

# Reporting Requirements for OECD's Action Plan on Base Erosion and Profit Shifting

## NORTH AMERICA

COUNTRY	REPORTING REQUIREMENTS
<b>United States</b>	<p>Canada The United States requires a CbCR. MNEs with annual consolidated revenue of \$850 million in its previous fiscal year are required to file on or before the due date (including extensions) of its annual U.S. tax return. This reporting requirement applies to fiscal years beginning on or after June 30, 2016. Entities can file voluntary reports for the January 1, 2016 – June 30, 2016 period. Penalties for failure to file range from USD \$10,000-\$50,000.</p> <p>The U.S. does not require a master or local file.</p>
<b>Canada</b>	<p>Canada requires a CbCR. MNEs with annual consolidated revenue of €750 million in its previous fiscal year are required to file within 12 months after the last day of the reporting fiscal period. This reporting requirement applies to fiscal years beginning on or after January 1, 2016. Penalties for failure to file range from CAD 500-1000 per month for up to 24 months resulting in a 12,000-24,000 CAD fine per reporting period.</p> <p>Canada does not require a master or local file.</p>
<b>Mexico</b>	<p>Mexico requires a CbCR. MNEs with annual consolidated revenue of MXN 12,000 million in the previous year must file by December 31 of the following year. This reporting requirement applies to fiscal years beginning on or after January 1, 2016. Noncompliance penalties range from MXN 140,540 – 200,090 in addition to other non-financial penalties.</p> <p>Entities with annual revenue of MXN 644,599,005 must prepare a master file. The filing deadlines and penalties are consistent with the CbCR.</p> <p>All Mexican entities who prepare a master file must prepare a local file. The deadlines and penalties are consistent with the CbCR and master file.</p>

## COUNTRIES OF PARTICULAR INTEREST TO OUR CLIENTS

COUNTRY	REPORTING REQUIREMENTS
<b>China</b>	<p>China requires a CbCR. An entity that qualifies as the ultimate holding company of a MNE and has consolidated revenue of RMB 5.5 billion is required to file. The CbCR must be filed along with additional related party transaction forms by May 31 following the close of the tax year. This reporting requirement applies to fiscal years beginning on or after January 1, 2016. Penalties for failure to file / filing a substantially inaccurate report range from RMB 10,000 – 50,000.</p> <p>A master file must be included if the group's total annual related party transactions exceed RMB 1 billion or the group to which the ultimate holding company belongs to was previously required to prepare a master file. It must be filed within 12 months of year end and is subject to a maximum noncompliance penalty of RMB 10,000. This reporting requirement applies to fiscal years beginning on or after January 1, 2016.</p> <p>A local file must be included if intercompany transfers of tangible assets exceed RMB 200 million, intercompany transfers of financial assets or ownership of intangible assets exceed RMB 100 million, or if all other related party transactions exceed RMB 40 million. The local file must be prepared by June 30 following the tax year. This reporting requirement applies to fiscal years beginning on or after January 1, 2016. Failure to file / late penalties coincide with the master file requirements.</p>
<b>France</b>	<p>France requires a CbCR. MNEs with annual consolidated revenue of €750 million must file within 12 months of the close of the fiscal year. This reporting requirement applies to fiscal years beginning on or after January 1, 2016. The French entities with a CbCR requirement must state their obligation on their corporate income tax return or they can be subject to omission / inaccuracy penalties from €60 – 10,000. In addition, failure to file penalties can reach a maximum of €100,000 and will likely trigger a tax return audit.</p> <p>France does not require a master or local file to be submitted and there have been no announcements made regarding their intention to do so.</p>

## COUNTRIES OF PARTICULAR INTEREST TO OUR CLIENTS, CON'T.

COUNTRY	REPORTING REQUIREMENTS
<b>Germany</b>	<p>Germany requires a CbCR. MNEs with annual consolidated revenue of €750 million must file within 12 months of the close of the fiscal year. This reporting requirement applies to fiscal years beginning on or after December 31, 2015. The entity could be subject to a maximum penalty of €10,000.</p> <p>A master file must be included if the German taxpayer has sales of €100 million or greater for fiscal years beginning after December 31, 2016. There is no filing deadline for the master file but it must be submitted upon request during an audit. Penalties can be imposed.</p> <p>For the first filing year, the deadlines and penalties are consistent with the master file. A local file must be included if local sales or purchase of tangible goods exceed €6 million / USD \$6.4 million and / or other transactions exceed €600,000 / USD \$638,000. This reporting requirement applies to fiscal years beginning after December 31, 2016.</p>
<b>Ireland</b>	<p>Ireland requires a CbCR. MNEs with annual consolidated revenue of €750 million for fiscal years beginning on or after January 1, 2016 must file within 12 months after the last day of the reporting entity's fiscal year. Penalties for non-compliance are €19,045 plus €2,535 per day that the filing is late.</p> <p>Ireland does not require a master or local file.</p>
<b>Netherlands</b>	<p>The Netherlands require a CbCR. MNEs with annual consolidated revenue of €750 million must file within 12 months of the close of the fiscal year and the entity is subject to a maximum penalty of €820,000. This reporting requirement applies to fiscal years beginning on or after January 1, 2016.</p> <p>MNEs with consolidated revenue of €50 million must prepare a master file due at the time of the income tax return. This reporting requirement applies to fiscal years beginning on or after January 1, 2016. MNEs must prepare a local file under the same threshold and deadline as the master file.</p>

## COUNTRIES OF PARTICULAR INTEREST TO OUR CLIENTS, CON'T.

COUNTRY	REPORTING REQUIREMENTS
<b>Switzerland</b>	<p>For fiscal tax years beginning on or after January 1, 2018, Switzerland has implemented a requirement to file a CbCR. Swiss ultimate parent companies, in addition, can voluntarily file their CbCR for 2016 and 2017. The annual consolidated revenue threshold is set at CHF 900 million. Penalties for noncompliance are set at a maximum of CHF 250,000.</p> <p>Switzerland intends to implement master and local filing requirements, although no details have been released to date.</p>
<b>United Kingdom</b>	<p>The United Kingdom requires a CbCR. MNEs with annual consolidated revenue of €750 million must file within 12 months of the close of the fiscal year. This reporting requirement applies to fiscal years beginning on or after January 1, 2016. Failure to file a CbCR or to provide timely notifications to authorities results in penalties from GBP 300 – 3,000 and are subject to further daily penalties.</p> <p>While not currently required, the UK intends to implement master and local filing in the near future.</p> <p>Additionally, it is required that a UK company retains transfer pricing documentation to support that all transactions have been done at arms-length. Documentation must be ready to be submitted upon audit and is subject to a GBP 3,000 penalty if it is not readily available.</p>

FOR MORE INFORMATION CONTACT THE TAX EXPERTS AT  
FREED MAXICK AT 716.847.2651 OR [INFO@FREEDMAXICK.COM](mailto:INFO@FREEDMAXICK.COM).