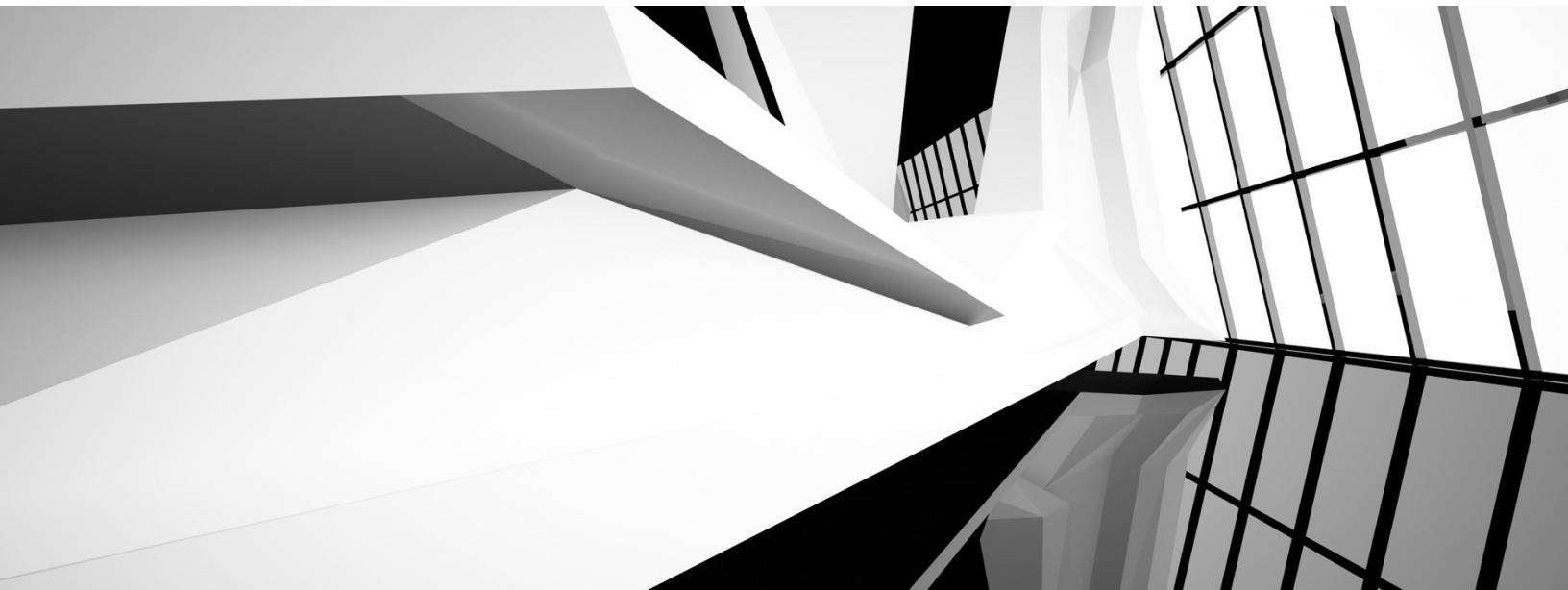


Praxio Tax Alert

November 2019

OECD released further guidance on country-by-country reporting



Creativity

Efficiency

Sophistication

Knowledge

On November 5, 2019, the OECD [released additional interpretative guidance](#) which aim to help MNE Groups in avoiding errors made in preparing CbC reports.

Country-by-Country (CbC) reports contain valuable information on the global allocation of the income, taxes paid and the location of economic activities among tax jurisdictions in which an MNE group operates, for use in a high level transfer pricing risk assessment, assessment of other BEPS-related risks, and economic and statistical analysis, if appropriate. However, this information can only be used effectively for these purposes if the data contained in CbC reports prepared by MNEs is robust and accurate

Based on the last reports established by MNE Groups, the OECD undertaken a summary of common errors made by MNE Groups in preparing CbC reports. The aim of this release is to provide MNE Groups with additional guidance in order to avoid errors and help tax administrations in detecting them.

In the light of the above, the new guidance includes questions and answers on:

- Treatment of dividends for purposes of “profit (loss) before income tax”, “income tax accrued (current year)” and “income tax paid (on cash basis)”;
- Application of the deemed listing provision when the parent entity of a multinational enterprise (MNE) group is tax resident in a jurisdiction that does not have a securities exchange;
- Information relating to the accounting period;
- The use of rounded amount in preparing Table 1.

The complete set of guidance concerning the interpretation and operation of BEPS Action 13 issued so far consolidated in the document released on November 5, 2019. This will continue to be updated with any further guidance that may be agreed.

As a reminder the CbC reporting deadline is fast approaching (i.e. 31/12/2019).

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