

Implementation of the country-by-country reporting exchange system: Obstacles to data access and use

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Country-by-country reporting: Assessment of tax avoidance
and policy challenges
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GLOBTAXGOV
A NEW MODEL OF GLOBAL GOVERNANCE IN INTERNATIONAL TAX LAW MAKING



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Introduction

- Focus on:
 - Current system of confidential exchanges of CbCR
 - Narrow purpose of CbCR: Helping tax authorities to detect tax avoidance by big MNEs
 - Two challenges: Access and use

Access – basic figures

Total activated: 4902

Hypothetical 249 jurisdictions: 61752

→ ca. 7% currently activated

Hypothetical all Inclusive Framework: 19182

→ ca. 25% currently activated

The table below will be regularly updated as further jurisdictions activate their bilateral exchange relationships.

Last updated: 12 March 2021

From jurisdiction :	<input type="text" value="Select All"/>
To jurisdiction :	<input type="text" value="Select All"/>

From jurisdiction	To jurisdiction	Legal instrument
Andorra	Argentina	CbC MCAA activated - Effective for taxable periods starting on or after 01 January 2017
Andorra	Australia	CbC MCAA activated - Effective for taxable periods starting on or after 01 January 2017
Andorra	Austria	CbC MCAA activated - Effective for taxable periods starting on or after 01 January 2017
Andorra	Belgium	CbC MCAA activated - Effective for taxable periods starting on or after 01 January 2017
Andorra	Brazil	CbC MCAA activated - Effective for taxable periods starting on or after 01 January 2017
Andorra	Canada	CbC MCAA activated - Effective for taxable periods starting on or after 01 January 2017
Andorra	Chile	CbC MCAA activated - Effective for taxable periods starting on or after 01 January 2017
Andorra	Colombia	CbC MCAA activated - Effective for taxable periods starting on or after 01 January 2017
Andorra	Croatia	CbC MCAA activated - Effective for taxable periods starting on or after 01 January 2017
Andorra	Cyprus	CbC MCAA activated - Effective for taxable periods starting on or after 01 January 2017

1 2 3 4 5 6 7 8 9 10 ...

Comparison with the Analytical Database on Individual Multinationals and Affiliates

- 500 biggest MNEs (out of ca. 1950 MNEs potentially subject to CbCR globally?)
- Headquartered in 36 different countries:
 - USA: 207
 - EU: 76
 - China: 49
 - Japan: 39

