

To: Financial Reporting Working Group, Taxation Working Group
From: Alexandru Ciungu
Date: 23-02-2018
Reference: ECO-TAX-18-014
Subject: Update on Public CBCR

Summary

On 31 January, the Chairs of the European Parliament's ECON and JURI Committees co-signed [a letter](#) to the Bulgarian Presidency expressing "deep concern" about the lack of progress in Council on the public country-by-country reporting (CBCR) file. They asked to be informed about the state of play of Council deliberations.

On 6 February, the Chair of the JURI Committee tabled [a question](#) for oral answer. In it, he noted that some Member States challenge the proposed legal basis because the proposal relates to "fiscal provisions". He reiterated the EP's view that the proposed Public CBCR Directive only imposes to some companies additional disclosure obligations and that it constitutes therefore a means of good corporate governance. Finally, he asked:

- *How does the Council justify its delay and its position regarding the legal basis of the proposal, especially given the fact that the proposal does not affect the amount of national taxes to be paid?*
- *What solution does it intend to propose?*
- *Does the Council consider this file a priority?*
- *What is the plan of the Council to make progress on this important proposal so it can still be adopted during this legislative term and under the Juncker Commission?*

On 13 February, the Bulgarian Presidency replied to the two chairs in [a letter](#) signed by the Ambassador of the Permanent Representation of the Republic of Bulgaria to the EU Dimitar Tzantchev. The Bulgarian Presidency noted that "several unresolved political issues are still preventing an agreement in the Council on this file, including the legal base of the proposal, which calls into question the very applicability of the Ordinary Method of Legislation" (ie qualified majority voting). While the Bulgarian Presidency is currently pursuing consultations with delegations in an attempt to advance this file, the letter notes that "the Council will need further time in order to clarify its position".

As a reminder:

- The European Parliament [adopted its position](#) on the EC proposal for public CBCR on 4 July.
- The latest [Council presidency compromise](#) is dated 27 October.