



Comparison of Country-by-Country Reporting initiatives

September 2024

Scope

This document provides a comparison of several Country-by-Country Reporting (CbCR) initiatives. This document is **a high-level overview** of the rules provided for general information only and should not be construed as advice. Users should not rely on it as being complete or comprehensive and should undertake their own research and analysis taking into account the facts and circumstances of their particular case. We recommend obtaining professional advice before taking or refraining from any actions based on the information in this document.

The information in this document reflects the legislation and developments as at September 2024.

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Introduction

What is Country-by-Country Reporting?

Country-by-Country Reporting (CbCR) is a transparency initiative aimed at combating tax avoidance by multinational enterprises (MNEs). It involves MNEs providing detailed financial and operational information on a country-by-country basis, including revenue, profit before tax, income tax paid, and other indicators of economic activity within each tax jurisdiction.

The first significant CbCR initiative was established in 2015 as part of the OECD/G20 Base Erosion and Profit Shifting (BEPS) Action Plan, specifically BEPS Action 13. Currently, several other (inter)national initiatives are in place.

The initiatives discussed in this document cover:

- EU Public Country-by-Country Reporting, [Directive \(EU\) 2021/2101](#);
- OECD Country-by-Country Reporting, [Action 13 of the OECD's BEPS \(Base Erosion and Profit Shifting\) Action Plan](#);
- Global Reporting Initiative (GRI) Standard 207 Country-by-Country Reporting, [GRI 207: Tax 2019](#); and
- Australia Public Country-by-Country Reporting, [Schedule 4 of the Treasury Laws Amendment Bill 2024](#)*.

CbCR requirements

CbCR obligations can be broadly categorized into two types: data requirements and legislative requirements. Data requirements pertain to the specific information that MNEs must report for each tax jurisdiction in which they operate. These requirements can vary slightly depending on local legislative adaptations. Key data elements include revenues, profit before income tax, income tax paid and accrued, stated capital, accumulated earnings, number of employees, business activities and tangible assets.

Legislative requirements refer to the laws and regulations governing how CbCR is implemented, who must comply, and the mechanisms for compliance and enforcement.

In this document, both legislative requirements and data requirements will be discussed.

* The Treasury Laws Amendment (Responsible Buy Now Pay Later and Other Measures) Bill 2024 is still currently before Australian Parliament and has not yet been passed into law

Legislative requirements

Comparison of CbCR initiatives

Legislative requirements (1/3)

Topic	EU Public CbCR*	OECD CbCR (BEPS Action 13)	GRI 207 CbCR	Australia Public CbCR
Scope	EU-headquartered multinational enterprises or non-EU-headquartered multinational enterprises doing business in the EU through a subsidiary or branch, with consolidated turnover of EUR 750 million or more	Multinationals with consolidated turnover of EUR 750 million or more	Companies of any size, type, sector or geographic location that report under the GRI standards and identify tax as material topic	Constitutional corporations including Australian or foreign headquartered CbC reporting parent, as defined in Australian tax law, that is a member of a CbC reporting group (annual global income or AUD 1 billion or more (for whole or part of the period preceding the reporting period) of which at least AUD 10 million income is Australian sourced)
Mandate	Mandatory for MNE's in scope	Mandatory for MNE's in scope	Voluntary, but semi-mandatory for organizations reporting in accordance with the GRI Standards that have determined tax to be a material topic	Mandatory for MNEs in scope
Effective date	Directive (EU) 2021/2101 came into force on December 1, 2021. Member states were given until June 22, 2023 to transpose Directive into local law and legislation must apply (at the latest) for all fiscal years beginning on or after June 22, 2024	BEPS Action 13 Final Report published in October 2015. Varying effective dates depending on the jurisdiction. Generally, jurisdictions began implementing for fiscal years starting on or after January 1, 2016	GRI 207: Tax 2019 was published on December 5, 2019 and was effective for reports or other materials published on or after January 1, 2021	Rules will apply to years beginning on or after July 1, 2024 . For December year-end groups, the December 31, 2025 year will be the first year for which reporting is required (once the Bill is enacted)
Publicity	Publicly available report	Non-public, report available to tax authorities only (unless voluntarily made public by multinational enterprise itself)	Publicly available report	Publicly available report
Timing of the reporting	Annually, within 12 months from the date of the balance sheet for the financial year	Annually, within 12 months of fiscal year end	A company is expected to commit to <i>regularly</i> providing consolidated disclosure	Annually, within 12 months after the end of the reporting period
Type of reporting	Reports to be available free of charge, in an EU language, according to a common template and in an open data format, as a main rule filed with the national trade registry of the respective member state as well as on applicable group website	Reports to be filed with tax authorities electronically, typically in the OECD XML Schema format, according to model template and preferably in a commonly used language	Not specified	Reports to be filed with Australian Taxation Office (ATO) electronically in a standardised format, after which ATO will publish on an Australian government website

* The domestic implementation of the EU Public CbCR directive may differ per Member State.

