EUROPEAN COMMISSION PROPOSAL ON PUBLIC "CBCR"

QUESTIONS AND ANSWERS

Introduction

On April 12th the European Commission released a proposal for amending *Directive 2013/34/EU as regards disclosure of income tax information by certain undertakings and branches* ('Proposal'). This was widely dubbed as a move to make country-by-country reporting (CBCR) of multinational enterprises (MNEs) public. Public CBCR has been a long term goal for civil society organisations throughout Europe and beyond.[1] Comprehensively implemented, it would increase corporate and tax transparency by enabling citizens worldwide to follow the money and ensure that the taxes due are paid ensuring adequate revenue for critical public services.

Unfortunately, as this Q&A shows, the Proposal does not live up to these expectations. Unless the European Parliament and EU member states agree to amend it in a meaningful way, the EU will miss a key opportunity to increase tax transparency, not only in Europe but everywhere.

1. Does the Proposal actually include public country-by-country reporting?

No. The Proposal does *not* require any MNEs to publish information disaggregated on a country-by-country basis.

Instead, it requires MNEs to publish disaggregated information about their operations in EU member states while allowing the data to remain aggregated for the rest of the world. Therefore the Proposal could be called public EU-wide reporting at best. It is true that in response to the Panama Papers, the Commission added an obligation for MNEs to provide similar disaggregated information on their operations in "certain tax jurisdictions which pose particular challenges" (by which they are referring to tax havens or secrecy jurisdictions).[2]

Public CBCR - through increased transparency and public scrutiny over MNE's financial data - is intended to help in assessing whether the right amount of tax is paid in the right place, at the right rate and at the right time (for more on the necessary disclosure elements, see question 3). Not including all countries in the reporting requirement renders the exercise meaningless, as it will still allow multinationals to shift their profits to jurisdictions that are not covered. This is likely to mean that we will see a cat and mouse game with multinationals looking for new jurisdictions to hide their profits and new tax havens being established.

Furthermore, it means most developing country citizens or governments will have no access to information about their home countries, despite the fact that profit shifting has a bigger impact on developing countries than developed countries[3] to the tune of at least US$100 billion.[4] Extending the requirements to all countries would allow developing countries to identify these flows and take appropriate measures to combat them which in turn would unlock much-needed funding for development. The Commission's impact assessment recognised that public CBCR could assist developing countries to narrow their tax revenue gaps, therefore undermining the decision in the Proposal to leave these countries in the dark.[5]

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[1] A Joint CSO Q&A on the importance of CBCR available here: https://financialtransparency.org/wp-content/uploads/2016/02/Joint_Civil_Society_QA_pCBCR.pdf

[2] EC COM(2016) 198/2, p. 11. Note, this is required only if the MNEs have activities giving "rise to income tax liability in that jurisdiction", EC COM(2016) 198/2, Article 48c(3).

[3] According to estimates in an IMF Working Paper, BEPS decreases annual tax revenues in OECD-countries by 1%/GDP while the impact is 30% higher in non-OECD countries, 1.3%/GDP. Available here: https://www.imf.org/external/pubs/ft/wp/2015/wp15118.pdf

[4] UNCTAD (2015), *World Investment Report 2015: Reforming International Investment Governance*, United Nations Publication, Geneva, http://unctad.org/en/PublicationChapters/wir2015ch0_KeyMessage_en.pdf

[5] European Commission, Impact Assessment assessing the potential for further transparency on income tax information, SWD(2016) 117 final, 12 April 2016, p.44, http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52016SC0117&from=EN

2. When tax havens are covered as well, does that solve the problem?

No. Previous experiences show that creating and maintaining a collective EU list of tax havens is extremely difficult to achieve in practice, and has at best resulted in a very limited and controversial set of countries. The easiest way to ensure public reporting includes all tax havens would be to require multinationals to disclose relevant information for *all* countries in which they operate.

