



How Public Country-by-Country Reporting is Changing Business

1. What is Public Country-by-Country Reporting (PCbCR)

PCbCR is an Accounting Directive (Directive (EU) 2021/2101 of the European Parliament and of the Council of 24 November 2021 amending directive 2013/34/EU as regards disclosure of income tax information by certain undertakings and branches - OJ 1.12.2021) that forces certain multinational enterprises (MNE) to make certain financial and tax information publicly available at no cost. Member States are asked transpose the directive by mid 2023, with an implementation as of 2024. Some countries, however, have already adopted and implemented the directive.

The reporting should be performed on a country-by-country basis for EU Member States, for countries that are mentioned on the EU list of non cooperative countries (the EU Blacklist), and for countries that have been on the EU grey list for more than two years. These lists are updated twice a year.

Exclusions (for example for confidential information) may apply.



2. What should I do

If you are liable to country-by-country reporting, you will most likely be liable to PCbCR as well. PCbCR information will be publicly available and can be consulted by any interested party, whatever the reason.

It is therefore crucial to make your qualitative reporting consistent with your broader tax strategy, governance and ESG objectives.

Countries are required to transpose the directive by mid 2023, with an implementation as of 2024. Some of them, however, have adopted and implemented it earlier. The Belgian Council of Ministers has approved the transposition of the public CbCR directive on 13/10/2023. The draft law will now be introduced in the Chamber.

The information must be broken down per each EU Member State where your business is active as well as for each jurisdiction deemed non-cooperative by the EU or that has been on the EU's 'grey' list for a minimum of two years. Information related to all other jurisdictions may be reported on an aggregated level. The lists mentioned above are updated twice a year.



How PwC can assist your company

- Supporting your company in the preparation and implementation of the new public CbCR directive
- Obtaining comfort over your published data
- Preventing contradictions with already published data
- Using Public CbCR as an opportunity to shape your own narrative
- Benchmarking other companies in your sector to prepare a response plan
- Presenting a wider tax transparency strategy to ensure a consistent and clear narrative of your business, including the development and design of your tax control framework
- Revisiting your country-by-country reporting if required, for both the safe harbour rules under Pillar I and the imminent implementation of Public CbCR