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Country by Country Reporting

Tools & Approach

Deloitte Global Tax Center (GTCE)
28 May 2015



Country by country reporting

What's New?

1

Overview of allocation of income, tax and business activities by tax jurisdiction

Name of the MNE group: Fiscal year concerned:										
Tax Jurisdiction	Revenues			Profit (Loss) Before Income Tax	Income Tax Paid (or cash basis)	Income Tax Accr. ed - Current Year	Stated capital	Accumulated earnings	Number of Employees	Tangible Assets other than Cash and Cash Equivalents
	Unrelated Party	Related Party	Total							

2

List of constituent legal entities and business activities by tax jurisdiction

Name of the MNE group: Fiscal year concerned:																	
Tax Jurisdiction	Constituent Entities resident in the Tax Jurisdiction	Tax Jurisdiction of organisation or incorporation if different from Tax Jurisdiction of Residence	Main business activities														
			Research and Development	Holding or Managing Intellectual Property	Purchasing or Procurement	Manufacturing or Production	Sales, Marketing or Distribution	Administrative, Management or Support Services	Provision of Services to unrelated parties	Internal Group Finance	Regulated Financial Services	Insurance	Holding Shares or other equity instruments	Dormant	Other		
	1.																
	2.																
	3.																
	1.																
	2.																
	3.																

3

Additional information to facilitate understanding (*)

Name of the MNE group: Fiscal year concerned:	
Please include any further brief information or explanation you consider necessary or that would facilitate the understanding of the compulsory information provided in the country by country report.	

(*) Source of data, FX rates applied,...

Allocation of income, tax & business activities

Two types of data by country & fiscal year

1

Overview of allocation of income, tax and business activities by tax jurisdiction

Name of the MNE group: Fiscal year concerned:										
Tax Jurisdiction	Revenue			Profit (Loss) Before Income Tax	Income Tax Paid (or cash basis)	Income Tax Accrued - Current Year	Stated capital	Accumulated earnings	Number of Employees	Tangible Assets other than Cash and Cash Equivalents
	Unrelated Party	Related Party	Total							



Financial Data

B/S

- Stated Capital
- Cumulated Earnings
- Tangible Assets (*)

P&L

- Profit/Loss Before Tax
- External Revenue
- Intercompany Revenue
- Current Tax Expense(**)

Item

- Income Tax Paid(**)

(*) excludes cash & cash related
 (**) CIT & withholding taxes

HR Data

#

- Number of Employees (***)