We see a number of concerning bottlenecks which would occur should the final legislation link public reporting with a tax haven list[6]:

First, blacklisting countries is a political process. Even though the Commission stresses objective criteria in the Proposal, there is a risk that the resulting list would be far from objective. EU member states are excluded from the listing process, and countries with which the EU has close ties, such as Switzerland and the US, might not make the list even though recent studies clearly show that they are amongst the most significant secrecy jurisdictions in the world.[7]

Second, EU member states tend to focus on secrecy jurisdictions while tax havens also include corporate tax havens, providing very low tax rates, granting advantages to non-residents, etc.

Third, creating an EU wide common list is anything but easy. In June 2015 the Commission published a blacklist of 30 non-cooperative jurisdictions, but it was quickly taken down after a Member State called it "misleading and deeply unhelpful".[8] The Commission is likely to face tough opposition this time around as well, as some member states have already criticised the way in which the Commission aims to devise the list.[9]

Fourth, even if the Commission managed to compile the blacklist, it needs to be actively updated to respond to the changes in legislation in other jurisdictions. EU decision-making, with all its checks and balances, takes time, so it should be expected that the truly 'non-cooperative' jurisdictions will stay ahead of this legislative game, and might even encourage other jurisdictions to move into the same game.

Finally, even if such a list is adopted, economic activities in third countries will still be kept in the dark, rendering the legislation unfit for purpose. In particular, developing countries will be left out in the cold in spite of the EU's commitments to help them mobilise domestic resources.[10]

3. Does the EU have legal authority to require MNEs to provide CBC reporting for their activities in third countries?

Yes it does. The EU already has legislation requiring MNEs to provide reporting for their activities worldwide.

The EU does have the legal authority to require European MNEs to publish CBC reporting for their non-EU subsidiaries, and the legal authority to require CBC reporting from subsidiaries of non-EU MNEs that are doing business in the EU.

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[6] For more arguments about the controversies of tax haven lists, see http://eurodad.org/Entries/view/1546593/2016/05/27/The-false-EU-promise-of-listing-tax-havens

[7] For Switzerland: http://www.financialsecrecyindex.com/PDF/Switzerland.pdf, for the US: http://www.financialsecrecyindex.com/PDF/USA.pdf and the recent report *The US as a Tax Haven* by the Greens: http://www.greens-efa.eu/fileadmin/dam/Documents/TAXE_committee/The_US_as_a_tax_haven_Implications_for_Europe_11_May_FINAL.pdf

[8] The full list of countries was as follows: Andorra, Liechtenstein, Guernsey, Monaco, Mauritius, Liberia, Seychelles, Brunei, Hong Kong, Maldives, Cook Islands, Nauru, Niue, Marshall Islands, Vanuatu, Anguilla, Antigua and Barbuda, Bahamas, Barbados, Belize, Bermuda, British Virgin Islands, Cayman Islands, Grenada, Montserrat, Panama, St Vincent and the Grenadines, St Kitts and Nevis, Turks and Caicos, US Virgin Islands. The UK's comments available here: https://www.theguardian.com/technology/2016/jan/30/google-tory-battle-protect-30bn-tax-haven-bermuda?CMP=share_btn_tw

[9] Agence Europe, 13/04/2016.

[10] United Nations General Assembly, Addis Ababa Action Agenda of the Third International Conference on Financing for Development, A/RES/69/313, 17 August 2015, http://www.un.org/ga/search/view_doc.asp?symbol=A/RES/69/313

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Firstly, the EU already requires European banks and logging and extractive industries to publish a subset of CBCR information[11], including for their foreign subsidiaries, and the banking industry has already begun publishing those reports. These Directives confirm that there is a clear, established, and effective legal basis for CBC reporting with respect to a European MNE's foreign subsidiaries.

