



# Public Country-by-Country Reporting (CbCR) for inbound clients in Germany

## Background & Scope

For financial years beginning on or after 22 June 2024 country-specific financial and tax data of high-revenue multinational groups with UPEs, entities, permanent establishments based in Germany need to be made available to the public, if the consolidated turnover of the group's ultimate parent entity exceeds € 750 million in two consecutive financial years.

Multinational companies from non-EU countries with medium-sized or large subsidiaries or branches/permanent establishments in Germany are also affected.

## Content

For the public CbCR the BEPS CbCR can generally be used, as it forms a sub-set of it (minor changes in scoping as well as KPI definitions need to be considered!)

The data to be disclosed includes:

- Name of the entity
- Reporting year
- Currency
- Description of business activities
- FTEs
- Revenues (unrelated and related)
- Earnings before tax
- Income tax accrued
- Income tax paid
- Accumulated earnings

## Entities Affected

For inbound clients in Germany, German medium-sized or large subsidiaries or branches/permanent establishments are affected by the public CbCR regulations.

A public CbCR generally needs to be prepared and provided by the UPE in third countries. If a legally compliant report is not prepared by the UPE, the German entity or branch is obliged to submit a corresponding statement and prepare and disclose a public CbCR itself, based on the information that is available.

In Germany, a subsidiary is classified as medium-sized, if two of the following thresholds are exceeded:

- Total assets of 7,5 Mio. EUR
- Revenues of 15 Mio. EUR
- 50 Employees (on average)

German entities may make use of exemptions, if:

- UPE prepares/provides (rule-compliant) report and
- Report is accessible on UPE's website and
- Report is published by other entity in the EU and
- Publishing entity is disclosed in report

## Disclosure/Filing

Disclosure/Publication in the German company register. When the public CbCR has been published in the German company register and it is referred to on the entity's website, there is no obligation to publish it on the entity's website again.

## Responsibilities

Timely preparation and publication of the public CbCR is the responsibility of the respective bodies of the entity affected by the disclosure obligation (Executive Board, Managing Director).

Duty of the Supervisory Board to review the content.

## Sanctions/Consequences

In the event of non-preparation, non- or incorrect disclosure, fines and administrative penalties of up to EUR 250,000 may be imposed on both the entity as well as the members of the authorised representative body.

Reputational damage for the group.

## Our service offerings

Analysis of German entities and/or branches in order to identify potential disclosure requirements

Review of KPI definitions and account mapping

Optimisation regarding place of publication (company register and website)

Examination of countries, where a public CbCR disclosure would potentially have an exempting effect for other countries

Identification of potential explainable circumstances as well as simulation of possible scenarios and headlines after disclosure



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In case you require assistance with any public CbCR related topic, we are more than happy to support you!



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