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Subject: Preparation of the Informal videoconference of the Ministers of Internal Market and Industry on 25 February 2021:
Public Country-by-Country Reporting (CBCR)
- Policy debate

During the next informal videoconference of the Ministers of Internal Market and Industry on 25 February 2021, Ministers will be invited to hold a policy debate on the proposal for a Directive of the European Parliament and of the Council amending Directive 2013/34/EU as regards disclosure of income tax information by certain undertakings and branches (CBCR).

Presidency has prepared a discussion paper (in Annex) to help structure the debate.



Informal videoconference of the Ministers of Internal Market and Industry

Proposal for a Directive of the European Parliament and of the Council amending Directive 2013/34/EU as regards disclosure of income tax information by certain undertakings and branches

Brussels, 25 February 2021

The proposal for a Directive regarding the disclosure of income tax information by certain undertakings and branches, known as the "public country-by-country reporting" or "CBCR" proposal, aims to enhance corporate transparency and public scrutiny on the activity of multinational companies, prompting them to behave in a more socially responsible way.

The Portuguese Presidency believes that this initiative is in the general public interest, as it will enable stakeholders to better know the operations of companies, specifically from the accountability point of view. Transparency is an important factor in the corporate social responsibility of European companies.

This Proposal concerns the harmonization of obligations, for certain multinational companies, to publish reports on income tax information, thereby eliminating obstacles to market transparency and promoting freedom of establishment in the internal market of the European Union.

The legal obligations in this proposal cover exclusively matters of corporate reporting, aimed for public knowledge, and will not provide tax authorities with any additional information.

These reporting obligations are very similar to those already imposed on certain types of companies, in the banking and extractive industries, and adopted by EU legislation on the basis of Treaty rules also concerning the right of establishment.

To further clarify that the objective of this proposal is to increase transparency and that its focus is only on reporting, minor changes to four recitals (2, 6b, 10, 12) have been incorporated in a consolidated document, following previous discussions at ministerial level.

Member States are invited to express their view on the latest version of the Proposal for a Directive of the European Parliament and the Council amending Directive 2013/34/EU as regards disclosure of income tax information by certain undertakings and branches (CBCR).
