

A new era of tax transparency: Public CbCR

Be ready for a new era in tax transparency - publishing your CbCR data 2024



Introduction to EU Public CbCR

EU Public Country-by-Country Reporting (pCbCR) represents a significant shift in the landscape of tax transparency and aims to give stakeholders a clearer view of multinational enterprises' (MNEs) EU tax contributions and economic activities. It requires large MNEs to publicly disclose key financial data for each tax jurisdiction in which they operate, enhancing the public's ability to scrutinise corporate tax strategies.

In parallel, Australia is also moving towards greater tax transparency, with [its own set of public CbCR requirements](#). While the details may differ from the EU, the underlying principle and goal are the same.

The EU Rules

They apply to MNEs that are EU parented or have significant EU subsidiaries or branches and must report the below information for all group members, including those outside the EU:

A brief description of the group's activities	1	The number of employees	2	Revenues, excluding inter-company dividends and other adjustments	3
Profit or loss before tax	4	Taxes accrued and paid	5	Accumulated earnings	6

As the [EU Directive](#) is adopted across Member States, companies are navigating a complex patchwork of timelines and requirements. The differences between the directive and local implementation create a significant challenge for MNEs to understand these differences and meet the distinct disclosure obligations.

Please refer to the [Tax Policy Bulletin](#) for qualifications criteria and an in-depth analysis of the EU Parliament and Member States' agreement on pCbCR.

Implementation timeline: The pCbCR directive applies to financial years starting on or after 22 June 2024. However, EU Member States have the option to enforce the directive earlier (e.g. in Romania, financial years beginning on or after 1 January 2023).

PwC: your partner in pCbCR and tax transparency

We can help you navigate the complexities and challenges of the new EU pCbCR requirements and turn compliance into an opportunity to demonstrate your commitment to responsible tax practices and corporate citizenship. Our team of experts is equipped with the knowledge, experience, and tools to guide your company through each step of the journey as a trusted advisor. From stakeholder engagement to data analysis and public disclosure, we offer tailored solutions that align with your company's unique needs and objectives. **Please refer to our tried and tested 10-step plan on the next page for further guidance.**

10-Step plan to publish CbCR data

1. Stakeholder engagement

- Action: Form a cross-functional team, develop an internal communication strategy, and secure senior management endorsement.
- Value: A unified approach to tax transparency and a reinforced commitment to responsible tax practices.
- PwC Support: Experience facilitating workshops and strategic advice on internal communication.

3. Reconciling to the financial statements

- Action: Reconcile CbCR data with financial statements and provide clear explanations for reconciling items.
- Value: Transparent financial narrative and enhanced reporting credibility.
- PwC Support: Expertise in reconciliations and best practices for disclosure.

5. Peer benchmarking analysis

- Action: Execute benchmarking analysis using key financial ratios and metrics.
- Value: Insights into competitive standing and narrative credibility.
- PwC Support: Deliver transparency insights from strategic benchmarking and proprietary databases.

7. Define the jurisdiction for filing

- Action: Decide the jurisdiction where the pCbCR will be filed.
- Value: Streamlined reporting processes and alignment with strategy.
- PwC Support: Expert network on filing requirements.

9. Narrative alignment

- Action: Align with other corporate disclosures.
- Value: Single corporate message.
- PwC Support: Detailed review of processes to ensure consistent narratives.

2. Confidence in your data and process

- Action: Verify the accuracy of the data and ensure a robust, documented Tax Control Framework.
- Value: Reliable and consistent CbCR data that aligns with tax strategy.
- PwC Support: Deep experience on interpretation of OECD guidelines, review or preparation of qualifying datasets for [Pillar Two's safe harbour](#), review of controls for accuracy of source.

4. Trend analysis and outliers

- Action: Analyse CbCR data to identify trends and investigate outliers.
- Value: Economic narrative and preparedness for stakeholder inquiries.
- PwC Support: Tech-enabled data analytics skills for data scrutiny and trend analysis, CbCR analyser tool and reporting.

6. Review specific legislative requirements (EU, Australia, etc.)

- Action: Analyse specific legislative requirements by country (e.g. country lists for disaggregation, 5-year deferral rule, position on power and possession, etc).
- Value for you: Management of reputational risks and compliance with reporting requirements.
- PwC Support: Leverage PwC's network to ensure you know the most recent developments and requirements in each country (real-time tracker available).

8. Public disclosure preparation

- Action: Develop and prepare the narrative to be included in the public report document.
- Value: Clear disclosures and proactive stakeholder engagement narrative.
- PwC Support: Development of public disclosures and Q&A resources.

10. Voluntary disclosure consideration

- Action: Evaluate the pros and cons of additional voluntary disclosures.
- Value: Leadership in corporate responsibility and enhanced stakeholder trust.
- PwC Support: Specialist support in developing strategic voluntary disclosures such as Total Tax Contribution, and Corporate Sustainability Reporting Directive.

Contact our specialists

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