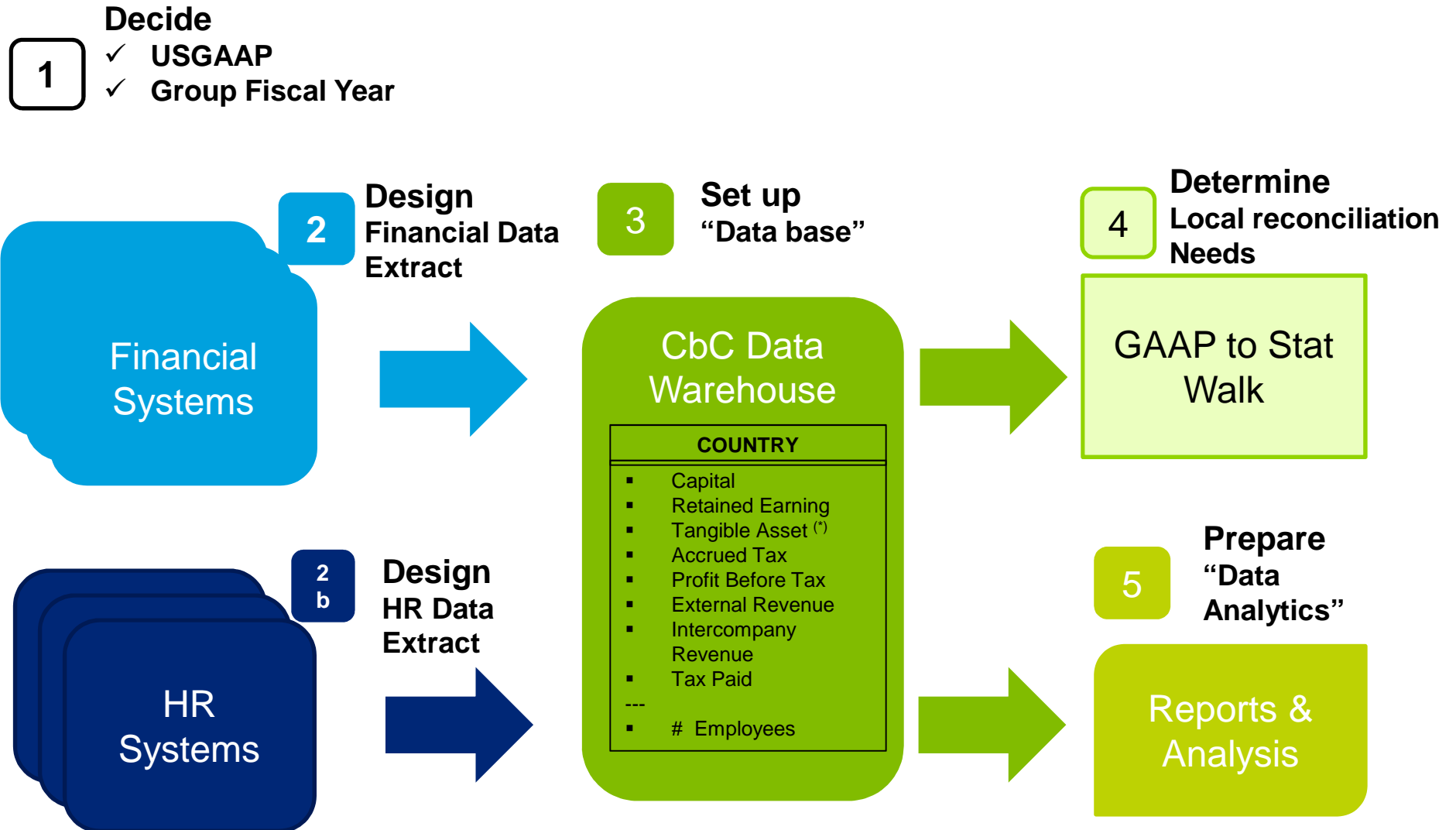
(***) Total number on a FTE equivalent

At the MNE's discretion

- ✓ GAAP: Management vs. Local
 - ✓ Fiscal year: Group vs. Statutory
- Note: MNE's functional currency is to be used

Preparing Country by Country Reporting

How US companies typically get prepared



GTCE - CbC Tool

Live Demo

Deloitte.

Home

 Country Drilldown

 Equity Reconciliation

 Analysis Ratio

 CbC Dashboard



Country Drilldown



Equity Reconciliation



Analysis Ratio



CbC dashboard

Client Talking Points

Questions to ask

Risk Management

What/Where are the Group “material” legal entities?

- ✓ Legal entities driving Group ETR
- ✓ Complexity factor (Asset, Pension,..)
- ✓ 20/80 rule

Data Collection Effectiveness

Can Consolidation System (HFM, SAP BPC, Cognos TM1) be used to collect CbC Financial data?

- ✓ Legal Entity/Country “Pure” Dimension
- ✓ Management Chart of Account Granularity
- ✓ Tax Paid (usually tracked via Group Tax Provision Module –e.g. HTP for HFM)

Controllershship/Tax Audit Readiness

Can the main “GAAP/IFRS to Stat GAAP” differences be explained?

- ✓ Permanent
- ✓ Temporary
- ✓ Timing

Tax Opportunity

What else can be done with “CbC-like” data?

- ✓ “Core” CbC Ratio: what tax auditor can derive from CbC Report
- ✓ “Extended” CbC Ratio: OM% by function, Thin Cap Ratio,.. - based on granular data collection approach (TB, Legal entity)
- ✓ Tax Planning: using Deloitte Global Steps (DGS): only a few more data points to collect in addition to the CbC ones

Q&A – GTCE CbC Tool


Feel free to ask





- **Andre Claes (Partner)**
- **Thierry Chaumantin (Senior Manager)**
- **Pieter Van Dyck (Manager)**

