemption ³ | |
| The Netherlands  | Final legislation | No | N/A | Yes | Five years | No | 12 months after the balance sheet date of the financial year for which the report is drawn up |
| Norway ⁴  | No activity seen yet | - | - | - | - | - | - |
| Poland  | Final legislation | No | N/A | Yes | Five years | No | 12 months after the balance sheet date of the financial year for which the report is drawn up |
| Portugal  | Final legislation | No | - | Yes | Five years | No | 12 months after the balance sheet date of the financial year for which the report is drawn up |
| Romania  | Final legislation | Yes | 1 January 2023 | Yes | Five years | Yes | 12 months after the balance sheet date of the financial year for which the report is drawn up |
| Slovakia  | Final legislation | No | N/A | No | N/A | No | 12 months after the balance sheet date of the financial year for which the report is drawn up |
| Slovenia  | Draft legislation | No | N/A | Yes | Five years | Yes | 12 months after the balance sheet date of the financial year for which the report is drawn up |
| Spain  | Final legislation | No | N/A | Yes | Five years | No | 6 months after the balance sheet date of the UPE |
| Sweden  | Final legislation | Yes | 31 May 2024 | Yes | Five years | No | 12 months after the balance sheet date of the financial year for which the report is drawn up |

Notes

¹ Early application means the legislation will be applicable for financial years starting before 22 June 2024.

² The Safeguard Clause enables Member States to allow for one or more specific items of information to be temporarily omitted from the report where their disclosure would be seriously prejudicial to the commercial position of the undertakings to which the report relates. Information pertaining to tax jurisdictions included in Annexes I and II of the EU list of non-cooperative jurisdictions for tax purposes shall never be omitted.

³ Member States may exempt companies from publishing the report on their websites if the public registry provides free access to the reports. The company's website must indicate this exemption and provide a link to the relevant register's website

⁴ EEA country

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