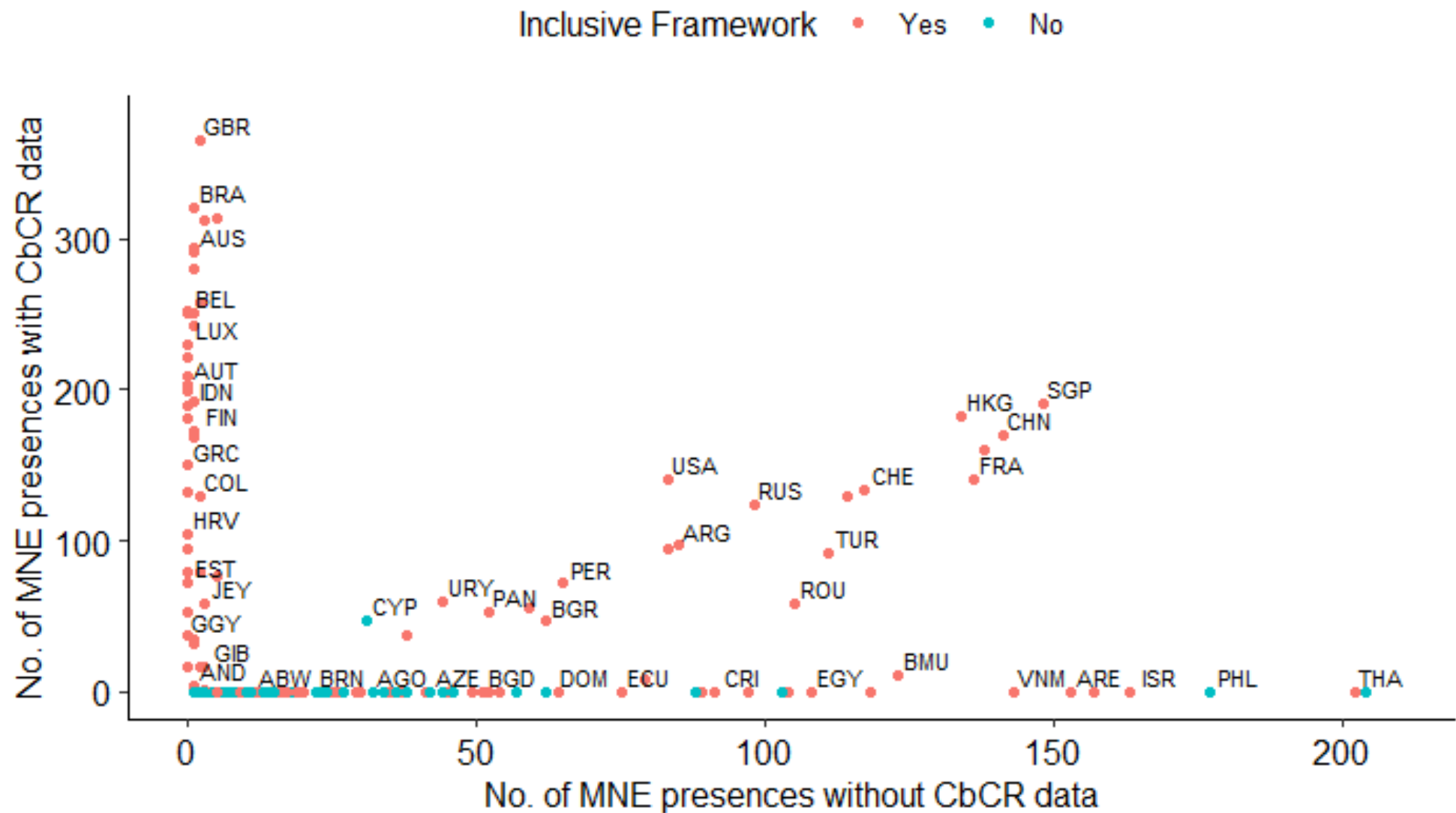


	Physical + Digital, all countries	Physical + Digital, only Inc. Framework	Physical, all countries	Physical, only Inc. Framework
Total presences	16438	14540	13757	12458
Presences currently covered by CbCR exchange in %	58	65	61	67

Presence = existence of one or more subsidiaries/physical presence/website of an MNE in a foreign country