Annex

GTCE - CbC Tool

Country Drill-Down: Country metrics



Home
 Country Drilldown
 Equity Reconciliation
 Analysis Ratio
 CbC Dashboard

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UNRELATED PARTY REVENUE

5

NUMBER OF COUNTRIES

10

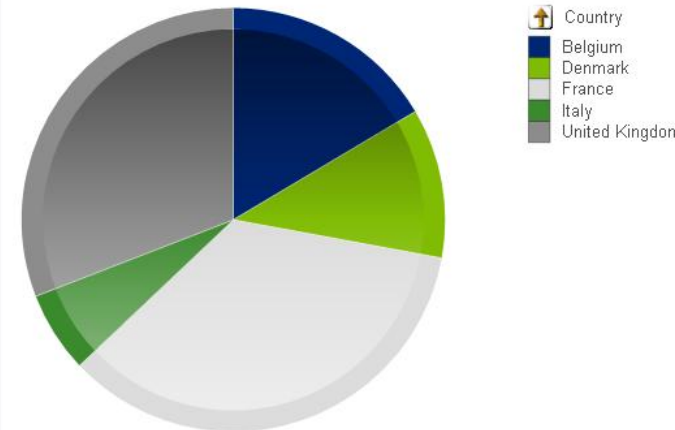
NUMBER OF ENTITIES

Country	Currency	Unrelated Party Revenue	Related Party Revenue	Total Revenue	Profit (Loss) before Income Tax	Income Tax Paid (on cash basis)	Income Tax Accrued - Current Year	Stated Capital	Accumulated Earnings	# of Employees	Tangible Assets other than Cash and Cash equivalents
Belgium	USD	-15 872 349,01	-4 559 025,74	-20 431 374,75	-577 679,59	1 264 797,03	760 740,01	-1 976 840,79	-15 396 896,90	21	1 506 164,98
Denmark	USD	-11 019 174,69	-3 165 045,14	-14 184 219,83	-401 046,64	878 069,12	528 134,00	-1 372 396,36	-10 689 098,16	12	1 045 635,72
France	USD	-33 800 987,61	-9 708 680,96	-43 509 668,57	-1 230 198,54	2 693 450,66	1 620 035,18	-4 209 784,63	-32 788 487,77	46	3 207 456,17
Italy	USD	-5 963 330,82	-1 712 851,62	-7 676 182,44	-217 037,47	475 181,36	285 814,30	-742 710,20	-5 784 700,78	6	565 874,66
United Kingdom	USD	-29 766 183,23	-8 549 761,32	-38 315 944,55	-1 083 350,45	2 371 935,01	1 426 652,51	-3 707 265,07	-28 874 544,91	22	2 824 563,98

Total Revenue in USD



Income tax paid in USD



Current Selections

Currency1: GAAP Function: Consolid

Clear

GAAP

Consolidated amount

Local statutory amount

Currency

Functional

Local

Graph selection

Total Revenue

of Employ...

Profit before...

Income tax...

Income tax...

Stated capital

Acc Earnings

Tangible ass...

GTCE - CbC Tool

Country Drill-Down: Legal entity GL account balances

Deloitte Home Country Drilldown Equity Reconciliation Analysis Ratio CbC Dashboard

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UNRELATED PARTY REVENUE

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NUMBER OF COUNTRIES

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NUMBER OF ENTITIES

Legal entity	Currency	Unrelated Party Revenue	Related Party Revenue	Total Revenue	Profit (Loss) before Income Tax	Income Tax Paid (on cash basis)	Income Tax Accrued - Current Year	Stated Capital	Accumulated Earnings	# of Employees	Tangible Assets other than Cash and Cash equivalents
BE01	USD	-7 031 793,71	-2 019 746,95	-9 051 540,67	-255 924,55	560 332,43	337 024,27	-875 783,20	-6 821 158,15	10	667 263,64

Unrelated Party Revenue

Related Party Revenue

Total Revenue

Profit before Tax

Income tax paid

Stated Capital

Accumulated Earnings

Tangible assets other than cash and cash...

