



Country by Country (CbC) Reporting

November, 2017



Cyprus Country by Country reporting requirements

Cyprus tax resident entities which are members of an MNE group but are not the group's ultimate parent entity, should notify the Cyprus tax authorities of whether they are the reporting entity and if they are not, the details of the reporting entity of the MNE Group.

Based on the Country by Country ("CbC") reporting requirement for multinational enterprise groups the mandatory reporting applies to groups generating consolidated annual turnover exceeding €750m ("MNE Group").

CbC reporting notifications

As per the Decree, each Cyprus tax resident constituent entity of an MNE Group should notify, on an annual basis, the Cyprus tax authorities if it is the reporting entity of the MNE Group (i.e. the ultimate parent or surrogate parent). In the case where the entity is not the reporting entity, then it should also notify the authorities of the details and tax residency of the reporting entity of the MNE Group. Such notifications should be submitted before the end of each financial year.

For the tax year 2017, the notification report should be submitted not later than 31 December 2017. Penalties apply for non-compliance with the requirement.

CbC report filing obligation

As per the Decree, a Cyprus tax resident entity that is the ultimate parent entity of an MNE Group is obliged to file electronically with the Cyprus tax authorities a CbC report on behalf of the MNE Group.

Furthermore, a Cyprus tax resident entity that may not be the ultimate parent entity of an MNE group, may be considered to be the surrogate parent

company for CbCR purpose and can submit the CbCR of the MNE Group in place of the ultimate parent company if one of the below conditions are met:

- The ultimate parent entity is non-resident in Cyprus.
- The ultimate parent entity is not obliged to file a CbCR in its country of residency.
- The ultimate parent company entity's country of tax residency has not concluded an automatic exchange of information agreement with Cyprus.
- The ultimate parent entity's country of tax residency has been reported for systematic failure of exchanging information.

For the tax year 2017 the annual report should be submitted not later than 31 December 2018. Penalties apply for non-compliance with the requirement.

Before making any decision or taking any decision that may affect your business, please contact our tax department to provide you with our professional advice for any tax matters that may affect your business and structure your business with the most efficient and effective manner in Cyprus.

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