

EC PROPOSAL ON PUBLIC "CBCR"

On April 12th the European Commission proposed increased public reporting for certain multinational enterprises (MNEs). This was widely dubbed as public country-by-country reporting (CBCR) for MNEs. Public CBCR is an important goal because it would increase corporate and tax transparency.

Unfortunately, the proposal does not achieve these aims. See what's missing and how to improve it.

EU REPORTING

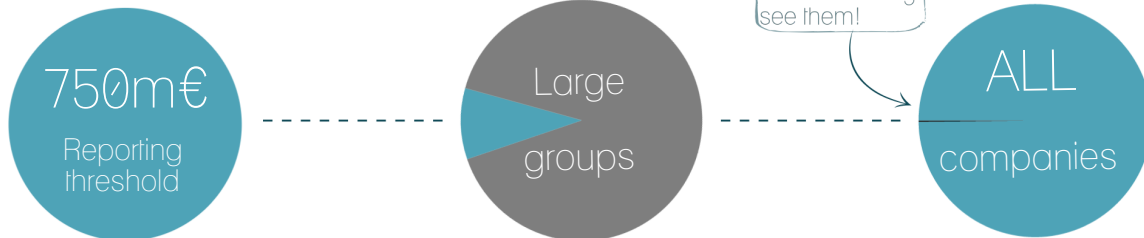
vs.

CBC REPORTING



The Commission does NOT propose public country-by-country reporting: It obliges MNEs to publish disaggregated information on their EU operations and some tax haven operations while allowing the data from the rest of the world to be lumped together.

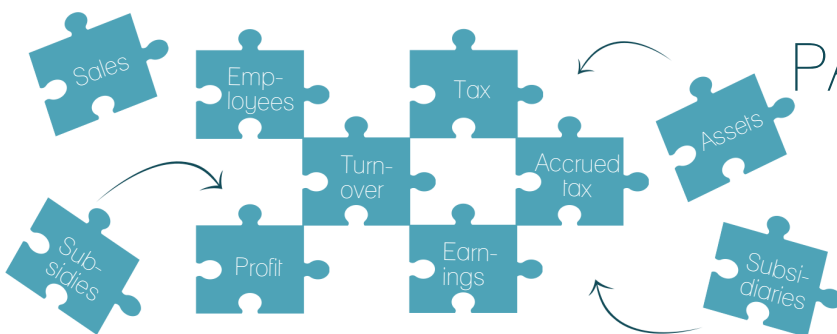
MOST LARGE COMPANIES DON'T HAVE TO REPORT



The Commission proposes that only companies with turnover of more than 750 million euro would have to publish their CBC reports. Currently, the EU category for biggest companies is "large groups". Companies with more than 750m€ turnover form less than 10% of all the large groups in the EU!

Large groups make up 0,08% of companies in the EU. Broadening the reporting requirement to them would affect only a tiny proportion of European companies.

 A vast majority of the remaining 99,92% of companies effectively publish their CBC reports since they operate only in one country!



PARTIAL INFORMATION

Proposed reporting requirements give only a partial picture of a multinational's economic activity in different jurisdictions. Every piece of the puzzle is crucial if we want to see the full picture!

Read More in the Joint CSO Q&A on the European Commission Proposal on Public "CBCR"