The Exchange of Country-by-Country Reports
Implementation and its Impact on Legal Protection of Taxpayer's Rights

Mag. Andreas Langer
andreas.langer@wu.ac.at

Concept and Implementation of Country-by-Country Reporting (CbCR)

- Parent Company of a MNE receives information for its subsidiaries broken down per country.
- Parent Company submits the CbCRs to the state of residence's Tax Authorities.
- The CbCRs are exchanged automatically with all States, where the group is liable for tax.

○ Amendment of the V. Chapter of the OECD Transfer Pricing Guidelines by OECD BEPS-Action 13
○ Multilateral Competent Authority Agreement on the Exchange of Country-by-Country Reports (MCAA CbCR)

Potential Issues

Impact on Taxpayer's Rights
○ How do the MCAA CbCR and the EU-Directive deal with data safeguard in the context of CbCR?
○ How does the EU-Proposal for “Public CbCR” fit into the concept of the OECD-BEPS initiative?
○ Is CbCR compatible with fundamental rights granted by the European Convention on Human Rights or the European Charter of Fundamental Rights?
○ Is Public CbCR compatible with national constitutional and fundamental rights?
○ Is there an appropriate system of taxpayer's legal protection?

Boundaries and Limitations
○ What are the boundaries and limitations of CbCR through the MCAA CbCR and EU-Directive?
○ Is CbCR compatible with national official secrecy and tax seccrecies?

Further Consequences
○ Will CbCR lead to a “fair” distribution of taxation?
○ Will there be an increase of international disputes?