Country	Legal entity	Year	Currency	Mgmt No.	Mgmt Descr	Consolidated a...	Adjustments	Local statutory am...
Belgium	BE01	2015	USD	20006 (0-000)	Accr AP Trad (Balance)	-510,13	0,00	-510,13
Belgium	BE01	2015	USD	22100 (0-000)	Accr Exps Ot (Balance)	-15071,70	0,00	-15071,70
Belgium	BE01	2015	USD	20000 (0-000)	AP (Balance)	-6580,78	0,00	-6580,78
Belgium	BE01	2015	USD	58010 (8-295)	Bank Charges (Fina...	7151,84	0,00	7151,84
Belgium	BE01	2015	USD	10492 (0-000)	Cash - Suspe	124965,28	0,00	124965,28
Belgium	BE01	2015	USD	10001 (0-000)	Cash Book 01 (Balance)	790307,39	0,00	790307,39
Belgium	BE01	2015	USD	10003 (0-000)	Cash Book 03 (Bala...	-81730,83	0,00	-81730,83
Belgium	BE01	2015	USD	10004 (0-000)	Cash Book 04 USD	5099,67	6 168,27	11267,94
Belgium	BE01	2015	USD	10006 (0-000)	Cash Book 06 (Balance)	2005051,09	0,00	2005051,09
Belgium	BE01	2015	USD	34056 (2-010)	Cns FUSE	-28406,39	0,00	-28406,39
Belgium	BE01	2015	USD	34000 (2-000)	Cns OED (Sales Rev T)	-17682,37	0,00	-17682,37
Belgium	BE01	2015	USD	34000 (2-010)	Cns OED (Sales Rev T)	-11054,54	0,00	-11054,54
Belgium	BE01	2015	USD	58005 (8-295)	Collection E	2371,86	0,00	2371,86
Belgium	BE01	2015	USD	29100 (0-000)	Common Stock (Bal...	-875783,20	0,00	-875783,20
Belgium	BE01	2015	USD	53035 (3-003)	Contractor /	117893,36	0,00	117893,36
Belgium	BE01	2015	USD	53035 (3-603)	Contractor /	17338,23	0,00	17338,23
Belgium	BE01	2015	USD	53035 (5-495)	Contractor /	35049,81	0,00	35049,81
Belgium	BE01	2015	USD	82301 (9-990)	Corp GA All	-28170,03	0,00	-28170,03
Belgium	BE01	2015	USD	39100 (2-000)	Def Rev Mnt (Sales ...	-108285,92	0,00	-108285,92
Belgium	BE01	2015	USD	24100 (0-000)	Def Rev Nm O (Bala...	-1197401,21	0,00	-1197401,21

Search

Current Selections

Legal entity BE01

Country Belgium

Currency1 Function

GAAP Consolidated

Clear

GAAP

Consolidated amount

Local statutory amount

Currency

Functional

Local

Graph selection

Total Revenue # of Employ...

Profit before... Income tax...

Income tax... Stated capital

Acc Earnings Tangible ass...

GTCE - CbC Tool

GAAP/IFRS to Stat Drivers



Home

Country Drilldown

Equity Reconciliation

Analysis Ratio

CbC Dashboard

Country

All

Legal Entity

All

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UNRELATED PARTY REVENUE

5

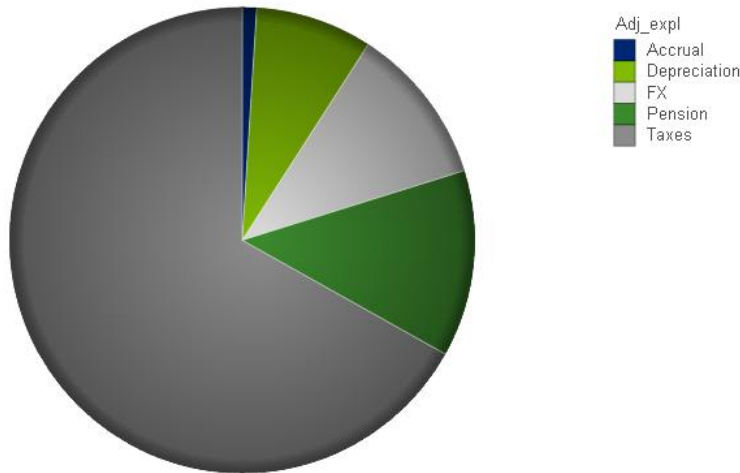
NUMBER OF COUNTRIES

10

NUMBER OF ENTITIES

Country	Mgt GAAP	FX	Pension	Accrual	Depreciation	Taxes	Stat
Belgium	-2 201 992	3 152	220 050	1 452	24 301	195 695	-1 794 894
Denmark	-6 205 515	12 813	49 074	18 116	0	1 225 262	-5 058 256
France	-4 689 079	58 806	114 938	7 238	108 596	657 980	-3 822 175
Italy	-827 270	1 216	55 853	1 038	1 209	100 553	-674 326
United Kingdom	-3 575 336	346 627	55 102	12 469	175 864	376 186	-2 914 337

