



Philippos
Aristotelous

Ministry of Finance announces commitment to country-by-country reporting



May 27 2016 | Contributed by Andreas Neocleous & Co LLC

Corporate Tax, Cyprus

On April 27 2016 the Ministry of Finance announced that it intends to make the necessary amendments to domestic law in order to introduce country-by-country reporting in line with the draft EU directive amending EU Directive 2011/16/EU on administrative cooperation in the field of taxation, which is expected to be approved in May 2016 by the EU Economic and Financial Affairs Council. The draft directive requires member states to make the necessary amendments to domestic legislation by the end of 2016 and apply the relevant provisions from the start of 2017.

When the provisions are implemented, the parent company of any multinational group with a consolidated turnover in excess of €750 million in the preceding year will be required to compile a country-by-country report providing analysis of income, taxes and business activities by tax jurisdiction and to submit it to the tax authority of the jurisdiction where it is resident for tax purposes. The tax authority is required to exchange this information automatically with the jurisdictions concerned within 15 months of the end of the tax year covered by the report. **(1)** If the jurisdiction in which the parent company is tax resident does not introduce provisions for country-by-country reporting, the relevant information must be submitted by:

- individual constituent entities of the group in the jurisdiction in which they are resident; or
- a group company appointed by the parent company as a surrogate parent entity for this purpose in the jurisdiction in which it is resident.

For further information on this topic please contact Philippos Aristotelous at Andreas Neocleous & Co LLC by telephone (+357 25 110 000+357 25 110 000) or email (aristotelous@neocleous.com). The Andreas Neocleous & Co LLC website can be accessed at www.neocleous.com.

Endnotes

(1) Extended to 18 months for the first exchange of information.

The materials contained on this website are for general information purposes only and are subject to the disclaimer.

ILO is a premium online legal update service for major companies and law firms worldwide. In-house corporate counsel and other users of legal services, as well as law firm partners, qualify for a free subscription.