Secondly, with respect to requiring full MNE group CBCR from the European-based subsidiaries of non-EU MNEs, both the Proposal itself and other EU legislation confirm that the Commission believes it has this authority and uses it in other contexts. Most importantly, the Proposal already requires disaggregated CBC reporting from the EU and from the 'non-cooperative jurisdictions'. If the EU can require MNEs to do CBC reporting for select non-cooperative jurisdictions outside of the EU (provided that they have an EU-based subsidiary), they can require it for any non-EU country in the same manner.

Requiring information about third country activities is a question of sufficient incentives and sanctions. Companies, whether parent companies or subsidiaries, operating in the EU and its members states have to abide by the laws existing in the EU and the different member states. There is no "free pass" out of compliance because an entity is a subsidiary of a foreign company. CBCR is no different than the many environmental, labor, and many types of reporting standards companies are required to comply with by EU Regulations and Directives that have been adopted by the member states. The price for failure to comply with laws can be loss of access to the biggest consumer market in the world—the EU. [12] This important leverage will ensure that requiring CBCR information from foreign-owned subsidiaries will not result in a negative market response.

MYTH: "PUBLIC CBCR FREELY AVAILABLE TO ANY TAX AUTHORITY GENERATES FURTHER TAX CONFLICTS AND DOUBLE TAXATION"

THE COMMISSION RAISES ITS CONCERNS ABOUT TAX CONFLICTS IN THE PROPOSAL (P. 5). THIS IS A RATHER DUBIOUS LINE OF THOUGHT. DOES THE COMMISSION THINK THAT NOT ALL TAX AUTHORITIES SHOULD GET THEIR HANDS TO THE CBCR THAT IS AVAILABLE TO THE EUROPEAN AUTHORITIES? ISN'T THE IDEA OF OECD BEPS ACTION 13 TO GIVE AS MANY TAX AUTHORITIES AS POSSIBLE THE MEANS TO ACCESS MORE DETAILED CBCR THROUGH AUTOMATIC INFORMATION EXCHANGE?

THE PROPONENTS OF THIS CLAIM SEE TAXATION AS A ZERO-SUM GAME: THEY THINK THAT IF MNES ARE REQUIRED TO PAY THEIR FAIR SHARE OF TAXES ELSEWHERE IT WOULD DIMINISH THEIR DOMESTIC TAX REVENUES. THE IDEA OF FAIR DISTRIBUTION OF TAXES DOESN'T MEAN JUST A RESHUFFLE OF THE CURRENT GLOBAL TAX BASE. THE ULTIMATE GOAL IS TO TAX COMPANIES ON THEIR ACTIVITIES BASED ON WHERE THE VALUE IS CREATED. WITH PUBLIC CBCR THE PUBLIC AND THE DECISION MAKERS WOULD IDEALLY HAVE A BETTER IDEA WHERE THE VALUE CREATION TAKES PLACE AND WHETHER THE TAXATION REFLECTS THAT.

4. Does the EU break international laws or agreements by proposing public CBCR?

No. There is no international law to say what kind of financial information countries can ask companies to disclose.

The OECD has devised its own secretive model of CBCR collection and exchange, and currently 39 countries (including 20 EU member states) have signed up for it. Upon signing the multilateral agreement (MCAA), the signatories have agreed to very strict confidentiality clauses regarding the information they receive from other jurisdictions.

There have been some statements accusing proposals for public CBCR of undermining this international agreement. This is incorrect as the Proposal does not require the member states to publish anything, it requires

[11] Accounting Directive 2013/34/EU: Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (CRD IV)

[12] It is noteworthy that the US have legislation in place (FATCA) requiring financial institutions worldwide to report on their American clients. If a bank fails to comply with FATCA, its operations in the US are severely affected. More information about FATCA in the report *The US as a Tax Haven*: http://www.greens-efa.eu/fileadmin/dam/Documents/TAXE_committee/The_US_as_a_tax_haven_Implications_for_Europe_11_May_FINAL.pdf

the MNEs to do it. Member states that have signed the MCAA would not share any of the information they get from other signatory countries.