Type of adjustments



Currency

Functional
Local

Country

Belgium
Denmark
France

Legal Entity

BE01
BE02
DK01

GTCE - CbC Tool

Analysis Ratio



Home

Country Drilldown

Equity Reconciliation

Analysis Ratio

CbC Dashboard

PbT / # Employees

Earnings / Assets

Tax Paid / # Employees

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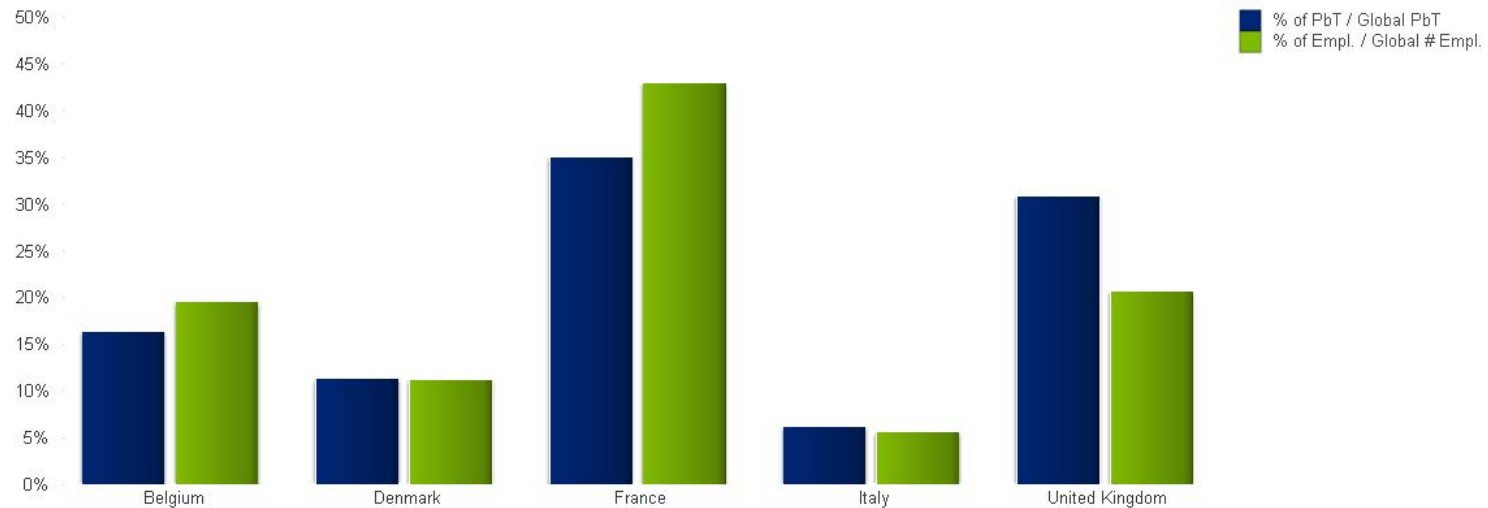
UNRELATED PARTY REVENUE

5

NUMBER OF COUNTRIES

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NUMBER OF ENTITIES



Search

GAAP Consolidated

Filter

Clear

- GAAP
- Consolidated amount
- Local statutory amount

Country	# of Employees	% total Employees	Profit before Tax	% Profit Before Tax
Italy	6	5,61%	-217 037,47	6,18%
Denmark	12	11,21%	-401 046,64	11,43%
Belgium	21	19,63%	-577 679,59	16,46%
United Kingdom	22	20,56%	-1 083 350,45	30,87%
France	46	42,99%	-1 230 198,54	35,06%

