

Country by country reporting

2016/0107(COD) - 11/11/2021 - Text adopted by Parliament, 2nd reading

The European Parliament adopted a legislative resolution **approving** the Council position at first reading with a view to the adoption of a directive of the European Parliament and of the Council amending Directive 2013/34/EU as regards disclosure of income tax information by certain undertakings and branches.

Increased transparency of corporate income tax information

The amendment to Directive 2013/34/EU aims to increase the transparency of large multinational enterprises. It will require **multinational enterprises with a turnover in excess of EUR 750 million** to indicate where they make their profits and to publicly disclose, in a specific statement, the taxes on profits they pay.

Non-EU multinational enterprises operating in the EU through subsidiaries and branches will also have to comply with the same reporting obligations as EU multinational enterprises.

This information will also need to be made **publicly available** on the internet, using a common template and in a machine-readable format: (i) on the website of the ultimate parent undertaking or standalone undertaking; (ii) in at least one of the official languages of the Union; (iii) no later than **12 months** after the balance sheet date of the financial year for which the report is drawn up.

The Directive sets out the conditions under which a company may postpone the disclosure of certain information for a **maximum period of five years**.

Content of the report on income tax information

The report on income tax information should include information on all the activities of the standalone undertaking or the ultimate parent undertaking, including those of all related undertakings consolidated in the financial statements for the financial year concerned. It will include, where appropriate, a list of all subsidiary undertakings included in the consolidated financial statements of the ultimate parent undertaking which are established in the Union or in tax jurisdictions listed in Annexes I and II of the Council conclusions on the revised EU list of non-cooperative jurisdictions for tax purposes.

The Directive also specifies who is responsible for ensuring compliance with the reporting obligations.