

Luxembourg Tax Alert

Country by Country Reporting notification in Luxembourg likely before year-end!

1 December 2016

As part of BEPS Action 13, the Luxembourg law implementing the Country-by-Country Reporting (CbC Report) is going through legislative process and may be voted in the coming weeks. The draft law implementing the EU directive partially inspired by the OECD Guidance, requires multinational enterprises (MNEs) having consolidated revenues of at least 750 million Euro to file a CbC Report as from FY 2016, to be reported by the end of 2017.

The draft law includes a notification requirement, likely **before the end of 2016**, to be made by any Luxembourg Constituent entity (Lux tax resident subsidiary or branch) identifying the group's reporting entity that will file the CbC Report in 2017.

Concerning the parliamentary procedure, we do not have any certainty on last minute amendments to the draft law. However, taxpayers should be prepared for such notification before the year end:

- **URGENT ACTION**: Where applicable, choose your reporting entity for CbC R and inform the Luxembourg tax authorities **before 31.12.2016**.
- Although no specific form was released at this stage for the notification, tax authorities indicated that an e-filing solution will be ready as soon as the law is passed allowing the Luxembourg Constituent entities to inform the tax authorities of which entity would be filing the CbC Report for the group. We can assist you in considering the best options for reporting and help you on how to notify.
- In theory, the absence of notification or even the late notification may entail penalties per Luxembourg Constituent entity of a maximum of 250 K EUR.

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