5. Are MNEs headquartered both in and outside the EU covered?

Yes. Both companies that are headquartered in the EU or that have subsidiaries or branches active in the common market are required to report.

Arguably, this is one of the Proposal's strengths. The Proposal requires all MNE groups that are active in the EU to report, regardless of whether they are headquartered, or only have subsidiaries or branches in the EU. However, the MNE group needs to have at least one subsidiary or branch that is categorised as a medium-sized or large undertaking in the Accounting Directive.[13]

This requirement ensures a level playing field for all companies active in the European market, meaning that there won't be different competitiveness impacts for EU companies compared to non-EU companies. It is a strong move from the EU preventing any incentives to make company inversions based on the assumption of lighter regulation.

MYTH: "REQUIRING PUBLIC CBCR WOULD PUT EUROPEAN COMPANIES AT A COMPETITIVE DISADVANTAGE COMPARED TO OTHER MNES"

THE IMPACT ASSESSMENT CLEARLY CONCLUDES THAT REQUIRING PUBLIC CBCR DOES NOT HAVE AN EFFECT ON EUROPEAN COMPANIES' COMPETITIVENESS, AS LONG AS IT IS REQUIRED FROM ALL MNES ACTIVE IN THE EUROPEAN MARKET (p. 35).

STRIKINGLY, THE OPPONENTS OF REAL CBCR FAIL TO MENTION THE SKEWED COMPETITIVE SITUATION EUROPEAN SMALL AND MEDIUM-SIZED ENTERPRISES (SMES) ARE FACING AT THE MOMENT. WHEN CONSIDERING THAT SMES ACCOUNT AS MUCH AS 85% OF ALL NEW JOBS IN THE EU, SHOULDN'T WE BE MORE CONCERNED ABOUT THEIR SITUATION THAN THAT OF THE MNES? INDEED, THE SAME IMPACT ASSESSMENT NOTES THAT "A FAIRER DISTRIBUTION OF FISCAL PRESSURE ACROSS THE SIZE SPECTRUM COULD FURTHER SMES' CAPACITY TO SUPPORT GROWTH AND JOB CREATION, AND COULD FURTHER MARKET ENTRY, COMPETITION, AND INNOVATION" (p.32). THE PUBLIC GLOBAL CBCR IS A TOOL THAT AIMS TO IMPROVE THE DEMOCRATIC DEBATE ABOUT THE FAIRNESS IN DISTRIBUTION OF FISCAL PRESSURE. IT IS NOT A THREAT TO COMPETITIVENESS OF ECONOMY; IT IMPROVES IT.

6. Would the Proposal apply to all big Multinationals?

No. The suggested reporting threshold is set at a global turnover of 750m€, which will exclude 85-90% of all MNEs worldwide according to estimates by the OECD.[14]

Following the example set by the OECD in its BEPS Action Plan, the Commission proposes that only MNEs having global turnover of more than 750m€ should publish information. According to the Impact Assessment accompanying the Commission Proposal only 6,500 such MNEs exist worldwide, out of which 1,900 are headquartered in the EU.[15] However, there are plenty of examples of MNEs that do not meet the very high threshold foreseen by the Commission, but are still engaging in questionable tax planning practices.[16]

This excessively high threshold is particularly problematic for developing countries, which typically host smaller multinational companies who can be the country's largest foreign direct investors and can have enormous impact