Data: OECD CbCR exchange relationships and OECD ADIMA database

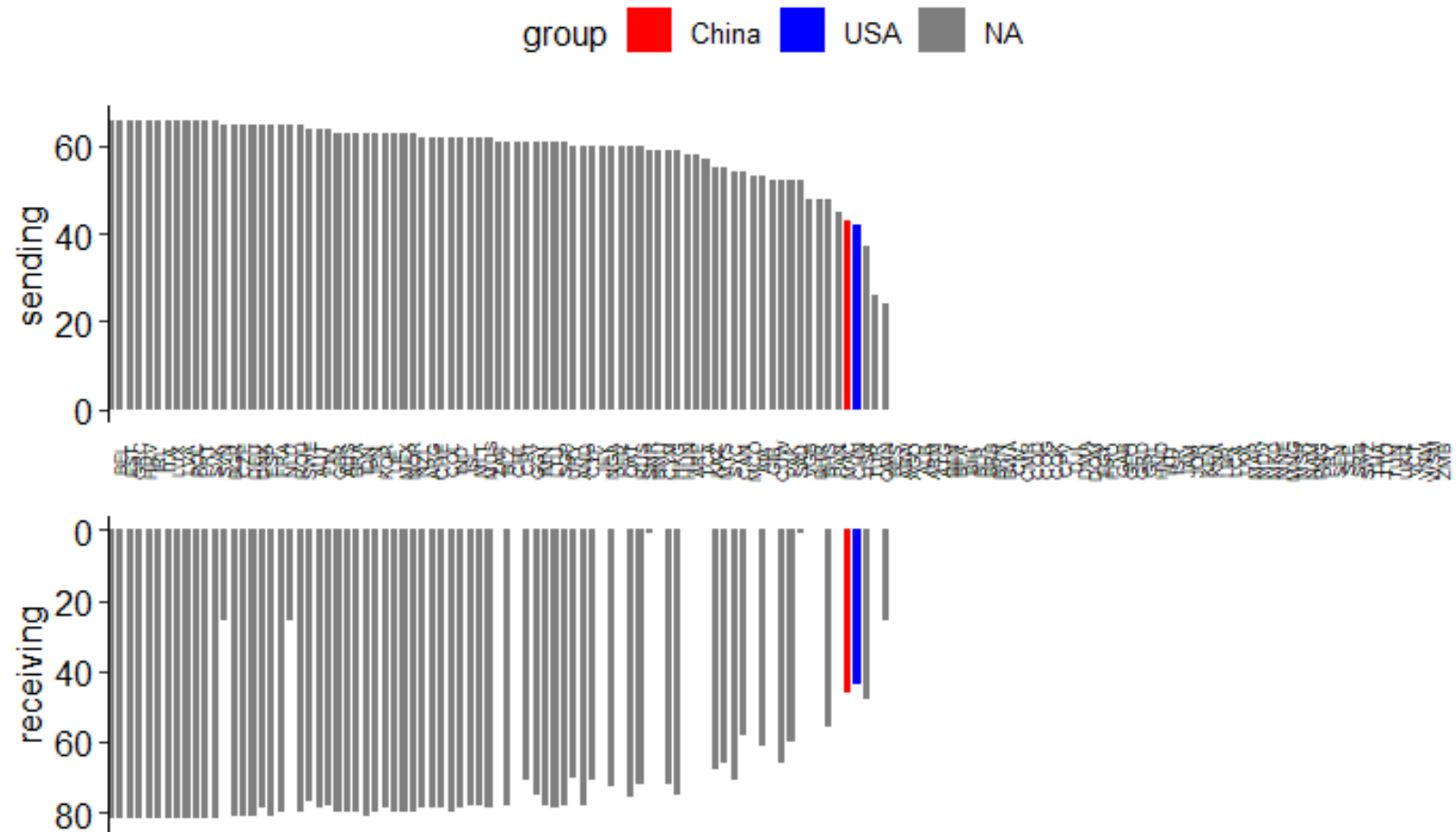
Countries differently affected



Data sources: OECD CbCR exchange relationships and OECD ADIMA database

Reasons for lack of access

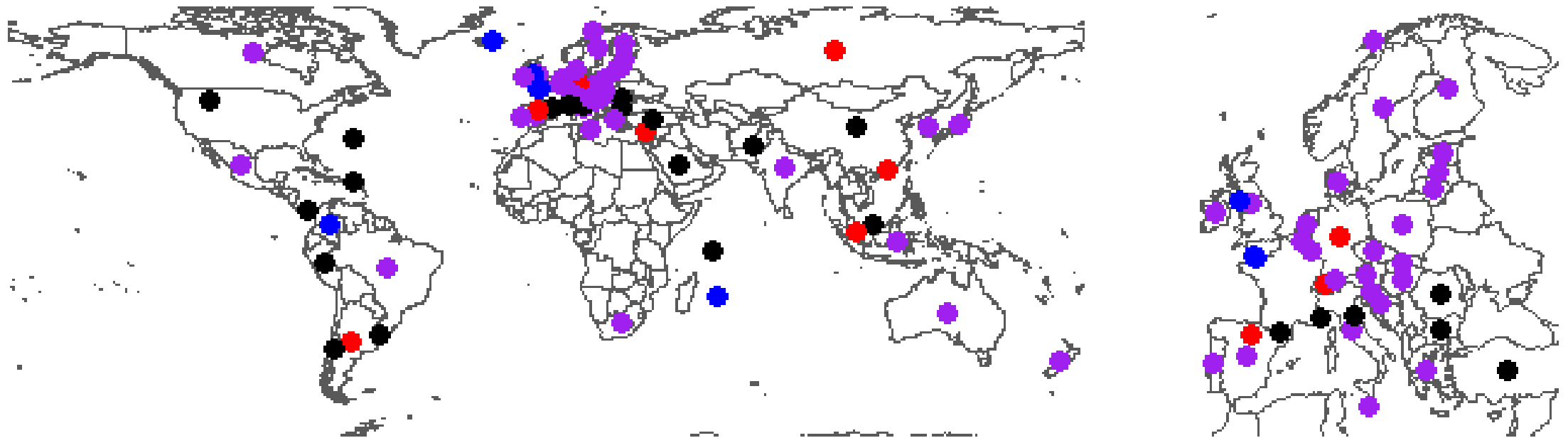
- Non-signature of CbC MCAA or other legal instrument
- Election for non-reciprocal exchange relationship (countries without CIT but also others)
- Bilateralized mode of application of CbC MCAA



Data: OECD CbCR exchange relationships and OECD ADIMA database
Inclusive Framework countries only

Countries which do not receive information from China and US

receives_from ● Both ● China but not US ● neither ● US but not China



Use of information

- Capacity / Separation of functions (appropriate use conditions)
- [2021 Report EU Court of Auditors on five EU countries](#)
- Differences accounting rules / tax rules
- Unequal access -> availability bias?

Impact of hypothetical scenarios on access on data from 500 biggest companies

	Physical + Digital, all countries	Physical + Digital, only Inc. Framework	Physical, all countries	Physical, only Inc. Framework
Total presences	16438	14540	13757	12458
Presences currently covered by CbCR exchange in %	58	65	61	67
Presences covered with public CbCR in EU in %	68	72	70	73
Presences covered with multilateralized application of current system in %	70	79	74	81
Presences covered with public CbCR in EU applicable to all MNEs with physical presence in EU in %	99	99	99	99

Presence = existence of one or more subsidiaries/physical presence/website of an MNE in a foreign country

Data: OECD CbCR exchange relationships and OECD ADIMA database

Solutions to problems of data use

- Capacity building
- Open source software development?

Thank you!

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