KPMG

BEPS Action 13:

Country implementation summary

Last updated:
April 15, 2016

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Country	Reporting Requirements			Effective Date	Filing Requirements/Exemptions/Penalties
	MF	LF	CbCR		
Argentina	✓	✗	✓		■ New measures are in preparation to pursue a “stricter implementation of BEPS” including requiring CbCR and a MF.
Australia	✓	✓	✓	January 1, 2016	■ CbCR applies to Australian entities or consolidated groups, and foreign entities with a permanent establishment in Australia, having annual global revenue of A$1 billion or more. ■ Penalties for noncompliance apply based on existing penalties for entities that do not comply with their reporting obligations. ■ A bill was recently proposed to increase the maximum penalty for failure to file a CbCR report to A$270,000 (from a current maximum of A$5,400). ■ Exemptions are available for CbCR (e.g. in case the parent company is not required to file in its local jurisdiction), but are at the ATO's discretion and will only be granted in limited circumstances. ■ Exemptions may also be available for MF for the first year, if the parent company is not required
Austria	✓	✓	✓		

✓ Implemented

✓ Intention to implement

✓ Draft bills/Public discussion draft

✗ No announcements made to date / not required

MF – Master file
LF – Local file
CbCR – Country-by-country reporting

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Brazil	✘	✘	✘	January 1, 2015	▪ Brazil has not yet enacted legislation related to CbCR. ▪ Under Brazilian CFC Rules, Brazilian resident companies must account for in their balance sheet the value of their foreign investments equivalent to profits or losses of directly and/or indirectly controlled subsidiaries on an individual basis, i.e., information of each and every directly and/or indirectly controlled subsidiary. ▪ Such information regarding the foreign investments are reported electronically to Brazilian tax authorities through the accounting tax bookkeeping ("Escrituração Contábil Fiscal – ECF"). ▪ Such requirements are not as broad as the ones provided under Action 13, i.e., they do not include information regarding number of employees, description of activities performed, etc.
Canada	✓	✓	✓	January 1, 2016	▪ Canada's 2016 Federal Budget released on March 22, 2016 incorporates CbCR for large multinationals, consistent with the OECD template, timing and company size thresholds. Draft legislation will be released in the coming months.
`Chile	✓	✓	✓	2016	▪ Tax Authority informed of their intention to follow in full the parameters set forth by the OECD. ▪ First draft of requirements are expected by mid-2016.
China	✓	✓	✓		▪ CbCR reporting where an multinational enterprise has its top holding company in China and the group has more than RMB 5 billion in global revenue (approx. US$760 million). ▪ MF and LF are broadly in line with OECD Guidance but not exact. ▪ MF and LF for those exceeding the existing RMB 200 million (buy-sell transactions) or RMB 40 million (other transactions).

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Czech Republic	✓	✓	✓		
Denmark	✓	✓	✓	January 1, 2016	▪ CbCR applies to Danish multinational groups with a consolidated turnover of at least DKK 5.6 billion (approximately US$839 million). ▪ MF and LF exemption for Danish entities of small groups (i.e., less than 250 employees and consolidated group revenue under DKK 125 million). ▪ Penalties for noncompliance with CbCR requirements will apply. The base penalty is DKK 250,000 per year, which is reduced to DKK 125,000 if the report is prepared afterwards and is increased by 10% of any upward income adjustment.
Finland	✓	✓	✓	January 1, 2017	▪ CbCR applies to multinational enterprise having a global consolidated turnover exceeding €750 million. ▪ A penalty of maximum €25,000 will apply for noncompliance with CbCR requirements..
France (Source: FIDAL**)	✗	✗	✓	January 1, 2016	▪ CbCR applies to companies that (1) create and maintain consolidated accounts; (2) belong to a group with a consolidated turnover in excess of €750 million; and (3) have foreign branches or hold or control, directly or indirectly, foreign entities. ▪ Still waiting on precise details on filing procedures. ▪ A penalty of maximum €100,000 will apply for noncompliance with CbCR requirements.
Germany	✓	✓	✓		▪ German Finance Minister announced intention. ▪ Draft regulations expected later in 2016.

