



## Cyprus Tax News

# EU Public CbC Reporting Directive transposed into Cyprus domestic law

On 6 December 2024, [amendments](#) to the Cyprus Companies Law were published in the Official Gazette, which transpose the EU Public Country-by-Country (CbC) Reporting Directive ([Directive \(EU\) 2021/2101](#)) into local law.

The public reporting obligations in respect of certain tax related information apply to EU headed MNEs, as well as to non-EU headed MNE with subsidiaries or branches in EU Member States, subject to exceeding the relevant thresholds. The public reporting applies to financial years (FYs) beginning on or after 22 June 2024.

### Scope

In line with the EU Directive, the rules in Cyprus apply to MNEs operating in the EU with consolidated global revenues exceeding EUR 750m in each of the last two consecutive FYs.

Specific examples of entities that would be required to report under the new legislation in Cyprus, where the abovementioned €750m threshold is exceeded, are as follows:

- An ultimate parent undertaking of an MNE Group, where that ultimate parent is registered in Cyprus.
- A Cyprus standalone undertaking with at least one foreign branch.
- A Cyprus registered subsidiary that is considered medium-sized or large-sized (as per the definitions in Directive 2013/34/EU), and which is part of an MNE Group held by an ultimate parent which is not governed by the law of an EU Member State.
- A Cyprus branch of an entity which is a member of a non-EU headed MNE, where the net turnover of the branch exceeds EUR 8m.

Certain undertakings operating in the banking sector are excluded from the scope of the new reporting rules, as far as they are already obliged to publicly disclose similar information under existing legislation in Cyprus.

### **Exclusion of commercially sensitive information**

Information which could be seriously prejudicial to the commercial position of the entities concerned may be excluded from the reporting. However, any information omitted must be made public in a subsequent report within five years from the date of its original omission. When this exception is applied, the reasons for omission must also be clearly stated. Information concerning jurisdictions which are on the EU black and grey lists for tax purposes (see [Annexes I and II to the Council conclusions on the revised EU list of non-cooperative jurisdictions for tax purposes](#)) cannot be omitted.

### **Information to be disclosed**

The rules require in scope MNEs to publish the taxes accrued and paid in each jurisdiction and other information (e.g. number of employees, nature of activities, profit/loss, revenue, accumulated earnings, employees, etc.).

The information should be disclosed on a jurisdiction-by-jurisdiction basis for each of the EU Member States and for each of the countries which are on the EU blacklist (and grey list under certain conditions) while for the other countries the information is provided on an aggregated basis.

### **Publication**

The report must be filed with the Registrar of Companies within 12 months of the balance sheet date for the relevant FY.

The report must then be made available to the public in the Greek or English languages and free of charge for at least five consecutive years via the website of the reporting entity which has the obligation to publish. The information must be presented using a common template and electronic reporting formats which are machine-readable.

In addition, there is a requirement for the auditors of the entity to include in their audit report, in relation to the financial year preceding the financial year for which the relevant financial statements were prepared, a statement as to whether the entity was required to publish a report on income tax information and, if so, whether the report was published in line with the law.

### **Key Takeaways & How can we help?**

The text of the Cyprus legislation follows that of the EU Directive ([Directive \(EU\) 2021/2101](#)) which is intended to provide the public with greater visibility into the tax affairs of large MNEs. The increased information that will be available to the public comes at a time when such multinationals are already navigating significant changes in the international tax environment, including the introduction of Pillar Two and the “global minimum tax”.

The greater tax transparency resulting from CbC Reporting is intended to encourage large businesses which operate across borders to follow ethical and transparent tax practices. In addition, it will provide enhanced insights into how the various measures introduced by governments in recent years are achieving the objectives of G20 / OECD BEPS project, including the taxation of profits where economic activities take place and where value is created.

Deloitte has dedicated teams that can advise on the global tax affairs of multinationals including matters such as Pillar Two, transfer pricing policies, CbC Reporting, and the associated compliance obligations.

**Get in touch**

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