

# BEPS and EU Requirements for Country-by-Country Reporting

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- **October 2015:** OECD BEPS Action 13 Final Report on “Transfer Pricing Documentation and Country-by-Country Reporting”
  - **increasing transparency** about the global value chain of MNEs, in order to perform a **first assessment** as regards transfer pricing risks and BEPS
- **April 2016:** EC proposal to make certain data of the CbCR available to the public
- **May 2016:** EU adopts the OECD standards on CbCR as part of its Anti-Tax-Avoidance-Package





# Content: Table 3

## Additional Information

Name of the MNE group:  
Fiscal year concerned:

*Please include any further brief information or explanation you consider necessary or that would facilitate the understanding of the compulsory information provided in the Country-by-Country Report.*

# Preparing the Report

- Key challenges
  - ensure validity and comparability of the provided information
  - avoid misinterpretation
- Questions over how to populate the CbCR
  - Sources of data
  - Application Questions

# Sources of Data

- Free choice of sources of data
- Consistent use of the same sources
- Top-down vs bottom-up approach

# Application Questions

- Vague definitions
- Number of inconsistencies
- Risk of data misinterpretation or even data misuse (formulary apportionment)



# Information Exchange

- EU
  - Administrative Cooperation Directive
  
- OECD:
  - Multilateral Convention on Administrative Assistance in Tax Matters
  - Bilateral Tax Conventions
  - Tax Information Exchange Agreements

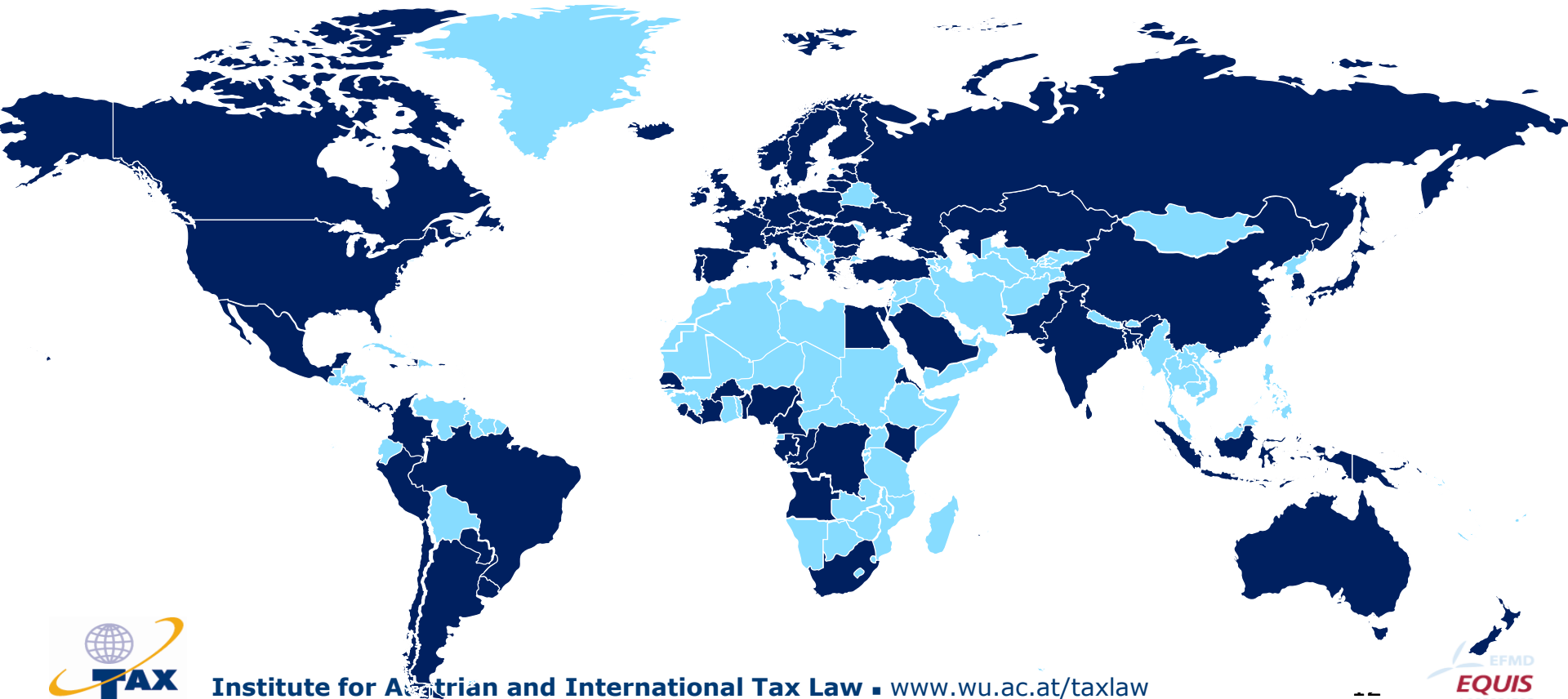
# Information Exchange (cont'd)

