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**Brussels, 17 January 2019**

**WK 694/2019 INIT**

**LIMITE**

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**WORKING PAPER**

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**INFORMATION**

From:	Presidency
To:	Working Party on Company Law (CBCR)
N° Cion doc.:	7949/16 + ADD 1 + ADD 2
Subject:	Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Directive 2013/34/EU as regards disclosure of income tax information by certain undertakings and branches. - Flash note from Presidency

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WK 694/2019 INIT

**LIMITE**

**EN**

**PRESIDENCY FLASH NOTE**  
**WORKING PARTY on COMPANY LAW**  
**24 January 2019 (morning only)**

Dear Colleagues,

We would be honoured to have you joining us for the first meeting of the Working Party of Company Law (Attachés) which will take place on **Thursday, 24th of January 2019**. The proposal for Public Country-by-Country Reporting (Public CBCR) will represent the subject for the agenda of the meeting thus scheduled.

We propose to consider the compromise text as it is presented in the doc. 5134/19 as basis for the discussions. The amendments proposed by the Romanian Presidency are listed and explained in the second part of this Flash note.

The topics proposed for the meeting are also attached to the present Flash note.

Since the last meeting some changes have occurred in Member States' positions we consider that this will be an important opportunity to update our views in order to see what is the current status of the dossier. We are confident that the announced meeting will help us to figure out the best steps to be followed towards, some progress to be made on this matter, as there are almost three years since the legislative proposal was launched by the European Commission.

We would also like to take this opportunity to express our appreciation for the remarkable efforts put by the Member States teams into the negotiations of the dossier.

We are looking forward to meeting you and we strongly hope that we will have a fruitful cooperation.

Best regards,

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I. Amendments proposed on the compromise text produced after the working party held on 14th of June 2018

1. Recital (6a) of the introductory part, the last sentence – introducing a missing article: “...has a different definition...”;
2. Article 48b point 3a: “If a subsidiary undertaking that was required to publish a statement as referred to in paragraph 3 subparagraph 2 exceeds the threshold set out in paragraph 1 for each of the last two consecutive financial years, it shall also draw up, publish and make accessible its own report on income tax information **as regards the latter of the last two consecutive financial years** as provided for under paragraph 1 and 1a. ”

Explanation: As in all other cases of the draft reference has to be made to the “latter of the last two consecutive financial years” the suggestion aims to reconfirm the meaning of certain paragraphs of the text (Article 48b, paragraph 1 to paragraph 4) ensuring also an adequate harmonization of the text.

3. Article 48c paragraph 2, the last sentence: “For the purposes of point (g) of the first subparagraph the accumulated earnings shall mean the sum of the profits of past financial years and the relevant financial year not decided for distribution. With regard to branches, accumulated earnings shall be reported by the undertaking which opened **and still operates** a branch. ”

Explanation: In order to ensure the same meaning of other paragraphs regulating the same topic (Article 1 paragraph 1a, Article 48b paragraph 4, paragraph 5 letter a) and the harmonization of the text.

II. *Tour de table* - the positions on Public CBCR dossier of all Member States are expected