Public country-by-country reporting:

What Luxembourg-based groups need to know

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Luxembourg transposed Directive (EU) 2021/2101 of the European Parliament and of the Council of 24 November 2021 (the "Directive) on public country-by-country reporting (pCbCR) into Chapter II quarter of the law of 19 December 2002 on the Trade and Companies Register (the "Luxembourg law"). The obligations apply to financial years beginning on or after 22 June 2024. For most calendar-year groups, FY25 is the first reporting period, and local practice and interpretation continue to evolve.

Unlike the OECD CbCR, which tax administrations exchange confidentially, pCbCR data is publicly accessible. Under certain conditions, large groups that generate more than EUR 750 million in revenue must now disclose revenue and profit figures, as well as tax data, to investors, competitors, the media, and tax authorities across jurisdictions. This article focuses on the obligations that apply to groups whose ultimate parent entity (UPE) is established in Luxembourg. Different considerations apply to groups with a non-EU UPE and to groups whose UPE is established in another EU Member State but maintains a presence in Luxembourg.

Scope and exemptions

Under the OECD CbCR rules, as transposed into Luxembourg's legal framework (Law of 23 December 2016, Annex, Section I), the UPE is a constituent entity of a multinational enterprise (MNE) group that (i) directly or indirectly holds a sufficient interest in one or more other constituent entities to require it to prepare consolidated financial statements and (ii) is not owned by another constituent entity that meets the same condition under (i). For pCbCR purposes, Article 72undecies(1) of the Luxembourg law defines a UPE as "the entity that prepares the consolidated financial statements for the largest set of entities." However, Article 72decies(1) narrows this concept by limiting the pCbCR rules to entities with specific legal forms: sociétés anonymes, sociétés en commandite par actions, and *sociétés à responsabilité limitée*, as well as, under certain conditions, *sociétés en nom collectif and sociétés en commandite simple*.

Under Article 72duodecies(1), Luxembourg UPEs must prepare, publish, and make a pCbCR accessible when consolidated revenue exceeded EUR 750 million in each of the last two consecutive financial years. The same requirement applies to standalone undertakings that meet the same revenue threshold.

Two exemptions are relevant.
1) Under paragraph (2), the rules do not apply to groups whose operations, including branches, are located exclusively in Luxembourg.
2) Under paragraph (3), UPEs that already publish a report under Article 38-3 of the law of 5 April 1993 on the financial sector (CRD IV) qualify for an exemption if the report covers all group activities.

Importantly, pCbCR is not a tax filing. It derives from the Accounting Directive, and groups file it with the Trade and Companies Register (RCS) not with the tax authorities. Groups may source some of the underlying data from the OECD CbCR, but they should not conflate the two obligations.

Content of the pCbCR and format

Article 72terdecies lists the required data points: the UPE's name, financial year, reporting currency, subsidiaries in the EU and Annex I or II non-cooperative jurisdictions, description of activities, number of employees measured as full-time equivalents (FTEs), revenue, profit or loss before tax, income tax accrued for the current year, income tax paid on a cash basis, and accumulated earnings.

Groups must present data separately for each EU Member State and for Annex I or II jurisdictions. These are jurisdictions that the Council of the EU lists as non-cooperative for tax purposes in Annex I as of 1 March of the relevant financial year, or as under monitoring in Annex II as of 1 March of both the relevant financial year and the preceding year. Groups must aggregate all other jurisdictions in a rest-of-world line.

Luxembourg does not require separate disclosure for European Economic Area countries that are not EU Member States. Therefore, Norway, Iceland, and Liechtenstein fall within the aggregated line. Groups may publish the report in any official EU language. Groups can follow the OECD CbCR reporting instructions when describing their activities, which helps avoid duplicating effort. Alternatively, they can use the NACE ("Statistical Classification of Economic Activities in the European Community") classification. In both cases, groups describe activities for each country as a whole rather than entity by entity.

Article 72terdecies(6) allows groups to omit specific data temporarily when disclosure would seriously prejudice the commercial position of the reporting entities. A group must flag and explain the omission and publish the data within five years. This safeguard does not apply to Annex I or II jurisdictions.