- Confidentiality
- Appropriate use
  - Assessing high-level transfer pricing risks
  - Evaluating other BEPS related risks
  - Economic and statistical analysis

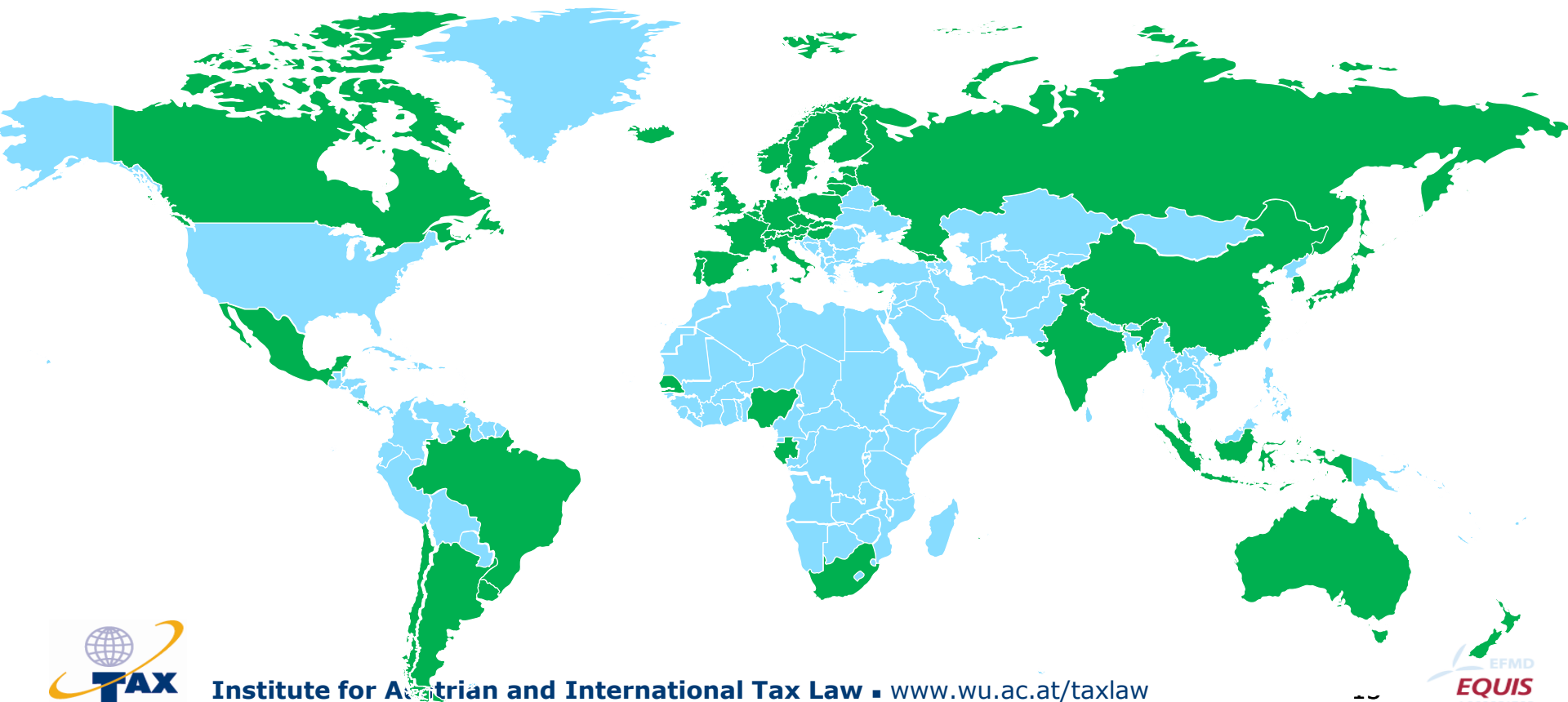
# Double Taxation

- Increase of double taxation expected
- Remedies of MNEs are insufficient
  - EU Arbitration Convention
  - BEPS Action 14

# Inclusive Framework



# Implementation BEPS 13 (Exchange of CbCR)



# Conclusions

- Pros: enhanced transparency
- Cons: compliance burden, application questions, usefulness of the data
- Tool to enable tax administrations to “ask the right questions”? Need to read it together with MF and LF
- Questions on sharing information and on data publicity
- OECD Review 2020
  - Lower threshold?
  - Public information?

# Conclusions

- Potential to “change behaviors”,
- However need for
  - Resources (personnel and technical)
  - Training
  - Cooperative compliance tools (joint audits, rulings, APAs)
  - Dispute resolution tools (MAP, arbitration, ...)

# Many thanks for your attention!



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