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Greece	✓	✓	✓		
India	✓	✓	✓	April 1, 2016	■ CbCR applies to multinational group or any other designated group entity in India with an Indian Parent if consolidated group revenue exceeds €750 million. ■ The local constituent entity would have to file CbCR before the due date of filing of the income tax return (i.e., 30 November 2017). if India does not have a means to obtain CbCR from the parent entity. Penalties up to INR500,000 (US$7,500) will apply for noncompliance with CbCR requirements. ■ MF will have to be maintained, details will be released later. ■ LF regulations that already exist in the law may continue or may be aligned to the recommendations of the OECD.
Indonesia	✓	✓	✓		
Ireland	✗	✗	✓	January 1, 2016	■ CbCR applies to multinational companies with an Irish parent if group consolidated turnover exceeds €750 million. ■ Penalties will apply for noncompliance with CbCR requirements.
Israel	✓	✓	✓	Expected 2016	
Italy	✗	✗	✓	January 1, 2016	■ CbCR applies to multinational companies that are (1) required to file a group consolidated financial statement; (2) have a consolidated annual turnover for the year prior to the CbCR of at least €750 million; and (3) not controlled by any other entity (other than individual persons). ■ A penalty of maximum €50,000 will apply for noncompliance with CbCR requirements.

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Japan	✓	✓	✓	April 1, 2016	■ CbCR / MF applies to multinational companies with a Japanese parent if group consolidated turnover exceeds Yen 100 billion (approx. €750 million). ■ Requirement to submit CbCR electronically. ■ A company does not have to prepare a LF with respect to transactions with a foreign affiliate for the current fiscal year by the filing due date of a final return provided that both of the following conditions are met: (i) Total transaction amount with that foreign affiliate for the previous fiscal year (the current fiscal year if the previous fiscal year does not exist) is less than JPY5 billion; and (ii) Total transaction amount for intangibles with the foreign affiliates for the previous fiscal year (the current fiscal year if the previous fiscal year does not exist) is less than JPY 300 million. ■ Penalties will apply for noncompliance with CbCR and MF requirements.
Jersey	✗	✗	✓		■ Public consultation on the introduction of CbCR. ■ Public consultation requests comments on the UK's draft CbCR regulations, as the intention is that Jersey's own regulations will be closely based on these and on OECD model legislation.
Luxembourg	✗	✗	✓		■ Luxembourg Finance Minister announced intention.
Malaysia	✓	✓	✓		■ Draft legislation expected by mid-2016.

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	MF	LF	CbCR		
Mexico	✓	✓	✓	January 1, 2016	▪ CbCR applies to multinational companies with a Mexican parent if group consolidated turnover is equal to or exceeds MXN 12,000 million (approx. US$720 million). ▪ Penalties ranging between MXN 140,540 to MXN 200,090 will apply for noncompliance with CbCR, MF, and LF requirements.
Netherlands	✓	✓	✓	January 1, 2016	▪ CbCR applies to multinational companies with a Dutch parent if consolidated group turnover exceeds €750 million. ▪ MF and LF applies to Dutch entities that are part of a multinational group with turnover exceeding €50 million. ▪ Penalties will be imposed in instances of intentional non-compliance or "serious misconduct" with CbCR, with a potential maximum penalty in the amount of €20,250, in addition to possible criminal prosecution.
New Zealand	✓	✓	✓		
Norway	✗	✗	✓	January 1, 2016	▪ CbCR applies to multinational companies with a Norwegian parent if group consolidated turnover exceeds NOK 6.5 billion (approx. US$720 million).
Poland	✓	✓	✓	January 1, 2016	▪ CbCR applies to multinational companies with a Polish parent if group consolidated turnover exceeds €750 million. ▪ MF applies to entities with revenues exceeding €20 million. ▪ MF and LF are binding as from 2017.

