

To: Taxation WG, Corporate Reporting - Investments & Sustainable Finance WG
From: Personal & general insurance department
Date: 04-09-2024
Reference: ECO-TAX-24-094

Subject: Response to EC on draft implementing regulation introducing a template and electronic formats for "country

Summary

Further to [ECO-TAX-24-090](#) on the European Commission (EC)'s draft implementing regulation introducing a template and electronic formats for "country by country" reports, the secretariat received feedback from DE. On the basis of this feedback, secretariat will share the following key messages with the EC on Friday, 6 September:

- While the insurance industry considers the requirements in the draft implementing regulation generally appropriate, there are strong concerns about the proposed timeline, as per Article 5. We would therefore urge the European Commission to reconsider this timeline and allow for sufficient preparation time.
- As it stands, the regulation is set to enter into force on the twentieth day following its publication in the Official Journal of the European Union (Article 6). Since no national-level implementation act is required, the regulation will take effect immediately.
- According to the draft, the regulation will first apply to reports on income tax information for financial years beginning on or after January 1, 2025. This timeline leaves companies with only a few days to prepare between the anticipated publication at the end of 2024 and the start of the 2025 financial year. Adequate preparation time is essential to ensure that reports are generated automatically in real time and to avoid significant follow-up work.
- Insurance companies require at least six months to prepare for new regulatory requirements. Therefore, we recommend that the regulation's requirements should be mandatory only for financial years beginning on or after January 1, 2026. For the 2025 reporting year, the most feasible approach would be reporting on a voluntary basis.

Background

On Thursday 1 August, the EC launched a public consultation (see more information [here](#)) on a draft implementing regulation introducing a template and electronic formats for "country by country" reports.

In brief, the proposed draft implementing regulation provides the technical conditions for creating and submitting the income tax information report. The draft ensures that the information is presented in a standardised, human-readable, and machine-readable format, making it easier to compare and analyse tax data across different companies. The new implementing regulation will apply to financial years starting on, or after **1 January 2025**.

Next steps

- **6 September:** Secretariat to share messages with the EC
- **1 January 2025:** expected entry into force of the implementing regulation.