

Tax & Legal Weekly Alert

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Decision regarding the automatic exchange of information adopted by the Romanian Senate

Monday, 21st of March, the Romanian Senate adopted the Decision on the Proposal for a Council Directive amending Directive 2011/16 / EU regarding the mandatory automatic exchange of information in tax matters.

The OECD released the electronic support for the automatic exchange of information between jurisdictions as part of the Country-by-Country (CbC) reporting

Last week, the OECD released, as part of Action 13 of the final BEPS package released last year, the CbC XML Schema, based on which the automatic information exchange can be performed between jurisdictions through Country-by-Country reports.



Decision regarding the automatic exchange of information adopted by the Romanian Senate

Considering that The European Council has welcomed OECD's ongoing efforts made to develop a global standard for automatic exchange of financial information, on the 21st of March 2016, the Romanian Senate adopted the Decision on the Proposal for a Council Directive amending Directive 2011/16 / EU regarding the mandatory automatic exchange of information in tax matters.

The Decision was published in the Official Monitor., part I, no. 222/25.03.2016. According to the directive, MNE's have the obligation to annually provide for each tax jurisdiction where it performs business activities, certain information such as income, taxable profits, taxes paid., etc.

For further information, please follow this [LINK](#).

The OECD released the electronic support for the automatic exchange of information between jurisdictions as part of the Country-by-Country (CbC) reporting

As part of Action 13 issued by the OECD in the final BEPS Package released last year, Guidance on the Implementation of Transfer Pricing Documentation for Country-by-Country Reporting, the CBC XML scheme was developed, providing the electronic standardized format in which the automatic exchange of information through CbC reports can be performed.

The purpose of the CbC report is to provide annually key information on the global allocation of income and taxes paid, as well as details regarding the activity performed by each company within a Multinational Enterprise (MNE) and their locations.

The gathering of the necessary information will be performed by the country of residence of the Reporting Entity for the MNE group. The reports will be electronically exchanged between competent authorities, in accordance with the CbC XML Schema, under the relevant international exchange of information agreements concluded between jurisdictions.

The CbC XML Schema user guide also provides details regarding the information which needs to be included in the CbC reports:

- an overview of allocation of income, taxes and business activities by tax jurisdiction (e.g. revenues registered in relation to related and unrelated parties, profit/loss before income tax, income tax paid, number of employees or tangible assets other than cash and cash equivalents;
- list of all the constituent entities of the MNE Group included in each aggregation per tax jurisdiction and their main business activity;
- any additional information relevant for facilitating the understanding of the information included in the CbC reports.

It must be taken into account that the CbC reporting only applies to MNEs which registered an annual consolidated income of over EUR 750 mil. in the previous fiscal year. The first exchanges of information through CbC Reports will start in 2018, regarding information for the year 2016.

For further information, please follow this [LINK](#).

For further questions regarding the aspects mentioned in this alert, please contact us.

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