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	MF	LF	CbCR		
Portugal	✓	✓	✓	2016	▪ CbCR applies for resident companies that cumulatively fulfill the following conditions: i) are subject to the requirement of preparing consolidated financial statements; ii) hold or control, directly or indirectly, one or more entities whose tax residence or permanent establishment is located in another jurisdiction; iii) have recorded in the consolidated financial statements of the last annual accounting period an amount of combined income of at least €750 million; and iv) are not held by one or more resident entities that are required to submit this financial and tax information return or by one or more non-resident entities of a country with which is in force an automatic exchange of fiscal information agreement, that should submit, directly or through a designated entity, the same or a similar return. ▪ This requirement shall also apply to resident entities that are owned or controlled, directly or indirectly, by a non-resident under certain conditions. ▪ Penalties ranging between €500 and €10,000 will apply for noncompliance with CbCR.
Romania	✓	✓	✓		▪ No specific law currently in place for CbCR, MF, and LF, but there is a new piece of legislation, Order of Ministry of Public Finance no. 442/2016, which expands the content of the transfer pricing documentation file. ▪ This order also provides for the obligation of contemporaneous (annual) TP documentation for large taxpayer whose inter-company transactions exceed certain thresholds (e.g. €350,000). ▪ No specific reference is made to the revised Chapter V.

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Russia	✓	✗	✓		
Singapore	✗	✗	✓		
South Africa	✓	✓	✓	January 1, 2016	▪ South African Revenue Service has published draft regulations on CbCR that broadly appear to be in line with the OECD recommendations.
South Korea	✓	✓	✓	January 1, 2016	▪ MF and LF is required for all domestic corporations and foreign corporations with permanent establishments in Korea having net sales greater than KRW 100 billion (approx. $85 million) and that conduct cross-border related-party transactions exceeding KRW 50 billion (approx. US$42.5 million) per year. ▪ Director of the International Tax Division at the Ministry of Strategy and Finance announced CbCR intention.
Spain	✓	✓	✓	January 1, 2016	▪ CbCR applies to multinational companies with a Spanish parent if group consolidated turnover exceeds €750 million. ▪ MF and LF applies to entities with revenues exceeding €45 million. ▪ The Spanish transfer pricing regulations allow for the preparation of a "simplified" Local File for taxpayers with an aggregate Group revenue that does not exceed € 45 million.
Sweden	✓	✓	✓	Likely 2017	

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Switzerland	✓	✓	✓	2018	■ Federal council on April 13, 2016 published draft legislation as basis to request and exchange CbCR from Swiss ultimate parent companies for public consultation. The consultation will last until July 13, 2016. ■ With approval by the parliament and without receipt of a referendum, Swiss ultimate parent companies will have to file CbCR from 2018 onwards. First exchange will then be in 2020. ■ For years prior to 2018, Swiss ultimate parent companies can file their CbCR voluntarily with the Swiss competent authorities.
Taiwan	✓	✓	✓		
Turkey	✓	✓	✓	January 1, 2016	■ CbCR applies to multinational companies with a Turkish parent if consolidated turnover exceeds TRY 2.37 billion (€750 million). ■ Companies that are part of a multinational group having (1) an asset value of a minimum of TRY 250 million at the close of the previous fiscal year and (2) a turnover of TRY 250 million or more, would be required to prepare the MF by the end of the second month following the due date for filing of the corporate income tax return. ■ All group entities that are tax residents in Turkey would be required to prepare and provide the LF for transactions exceeding TRY 30,000. However, companies with a minimum asset value at the end of previous fiscal year and turnover of TRY 100 million, would be required to submit a form providing detailed information regarding related parties and related-party transactions.

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United Kingdom	✘	✘	✓	January 1, 2016	▪ CbCR applies to multinational companies with a U.K. parent if consolidated revenue exceeds €750 million. ▪ CbCR also applies to UK constituent entities of foreign-parented groups in certain circumstances, usually where the foreign parent is not required to file CbCR in their own territory. The scope of the report in this case is limited to the sub-group beneath the top UK entity. ▪ Penalties for noncompliance with CbCR will range ranging from £300 to £3,000 with daily penalties for continued failure to provide information. ▪ At the current time the revised Chapter V wording released on 5 October 2015 relating to MF and LF is not part of UK transfer pricing legislation.
United States	✘	✘	✓		▪ CbCR applies to multinational companies with a U.S. parent if consolidated revenue exceeds US$850 million. ▪ Final regulations are expected to be released by June 30, 2016.
Vietnam	✓	✓	✓	Likely 2017	

* Effective Date means reporting requirements are effective for taxable periods of filing entities beginning on or after such date.