[13] EC COM(2016) 198/2, Article 48b(3). Medium-sized undertakings exceed the limits of at least two of the three following criteria: 1. Balance sheet total 4m€, 2. Net turnover 8m€, and 3. 50 employees (Accounting Directive 2013/34/EU, Article 3[3]).
[14] http://www.oecd.org/ctp/beps-action-13-guidance-implementation-tp-documentation-cbc-reporting.pdf, p. 4.
[15] The Impact Assessment is available here: http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52016SC0117&from=EN, p. 22.
[16] See for example Heritage Oil: http://www.transparencyinternational.eu/2016/04/panama-papers-show-the-eu-must-take-action-on-corporate-tax-transparency/, and Paladin: http://www.actionaid.org/news/poorest-country-world-lost-us43-million-six-years-combination-tax-avoidance-and-tax-breaks-sing

on the national economy. Just by way of illustration, €750 million is roughly equivalent to the total government revenue of Liberia and Burundi.[17]

The European Parliament (EP) had a much more pragmatic approach to the reporting threshold in their amendments to the Shareholders' Right Directive (SRD) Proposal[18] in 2015, which is in line with existing definitions in the Accounting Directive. Instead of referring to the OECD, whose membership does not include all EU member states and excludes developing countries, the EP proposed to simply extend the reporting requirement to all large undertakings and public-interest entities (PIEs). In light of the existing definition for large undertakings, the threshold proposed by the Commission not only appears especially high (turnover 750m€)[19] but would not be in line with the definition of 'large undertakings' in Article 3 of the same Directive (one of its three criteria being a turnover of minimum 40m€) .

The Impact Assessment estimates that there are at least 20,000 large undertakings in the EU.[20] If the Proposal was amended to be in line with existing legislation and the EP SRD Proposal, its scope and impact would become much stronger. It should not cause significant administrative or cost burden to these groups, either: any competent tax director of a transnational enterprise should already have the information required for public CBCR readily available. It is almost inconceivable that tax directors, and therefore the companies that employ them, do not know their employee headcounts and costs, profits, tax provision and tax paid, assets employed and intra-group transactions by state.[21]

7. Does the Proposal require the right reporting elements, and if not, what is missing?

No. The Proposal misses crucial reporting elements. Each piece is meaningless on its own and only reveals useful information when disclosed alongside the others.

Lack of information on the activity and assets of a MNE in a jurisdiction makes it nearly impossible to make a relevant assessment of the amount of taxes the MNE is, or should be, paying in that jurisdiction. The reporting requirements in the Proposal give the public only a limited picture. Each of the reporting elements in the below tables are absolutely needed for a public CBCR fit for purpose:

WHAT IS INCLUDED IN THE PROPOSAL	HOW COULD IT BE STRENGTHENED?
a) Name(s), nature of activities;	*a) …and geographical location*
b) The number of employees;	*b) the number of employees* ***on a full-time equivalent basis****;*
c) the amount of the net turnover, which includes the turnover made with related parties;	*c) turnover with related parties; turnover with unrelated parties; and total turnover*

[17] Regional Economic Outlook: Sub-Saharan Africa; April ... - IMF." 2015. 27 Jan. 2016m https://www.imf.org/external/pubs/ft/reo/2015/afr/eng/pdf/sreo0415.pdf; "Assisting countries in avoiding the pitfalls of transfer pricing ..." 2013. 28 Jan. 2016 http://www.theguardian.com/global-development-professionals-network/adam-smith-international-partner-zone/assisting-countries-in-avoiding-the-pitfalls-of-transfer-pricing
[18] Available in http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-%2f%2fEP%2f%2fTEXT%2bREPORT%2bA8-2015-0158%2b0%2bDOC%2bXML%2bV0%2f%2fEN&language=EN
[19] Large undertakings are companies that exceed two of the three following requirements: 1. Balance sheet total 20m€, 2. Net turnover 40m€, and 3. 250 employees (Accounting Directive 2013/34/EU, Article 3(4)). PIEs are undertakings that are: 1. Governed by the law of a member state and who are listed in their stock exchange; 2. Credit institutions; 3. Insurance undertakings; and 4. Those undertakings Member States have designated as PIEs because of their significant public relevance (Accounting Directive 2013/34/EU, Article 2(1)).
[20] Impact Assessment, p. 23.
[21] While the Impact Assessment gives an estimate of average annual expenses to be 100,000e per large MNE, it also mentions an MNE already publishing CBCR stating that it required only 8 extra work hours per country to gather the information for the report.