GTCE - CbC Tool

CbC Report – Overall Dashboard



Home



Country Drilldown



Equity Reconciliation



Analysis Ratio



CbC Dashboard

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UNRELATED PARTY REVENUE

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Main business activities

Entity	Country of incorporation	Research and Development	Holding or Managing intellectual property	Purchasing or Procurement	Manufacturing or Production	Sales, Marketing or Distribution	Administrative, Management or Support services	Provision of services to unrelated parties	Internal group finance	Regulated financial services
BE01	Belgium	X	-	-	-	-	-	-	-	-
BE02	Belgium	-	-	-	X	-	-	-	-	-
DK01	Denmark	-	-	-	-	X	-	-	-	-
FR01	France	-	-	-	-	X	-	-	-	-
FR02	France	-	-	-	X	-	-	-	-	-
FR03	France	-	X	-	-	-	-	-	-	-
IT01	Italy	-	-	-	-	X	-	-	-	-
UK01	United Kingdom	-	-	X	-	-	-	-	-	-
UK02	United Kingdom	-	-	-	-	X	-	-	-	-
UK03	United Kingdom	-	-	-	-	-	X	-	-	-

Additional information to facilitate understanding

The template also includes an "additional information" box, for reporting any information or explanation the taxpayer considers necessary or that would facilitate the understanding of the information required to be reported in the template.

Search

Current Selections

Currency1 Function
 GAAP Consolidated

Clear

GAAP

Consolidated amount
 Local statutory amount

GTCE - CbC Tool

CbC Report – PDF File

Country by Country Dashboard

Overview of allocation of income, tax and business activities by tax jurisdiction

Country	Currency	Unrelated Party Revenue	Related Party Revenue	Total Revenue	Profit (Loss) before Income Tax	Income Tax Paid (on cash basis)	Income Tax Accrued - Current Year	Stated Capital	Accumulated Earnings	# of Employees	Tangible Assets other than Cash and Cash equivalents
Italy	US\$	-3,983,330.62	-1,712,851.62	-7,675,182.44	-217,937.47	475,181.36	285,814.36	-742,710.20	-5,794,100.75	8	565,874.66
Denmark	US\$	-11,619,174.69	-3,165,045.14	-14,184,219.83	-401,046.69	879,059.12	529,134.00	-1,372,396.35	-10,889,098.16	12	1,045,635.72
Belgium	US\$	-15,672,349.61	-4,559,625.74	-20,431,374.72	-577,679.59	1,264,797.03	750,740.01	-1,975,846.79	-15,396,896.90	21	1,506,164.88
United Kingdom	US\$	-29,766,183.24	-6,549,761.32	-36,315,944.56	-1,083,350.85	2,371,935.01	1,426,652.51	-3,707,265.07	-28,574,544.91	22	2,824,593.96
France	US\$	-33,800,997.61	-9,708,660.95	-43,509,658.57	-1,230,198.94	2,693,430.66	1,620,035.18	-4,209,784.63	-32,788,487.77	40	3,207,459.71

Main Business Activities

Entity	Country of Incorporation	Research and Development	Holding or Managing Intellectual Property	Purchasing or Procurement	Manufacturing or Production	Sales, Marketing or Distribution	Administrative, Management or Support Services	Provision of services to associated parties	Internal (group) finance	Regulated financial services	Insurance	Holding shares or other equity instruments	Domant
IBCO	Belgium	X	-	-	-	-	-	-	-	-	-	-	-
USCO	Belgium	-	-	-	X	-	-	-	-	-	-	-	-
DNCO	Denmark	-	-	-	-	X	-	-	-	-	-	-	-
FRNF	France	-	-	-	-	X	-	-	-	-	-	-	-
FRPD	France	-	-	-	X	-	-	-	-	-	-	-	-
FRPI	France	-	X	-	-	-	-	-	-	-	-	-	-
ITDT	Italy	-	-	-	-	X	-	-	-	-	-	-	-
UKNF	United Kingdom	-	-	-	-	-	-	-	-	-	-	-	-
UKPD	United Kingdom	-	-	X	-	X	-	-	-	-	-	-	-
UKPI	United Kingdom	-	-	-	-	-	X	-	-	-	-	-	-

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