

BY THE NUMBERS

The Importance of Consistency in Country-by-Country Reporting (CbCR)

With so much data and documentation across so many jurisdictions to keep track of, consistency is key. Consistency in your CbCR process can help you avoid late, missed, incomplete, and inaccurate filings. It also provides a documented way to “show your work,” which can assist you in defending your position during an audit or inquiry.

Check out these stats to see why having a consistent and flexible CbCR process in place today is essential to your company’s future success.



€250,000 is the maximum **penalty in Luxembourg** for CbC reporting errors or late reporting. This is just one example and does not illustrate the maximum penalty issued by all tax authorities. There are tax authorities that issue more stringent penalties and some that issue more lenient penalties. As corporations move toward the first audit cycle, penalties with greater amounts will be more prevalent.



19 is the total number of **risk indicators** issued by the OECD. This is the primary method tax authorities use to review and analyze a corporation’s CbCR data. This list can be very helpful in understanding the tax authority’s perspective and in providing guidance to corporations as they’re preparing their CbC reports.

36 is the number of pages that makes up the UK’s **XML Schema User Guide**, which explains what information needs to be included in each CbC data element to be reported to HMRC. In addition, it contains guidance on how to make corrections to data items that can be processed automatically, and error codes associated with certain data elements of the XML Schema.

Even in jurisdictions where XML is not the desired output, the method for validating the CbCR data outlined in the guide can still be used.



Transparency is the future of tax reporting – and the future is now. As a result of the data-intensive CbCR requirements brought on by the BEPS initiative, global companies are taking action by centralizing transfer pricing data and automating how it is used to meet new international tax regulations.

Contact us for more information

+ 1 800 865 5257 or visit tax.tr.com/onesource/beps-action-manager.