WHAT IS INCLUDED IN THE PROPOSAL
d) the amount of profit or loss before income tax;
e) the amount of income tax accrued (current year) which is the current tax expense recognised on taxable profits or losses of the financial year by undertakings and branches resident for tax purposes in the relevant tax jurisdiction;
f) the amount of income tax paid which is the amount of income tax paid during the relevant financial year by undertakings and branches resident for tax purposes in the relevant tax jurisdiction;
g) the amount of accumulated earnings.

WHAT IS MISSING IN THE PROPOSAL
h) sales and purchases;
i) value of assets and annual cost of maintaining those assets;
j) tangible assets other than cash or cash equivalents;
k) stated capital;
l) public subsidies received; and
m) the list of subsidiaries operating in each Member State or third country alongside the relevant data

For easy comparison with other CBCR templates, see the attached table.

It is particularly worrisome that the template suggested by the Commission does not have a requirement for MNEs to publish a list of all of their constituent entities on a country-by-country basis. The MNEs already have to provide this list in their consolidated financial statements, so a requirement to publish this piece of information would not bear any kind of administrative burden on MNEs.

Interestingly, the Proposal does not include crucial elements such as purchases, stated capital, assets and public subsidies received even though the he Impact Assessment places them in the same sensitivity category as others elements included in the proposal.[22]

Other reporting elements that are missing are the amount of annual investments and all payments to governments, which companies operating in the extractive sector already have to disclose, as per the Transparency Directive. Investments often lead to tax breaks and when information about them is not published the low level of taxes goes unexplained. Payments to governments are included in the EU legislation on transparency in the extractive sector. This information is particularly relevant to raise flags on potential corruption cases and collusion between governments and MNEs, in particular in countries with a higher risk of regulatory capture.

8. Will the reported information cause misunderstandings for the public?

No. Sound businesses shouldn't have figures they are afraid to show the public in their CBCR. Moreover, MNEs are asked to provide a narrative explaining the possible oddities and discrepancies in their reports.

In their responses to the public consultation about public CBCR, the MNEs were especially concerned about the possible misunderstandings caused by more detailed information. For this reason, the Proposal's Article 48c(4) gives MNEs a possibility to add a narrative explaining their reports. Some MNEs already publish very lengthy and

[22] Impact Assessment, p. 22.

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complicated annual reports, and few reporting requirements on CBCR would not add to this complexity.[23] And as one partner of PwC in the Netherlands noted, MNEs should rather focus on deploying less complicated structures than state that tax issues are too complicated for a layperson.[24]

9. If adopted, will the information be easily compared and screened?

No. The Commission Proposal requires that MNEs make the report public on their website, without specifying the format, nor does it require the MNEs to send the reports to a central register.

The Commission proposes that the MNEs should make their EU-wide reporting available on their website. However, there is no clear template or format that the companies should follow. Not only does this decision make it more difficult for companies to comply with the reporting requirement, it also means that the information is not as comparable as it could be. The public needs to hunt down the reports from different websites and these reports will all be in different forms requiring a lot of work to collate in a meaningful way. It would have been easier for everyone if the companies were required to publish the information in an open data format, for public authorities when they want to compile data from publicly available sources and most importantly for the public, parliamentarians, journalists and oversight organisations who would have easier time assessing and comparing the societal impact of different companies.

The Impact Assessment states that, "[t]o ensure certainty and availability over time, the publication of tax-related information should be filed in a register managed by Member States, as is currently the case for the sectoral CBCRs."[25] This is indeed of utmost importance, but the wording in the actual Proposal is not clear enough on this point. Even though the explanatory memorandum of the Proposal clearly echoes the Impact Assessment[26], the actual Proposal only requires the MNEs to publish the report in their website.