Comparison of CbCR initiatives

Legislative requirements (2/3)

Topic	EU Public CbCR*	OECD CbCR (BEPS Action 13)	GRI 207 CbCR	Australia Public CbCR
Source data	Consolidation reporting packages, statutory annual accounts of separate entities, regulated annual accounts, or internal management financial data	Consolidation reporting packages, statutory annual accounts of separate entities, regulated annual accounts, or internal management financial data	The consolidated annual accounts or other published financial information	Audited consolidated financial statements or amounts that would be shown in such statements, had the entity been a listed company within the meaning of the Australian law and been required to prepared them
Audit requirement	Auditor to confirm that entity is in scope and that required data has been published and published in the correct places	No audit requirement based on OECD recommendations	No audit requirement	No audit requirement
Exceptions to report certain information	MNEs are allowed to defer the disclosure of specific items of information, e.g. information that could be seriously prejudicial to the commercial position, for a limited number of years (safeguard clause). Information relating to jurisdictions included in the EU list of non-cooperative jurisdictions for tax purposes should never be omitted	No specific exceptions, tax administrations should take all reasonable steps to ensure that there is no public disclosure of confidential information and other commercially sensitive information contained in the documentation package	No specific exceptions since reporting is voluntary, however, if organization cannot report all required information for all the tax jurisdictions, the organization is required to specify the requirement it cannot comply with, and to provide a reason and explanation for omission	The Australian tax authorities may, by legislative instrument, specify the particular kind of information that a specified entity is exempt from publishing and the reporting period for which the exemption applies
Exempted entities	Financial institutions: exemption where ultimate parent is subject to public CbCR under CRD IV (Directive 2013/36/EU) covering all their activities and consolidated affiliated undertakings	No specific exemptions	No specific exemptions since reporting is voluntary	The ATO may, by legislative instrument, specify an entity or a class of entities that is exempt from publishing information and the reporting period for which the exemption applies (exemptions are expected to be in limited circumstances). The ATO may also exercise a discretion via written notice to enable exemptions for specific taxpayers for a single reporting period in specific circumstances.

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Comparison of CbCR initiatives

Legislative requirements (3/3)

Topic	EU Public CbCR*	OECD CbCR (BEPS Action 13)	GRI 207 CbCR	Australia Public CbCR
Penalties, fines or sanctions	Non-compliance with any of the obligations may give rise to a penalty. Member states can decide the type and height of penalties imposed under domestic law, provided such penalties are effective, proportionate and dissuasive	Documentation-related penalties imposed for failure to comply with transfer pricing documentation requirements or failure to timely submit required information are governed by the laws of each individual country	Since GRI 207 CbCR is not mandated by law, failure to comply does not result in legal penalties, fines or sanctions	An administrative penalty will apply for late or non-submission or failure to correct a material error. Penalties start at 500 penalty units (AUD 330 per unit) and can go up to a maximum of 2,500 penalty units, resulting in a maximum penalty of AUD 825,000 for non- or late submission. Australian resident entities may also be subject to further penalties if considered to commit an offence by refusing or failing to comply.
Source of interpretation	Besides Directive (EU) 2021/2101, certain elements of the reporting instructions as prescribed in Directive 2011/16/EU (DAC4), and by extension the rules laid down in OECD's BEPS Action 13 Final Report could be used as source of interpretation	No specific sources of interpretation besides (implementation of) OECD's BEPS Action 13 Final Report	No specific sources of interpretation besides GRI 207: Tax 2019	Besides the Australia Public CbCR legislation, the ATO has also committed to publishing guidance on certain aspects of the public CbCR legislation. Disclosures 207-1 and 207-4 of GRI 207: Tax 2019 should be treated as source of guidance in interpreting the requirements entities must publish under Australia Public CbCR, including where there is any inconsistency between guidance materials. Where relevant, the disclosures are intended to align with the meaning of those in the GRI 207, even where the terminology is not identical. Regard is also to be given to the 2022 OECD transfer pricing guidelines and OECD's BEPS Action 13 Final Report, to the extent they are relevant.

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Data requirements

Comparison of CbCR initiatives

Data requirements

Topic	EU Public CbCR	OECD CbCR (BEPS Action 13)	GRI 207 CbCR	Australia Public CbCR
Tax jurisdiction(s)	✓	✓	✓	✓*
Names of entities	✓	✓	✓	✓
Description of main business activities	✓	✓	✓	✓
Number of employees	✓	✓	✓	✓
Revenue total	✓	✓	X	X
Revenue related party	X	✓	✓	✓
Revenue third party	X	✓	✓	✓
Profit or loss before tax	✓	✓	✓	✓
Tangible assets, other than cash or cash equivalents	X	✓	✓	✓
(Corporate) income tax paid	✓	✓	✓	✓
(Corporate) income tax accrued	✓	✓	✓	✓
Stated capital	X	✓	X	X
Accumulated earnings	✓	✓	X	X
Reasons for the difference between CIT and statutory rate	X	X	✓	✓*
Currency used	✓	✓	X	✓
Approach to tax	X	X	✓	✓

* Not required for jurisdictions that are aggregated (see comments on aggregated reporting on slide 10).