Commission Implementing Regulation (EU) 2024/2952 (the "Implementing Regulation") requires entities governed by Member State law to use the EU template, currently version 2.0, and iXBRL tagging. Therefore, groups with a Luxembourg-based UPE must prepare the pCbCR using the European Commission's template. Based on our experience, the RCS accepts XHTML files generated through this template. When preparing the template, groups should follow the guidance in Annex I of the Implementing Regulation, which explains how to complete each section of the report.

In particular, Annex I requires consistency between the disclosures in Section 2, "Overview of information on a country-by-country basis," and Section 3, "List of subsidiaries and activities." It also clarifies that Section 3 does not need to identify entities included in the rest-of-world line. Annex I also clarifies that groups must include entities that have no tax residence in any jurisdiction in the rest-of-world line.

Finally, although Annex I refers only to subsidiaries when listing the entities whose activities Section 3 must disclose, groups should also apply this requirement to branches. Otherwise, jurisdictions in which a group operates only through branches would not align with the Section 2 disclosures described above.

Publication

Article 72quaterdecies requires the UPE to file the report with the RCS and publish it on its website within 12 months of the balance sheet date. The report must remain accessible for at least five consecutive years.

The filing with the RCS
The RCS provides a dedicated portal page for uploading the pCbCR in XHTML format. The filing process involves the following steps:
(i) access the RCS filing portal using a LuxTrust certificate or other accepted means of authentication;
(ii) upload the XHTML file, prepared using the Commission's template, through the dedicated portal;
(iii) pay the applicable small filing fee; and
(iv) await validation.

The RCS may take up to three business days to validate the filing request, so groups should account for this period when planning for the deadline. After validation, the RCS makes a ZIP folder available for download in the company's online space. The folder contains both the proof of filing and the pCbCR in XHTML format.

The publication on the website
In addition to the RCS filing required under Article 72quaterdecies(1), paragraph (2) requires the UPE to make the report publicly accessible, free of charge, in at least one official EU language on its website within 12 months of the balance sheet date, unless the website exemption under paragraph (3) applies.

Luxembourg offers a website exemption, although not all EU Member States implementing the Directive do so. If the RCS filing uses a machine-readable format and any EU third party can access it free of charge, the UPE does not need to publish the full pCbCR separately on its website. A reference to the exemption and a link to the RCS are sufficient. The law does not specify where this reference should appear. In practice, groups commonly use investor relations pages, legal terms, or similar sections.

Other considerations

Directors' liability and penalties
Article 72quindecies(1) imposes a strict collective obligation on the members of the administrative, management, and supervisory bodies of Luxembourg UPEs. They must ensure that the group prepares, publishes, and makes the pCbCR accessible in accordance with Luxembourg law. This standard differs from the softer "to the best of their knowledge and means" standard that applies under paragraph (2) to directors of subsidiaries filing on behalf of non-EU parent entities. Article 1500-2(11) of the law of 10 August 1915 provides for penalties ranging from EUR 500 to EUR 25,000 for directors.

Auditor disclosure
Under Article 72sexdecies, when one or more approved statutory auditors or approved audit firms must audit a Luxembourg entity's accounts, the statutory auditors must state in the audit report whether the entity had to publish a pCbCR for the prior financial year under Article 72duodecies and, if so, whether it published the report in accordance with Article 72quaterdecies. The obligation, which aligns with Article 48f of the Directive, covers scope and publication but not the report's content.

Anti-avoidance
Article 72duodecies(7) requires subsidiaries or branches that would not otherwise face a filing obligation to publish a pCbCR if they exist solely to circumvent the reporting requirements. The provision sets a high threshold, but groups should consider it when structuring their EU presence.

Considerations for groups with non-Luxembourg UPEs

When the UPE is established in another EU Member State, the UPE must prepare, publish, and file the pCbCR under the law of its home jurisdiction.

Different rules apply to groups with a non-EU UPE. Qualifying medium-sized and large Luxembourg subsidiaries and branches act as proxies and must file independently. If the non-EU UPE does not cooperate, the subsidiary must publish the available data with a notice. A non-EU UPE may also publish the report directly on its own website, which relieves qualifying EU entities from publishing it on their websites, and designate one entity to file the pCbCR with the local registry. Under a literal reading of Luxembourg law, the entity designated for the local filing must reside in Luxembourg. By contrast, the Directive refers more broadly to an entity governed by the law of any EU Member State. Under this reading, a filing in another Member State would not relieve qualifying Luxembourg entities of their local obligation. The law does not specify a size threshold for the designated entity.

