



## Introduction of the public country-by-country reporting for multinational enterprises in Luxembourg.

**With the ambition of increasing the development of corporate transparency, the European Parliament released on 24 November 2021 the directive 2021/2101 introducing a new reporting tool for multinational enterprises (“MNEs”). MNEs in the scope of the public country-by-country reporting (“Public CbCR”) will have to publicly disclose certain information such as the corporate tax income they pay by country.**

**On 15 August 2023, Luxembourg implemented the Public CbCR in its domestic law.**

## Who is concerned?

European-based multinationals enterprises with a consolidated revenue of more than EUR 750 million for 2 consecutive financial years. Non-EU multinational operating in EU through Luxembourg subsidiaries or branches must also comply with this new reporting obligation.

## What information to disclose?

MNEs in scope will be required to make publicly available, among other information, the corporate tax payable, the income or profit before tax and number of employees.

Said information shall be made publicly available either on the website of the Ultimate Parent Entity or in the Register of Commerce and Companies.

## Is it possible to omit certain information?

Companies may omit to report information that could be detrimental for their commercial position. Said omission should be clearly mentioned in the Public CbCR as the reasons justifying it. Nonetheless, the omitted information will still need to be disclosed within 5 years as from the date of omission.

## What are the penalties?

The board members will be liable for non-compliance with the reporting's obligation. A fine between EUR 500 and EUR 25,000 could be charged.

## When will it come into force?

The Public CbCR obligation will be effective in Luxembourg as from 22 June 2024. Companies having their accounting period starting in January will have to publish their first report disclosing 2025 information before end of 2026.

## Conclusion

The Public CbCR will be an additional obligation for the MNEs doing their business in Europe. While the information to be disclosed is clear, it will create an additional reporting burden and it might not be that straight forward to identify the information that could be omitted. Our team is available for any clarifications you may need.

## Contacts



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