Comparison of CbCR initiatives

Data requirements – detailed (1/2)

Topic	EU Public CbCR*	OECD CbCR (BEPS Action 13)	GRI 207 CbCR	Australia Public CbCR**
Tax jurisdictions	All tax jurisdictions where the entities that are part of the MNE are resident for tax purposes	All tax jurisdictions where the entities that are part of the MNE are resident for tax purposes	All tax jurisdictions where the entities that are part of the MNE are resident for tax purposes	All tax jurisdictions in which the MNE operates
Per country vs aggregated	For all Member States and jurisdictions included in the EU list of non-cooperative jurisdictions for tax purposes information should be listed per country. For all other third-countries information may be listed on aggregated basis	All information should be reported per tax jurisdiction	All information should be reported per tax jurisdiction	For Australia and specified jurisdictions determined by the Australian government information should be listed per country. For all other jurisdictions information may be listed on aggregated basis
Descriptions of main business activities	Brief description of the nature of their activities	Main business activities per group entity	Primary activities of the organization	Description of the CbCR group's main business activities for the reporting period in the area consisting of those jurisdictions
Number of employees	Number of employees on a full-time equivalent basis	Number of employees on a full-time equivalent basis of all the Constituent Entities resident for tax purposes in the relevant tax jurisdiction	Number of employees and the basis of calculation of this number	Number of employees (on a full-time equivalent basis) at the end of the reporting period
Revenue	Sum of the net turnover, other operating income, income from participating interests, excluding dividends received from affiliated undertakings, income from other investments and loans forming part of the fixed assets, other interest receivable and similar income as listed in the Directive; or the income as defined by the financial reporting framework on the basis of which the financial statements are prepared, excluding value adjustments and dividends received from affiliated undertakings	Sum of income from transactions with (i) affiliated companies and (ii) non-affiliated companies and the total of (i) and (ii). Income includes income from sales of inventory and properties, services, royalties, interest, premiums and other amounts. Income does not include dividends received of affiliated companies.	Revenues from third-party sales and revenues from intra-group transactions with other tax jurisdictions. Intra-group transactions within the same tax jurisdiction are not required, but the organization can report this information separately	Revenue from unrelated parties and revenue from related parties that are not tax residents of the jurisdiction. The data disclosure on revenues from unrelated parties reflects the equivalent GRI 207 data label 'revenue from third party sales'

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Comparison of CbCR initiatives

Data requirements – detailed (2/2)

Topic	EU Public CbCR*	OECD CbCR (BEPS Action 13)	GRI 207 CbCR	Australia Public CbCR**
Profit	Amount of profit or loss before income tax	Sum of the profit (loss) before income tax for all Constituent Entities resident for tax purposes in the relevant tax jurisdiction, including all extraordinary income and expense items	Consolidated profit/loss before tax per jurisdiction	Profit or loss before income tax
Tangible assets	n/a	Sum of the net book values of tangible assets, not including cash or cash equivalents, intangibles or financial assets	Consolidated total of the net book values of tangible assets for all its resident entities in the jurisdiction	The book value at the end of the reporting period of tangible assets, other than cash and cash equivalents
Income tax paid	Income tax paid on a cash basis during the relevant financial year by undertakings and branches in the relevant tax jurisdiction	Total amount of income tax actually paid during the relevant fiscal year, including cash taxes and withholding taxes paid by other entities with respect to payments to the Constituent Entity	Total actual corporate income tax paid by all its resident entities in the jurisdiction, including cash taxes paid by entities to the jurisdiction of residence and to all other jurisdictions (e.g. withholding taxes incurred in other tax jurisdictions)	Income tax paid (on a cash basis)
Income tax accrued	Current tax expense recognised on taxable profits or losses of the financial year by undertakings and branches in the relevant tax jurisdiction	Sum of the accrued current tax expense recorded on taxable profits or losses of the year of reporting, only reflecting operations in current year and not including deferred taxes or provisions for uncertain tax liabilities	Corporate income tax accrued excluding deferred corporate income tax and provisions for uncertain tax positions	Income tax accrued (current year)
Accumulated earnings	Sum of the profits from past financial years and the relevant financial year, the distribution of which has not yet been decided upon. With regard to branches, accumulated earnings shall be those of the undertaking which opened the branch	Sum of the total accumulated earnings of all the Constituent Entities resident for tax purposes in the relevant tax jurisdiction as of the end of the year. With regard to permanent establishments (PE), accumulated earnings should be reported by the legal entity of which it is a PE	n/a	n/a

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