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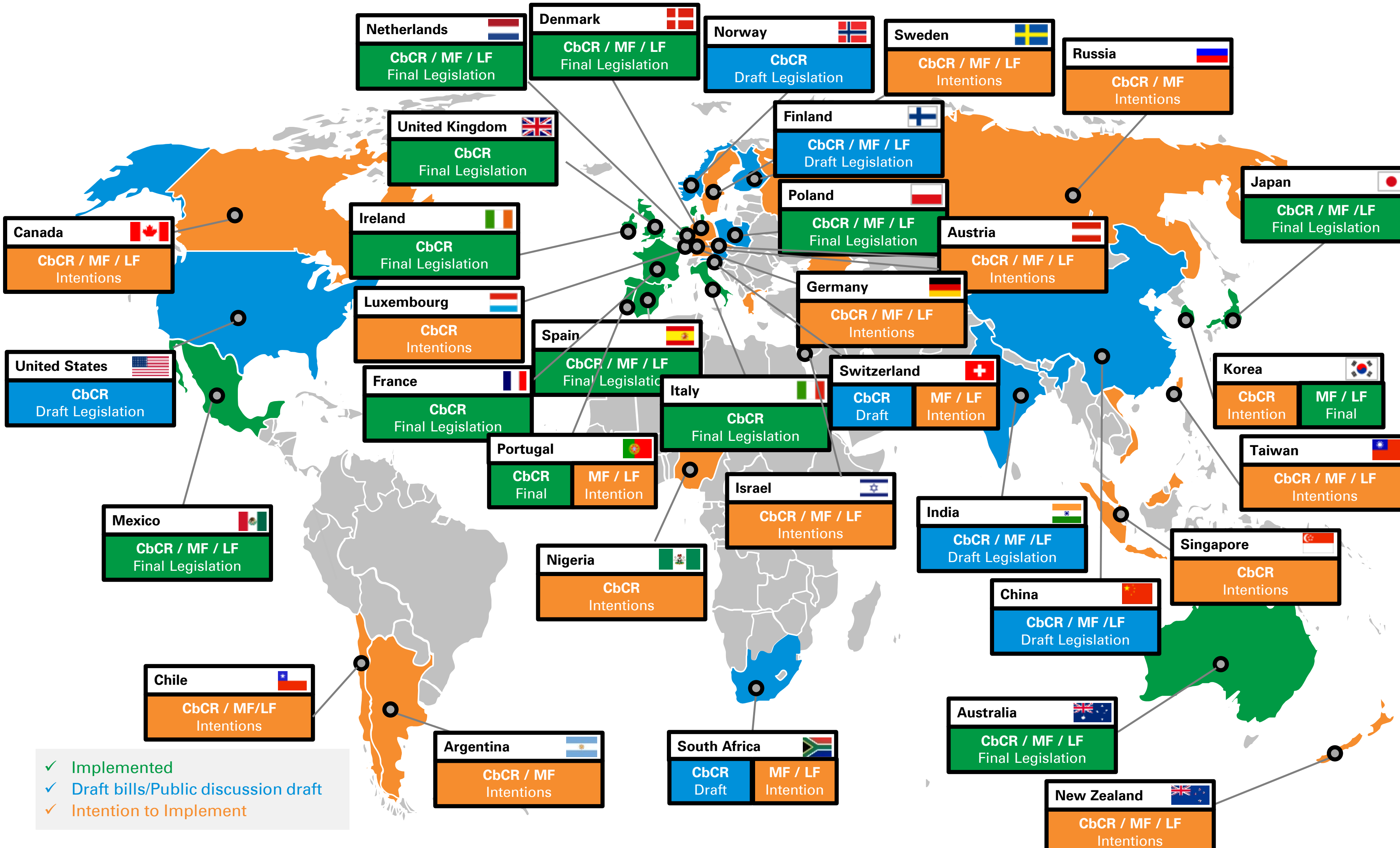

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