10. Does the Proposal require the publication of clear data for each EU tax jurisdiction?

No. The complexity of having several tax jurisdictions within one country offers a fertile breeding ground for tax abuse.

Article 48c(3) in the Proposal states: "Where a Member State comprises several tax jurisdictions, the information shall be combined at Member State level." The UK and its numerous Crown Dependencies and Overseas Territories creates by far the biggest playground for tax abuse or other crimes. Will the reports from these jurisdictions be lumped together with the one from the UK? And what kind of reporting can we expect from the Netherlands with its Caribbean tax jurisdiction, consisting of the three islands Bonaire, St Eustatius and Saba (BES islands)? These tiny islands are a "special municipality" with their own tax system, with a worrying 0% corporate tax and only 5% dividend withholding tax.

The international tax rules do not need any more loopholes, they are ridden with them already. In order to avoid any unnecessary ambiguity, the wording in the Proposal should be changed to clearly require MNE groups to provide disaggregated information from each tax jurisdiction, not only on country level.

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[23] For example, Royal Dutch Shell's annual report for 2013, freely available online, is 200 pages long, with more than 70 pages of financial reporting. Available in http://reports.shell.com/annual-report/2013/servicepages/downloads/files/entire_shell_ar13.pdf

[24] Avaiable in https://www.accountant.nl/opinie/2016/5/elf-redenen-om-wel-fiscaal-transparant-te-zijn/?ctx=opinion-take%285%29 (in Dutch).

[25] Impact Assessment, p. 25.

[26] EC COM(2016) 198/2, p. 8.

	DAC IV	CRD IV	SRD	Proposal	Fit for purpose
Geographical scope of CBC reports	disaggregated info for all countries	disaggregated info for all countries	disaggregated info for all countries	disaggregated info for EU MS + tax havens, aggregated info for other countries	disaggregated info for all countries
Type of companies covered	all MNE groups with a subsidiary of any size in the EU	financial and credit institutions established in the EU	companies incorporated in the EU + companies trading on an EU stock exchange	all MNE groups headquartered in the EU or that have a medium-sized or large subsidiary/branch in the EU	all MNE groups with a subsidiary of any size in the EU
Size of companies covered	revenue >€750m	No threshold	Large undertakings and public-interest entities*	revenue >€750m	Large undertakings and public-interest entities*
Publication	only to tax authorities	disclosure to the public	disclosure to the public	disclosure to the public	disclosure to the public

* Large undertaking is a company that meets two of the following three conditions: annual revenue above €40m, more than 250 employees and balance sheet exceeding €20m. Public-interest entities (PIEs) are all companies that are listed on EU stock exchange, credit institutions, insurance undertakings or companies that MS have simply designated as PIEs.

	DAC IV	CRD IV	SRD	Proposal	FIT FOR PURPOSE
Names(s), nature of activities and geographical location	x	x	x	x	x
Turnover*	x	x	x	x	x
Turnover with related parties	x				x
Turnover with unrelated parties	x				x
Number of employees				x	
Number of employees on a full-time equivalent basis	x	x	x		x
Profit or loss before tax	x	x	x	x	x
Income tax paid	x			x	x
Income tax accrued	x			x	x
Accumulated earnings	x			x	x
Tax on profit or loss**		x	x		
Public subsidies received		x	x		x
Value of assets and annual cost of maintaining them			x		x
Sales and purchases			x		x
List of subsidiaries in each MS and third country			x		x
Stated capital	x				x
Tangible assets other than cash or cash equivalents	x				x

* DAC IV requires the *revenue* of related and unrelated parties separately; CRD IV just requires turnover and; the Proposal requires “the amount of net turnover, including the turnover made with related parties”.
** Disclosing the profit or loss before tax and income tax paid sufficiently covers the tax on profit or loss.