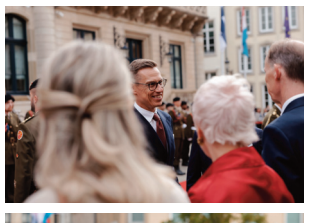
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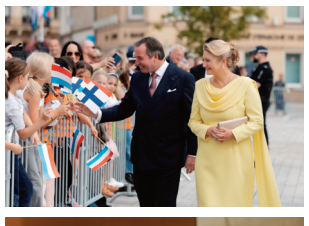
Luxembourg UPE groups and non-EU UPE groups that start work on pCbCR requirements early, establish clear internal processes for this new reporting, and ensure that disclosures accurately reflect the underlying financial data will be better positioned to manage compliance and public scrutiny over time.

Le Luxembourg et la Finlande resserrent leurs liens

Le président de la République de Finlande, Alexander Stubb, et son épouse Suzanne Innes-Stubb ont achevé le 30 septembre leur visite d'État de deux jours au Luxembourg, à l'invitation de LL.AA.RR. le Grand-Duc et la Grande-Duchesse. Cette visite était la première visite d'État entrante organisée depuis l'avènement au trône du Grand-Duc.











La première journée, mardi 29 septembre, a débuté par l'accueil officiel du couple présidentiel finlandais par S.A.R. le Grand-Duc et S.A.R. la Grande-Duchesse au palais grand-ducal.

Après un entretien et un échange de cadeaux, Alexander Stubb a déposé une couronne au monument national de la Solidarité luxembourgeoise, avant de rencontrer le président de la Chambre des députés, Claude Wiseler, le Premier ministre Luc Frieden et le ministre des Affaires étrangères Xavier Bettel.

De son côté, Suzanne Innes-Stubb a visité le Musée national d'archéologie, d'histoire et d'art avec S.A.R. la Grande-Duchesse. L'après-midi a été consacré aux institutions européennes. Alexander Stubb s'est rendu à la Banque européenne d'investissement, où il a rencontré sa présidente Nadia María Calviño, puis à la Cour de justice de l'Union européenne. Pendant ce temps, Suzanne Innes-Stubb et S.A.R. la Grande-Duchesse ont visité le Centre national pour victimes de violences. La journée s'est terminée par un dîner de gala offert par LL.AA.RR. le Grand-Duc et la Grande-Duchesse, consacré notamment aux relations bilatérales, à la coopération européenne et aux enjeux internationaux.

La deuxième journée, mercredi 30 septembre, a débuté à l'Université du Luxembourg, à Belval. Alexander Stubb y a prononcé un discours devant des étudiants, des enseignants et des invités sur les valeurs, les intérêts et le pouvoir à l'ère de la compétition stratégique.

Le couple présidentiel et le couple grand-ducal ont également découvert la transformation de Belval, de son passé industriel à son rôle de pôle de recherche, d'enseignement et d'innovation, notamment à travers la visite du Learning Centre.

Alexander Stubb et S.A.R. le Grand-Duc ont ensuite découvert plusieurs projets de recherche luxembourgeois dans les domaines de la santé, de l'intelligence artificielle, des données, des communications quantiques, du calcul haute performance et des sciences quantiques.

Parallèlement, Suzanne Innes-Stubb et S.A.R. la Grande-Duchesse se sont rendues à la Bibliothèque nationale pour découvrir l'exposition La paix (in)achevée, consacrée à l'histoire des engagements en faveur de la paix au Luxembourg.

À midi, le Premier ministre Luc Frieden a accueilli le couple présidentiel au château de Bourglinster pour un déjeuner officiel, suivi d'une conférence de presse conjointe. La dernière étape de la visite s'est déroulée au château de Betzdorf, siège de SES. Alexander Stubb et S.A.R. le Grand-Duc y ont découvert les activités du groupe luxembourgeois et son centre des opérations satellitaires.

La visite d'État s'est achevée à l'aéroport de Luxembourg, où LL.AA.RR. le Grand-Duc et la Grande-Duchesse ont pris congé du couple présidentiel avant son retour en Finlande. Ces deux journées ont permis de renforcer les échanges entre les deux pays dans les domaines européen, scientifique, technologique et économique.

Source : Cour grand-ducale du Luxembourg