

Via e-mail only

Highest revenue authorities of the *Länder*

For information purposes only:

Federal Central Tax Office

Federal Academy of Finance
at the Federal Ministry of Finance

Requirements for country-by-country reports by multinational enterprise groups¹

Agenda item 4.3 of the ASt II/17 meeting

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Following consultations with the highest revenue authorities of the *Länder*, country-by-country reports as defined in section 138a of the Fiscal Code must be compiled and submitted as follows:

Enterprise groups operating on a multinational basis are obliged to compile and submit country-by-country reports. This is one of the provisions of the Act Implementing the Amendments to the EU Mutual Assistance Directive and Further Measures to Combat Base Erosion and Profit Shifting of 20 December 2016 (Federal Law Gazette I, p. 3000), which added the new section 138a to the Fiscal Code. If the conditions set out in section 138a of the Fiscal Code are met, country-by-country reports must be submitted for financial years beginning after 31 December 2015. They must be submitted to the Federal Central Tax Office using the XML format stipulated by the OECD. Technical details can be found in the User Guide published in the 'Tax' section of the OECD's website, currently available at: <http://www.oecd.org/tax/country-by-country-reporting-xml-schema-user-guide-for-tax-administrations-and-taxpayers.htm>.

Taking into account the international agreements and the corresponding implementation in section 138a of the Fiscal Code, the country-by-country reports must include the information set out in the Annex. This is based on the BEPS report "Transfer Pricing Documentation and Country-by-Country Reporting, Action 13" as well as Council Directive (EU) 2016/881 of 25

¹ This translation is provided merely for information purposes. Only the German language version is authoritative for the application of the law.

May 2016 (OJ L 146/8 of 3 June 2016) amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation.

The country-by-country report must be compiled according to a prescribed data format (the XML Schema) and submitted to the Federal Central Tax Office via remote data transmission. The XML Schema is not identical with the tables included in the Annex, which merely serve illustrative purposes. The entire country-by-country report can be submitted in English. Under Article 2b of Implementing Regulation (EU) 2015/2378, inserted through Implementing Regulation (EU) 2016/1963 of 9 November 2016 (OJ L 303/4), the information or explanation included in Table 3 *must* be submitted in English.

Information on the transmission of the country-by-country report, the legal basis and current international developments, particularly with regard to a consistent international understanding of the information required, will be published in the 'CbCR' section of the Federal Central Tax Office's website:

http://www.bzst.de/DE/Steuern_International/CbCR/cbcr_node.html.

This circular will be published in Part I of the Federal Tax Gazette. It is already available for download on the Federal Ministry of Finance website.

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