

Tax Automation for BEPS and Key Direct Tax Reporting processes

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Panel



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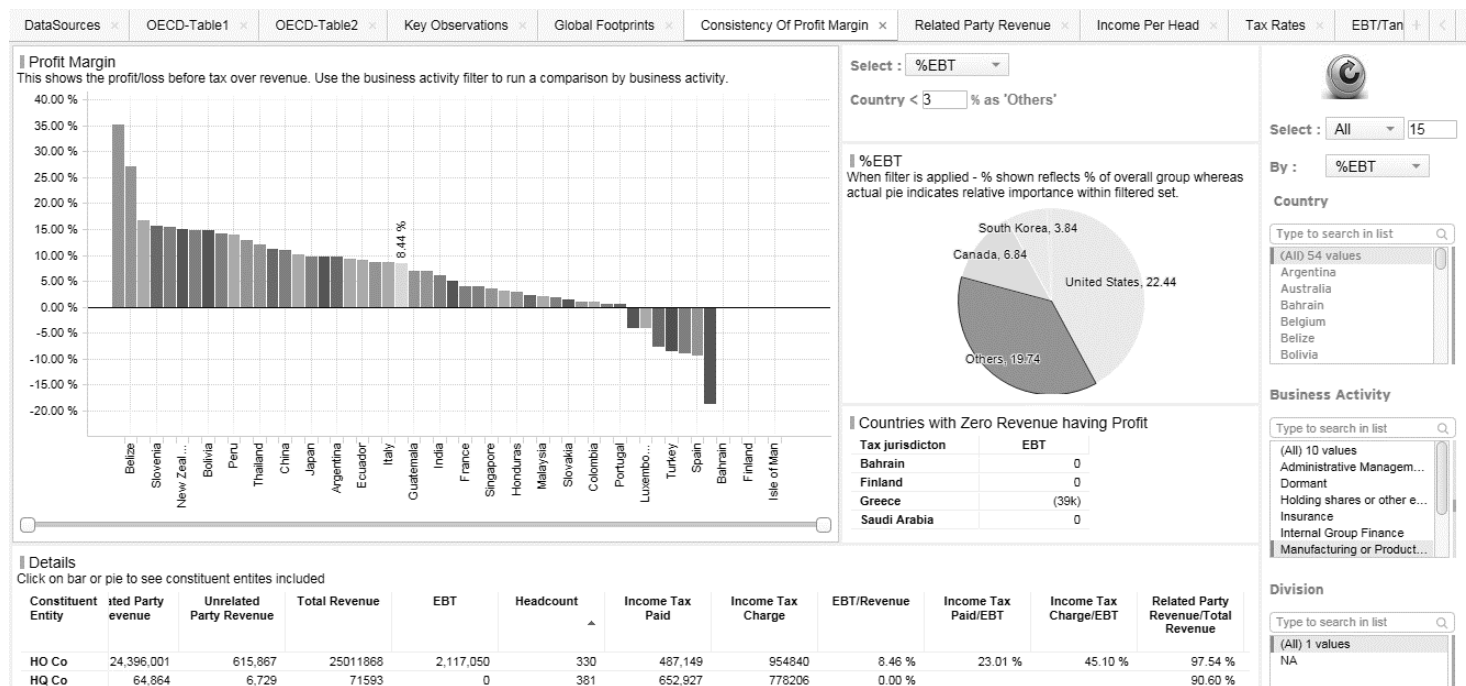
A satellite view of the Earth from space, showing the curvature of the planet and the glowing blue atmosphere. The landmasses are visible, with city lights and a network of connecting lines (likely representing infrastructure or data flow) glowing in orange and yellow. The background is a deep blue gradient.

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Country-by-Country Reporting

EY CbCR Assessment Tool: overview

- ▶ To create an overall picture of the multinational enterprise (MNE) group's current financial situation that would be submitted to the tax authorities
- ▶ To foresee the questions or issues that would be raised by the tax authorities
- ▶ To make assessments on the MNE group's structure and needs
- ▶ To identify data gaps and propose solutions

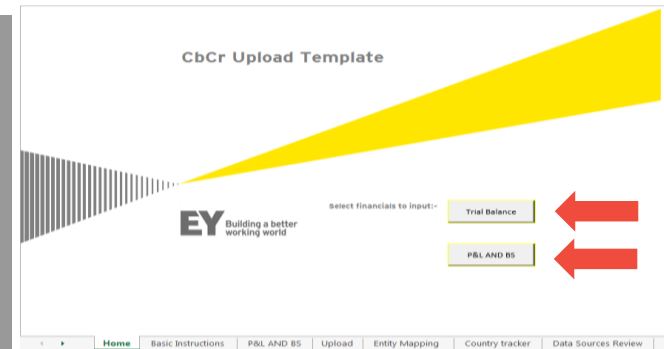


EY CbCR Upload Template: overview

CbCR Upload Template is a MS Excel file used for gathering and processing information required for CbCR.

The functionality of the template enables you to:

- Develop the mapping between company accounts and CbCR data items
- Recognize and check names of countries and states for the purposes of the global footprint
- Review data sources used for CbCR readiness and risk assessment
- Provide any relevant comments



CbCr Data Input Template - Entity Mapping									
Accounting Code Name	Entity name (please refer to the list of entities in the 'Data Sources Review' tab)	Country of incorporation	Country of tax residence (please refer to the list of countries in the 'Data Sources Review' tab)	Country of residence (please refer to the list of countries in the 'Data Sources Review' tab)	Country of tax residence (please refer to the list of countries in the 'Data Sources Review' tab)	Country of residence (please refer to the list of countries in the 'Data Sources Review' tab)	Country of tax residence (please refer to the list of countries in the 'Data Sources Review' tab)	Country of residence (please refer to the list of countries in the 'Data Sources Review' tab)	Country of tax residence (please refer to the list of countries in the 'Data Sources Review' tab)
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RL-00004	Demo Entity 4	AUSTRALIA	AUSTRALIA	AUSTRALIA	AUSTRALIA	AUSTRALIA	AUSTRALIA	AUSTRALIA	AUSTRALIA
RL-00005	Demo Entity 5	AUSTRALIA	AUSTRALIA	AUSTRALIA	AUSTRALIA	AUSTRALIA	AUSTRALIA	AUSTRALIA	AUSTRALIA
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RL-00010	Demo Entity 10	BELGIUM	BELGIUM	BELGIUM	BELGIUM	BELGIUM	BELGIUM	BELGIUM	BELGIUM

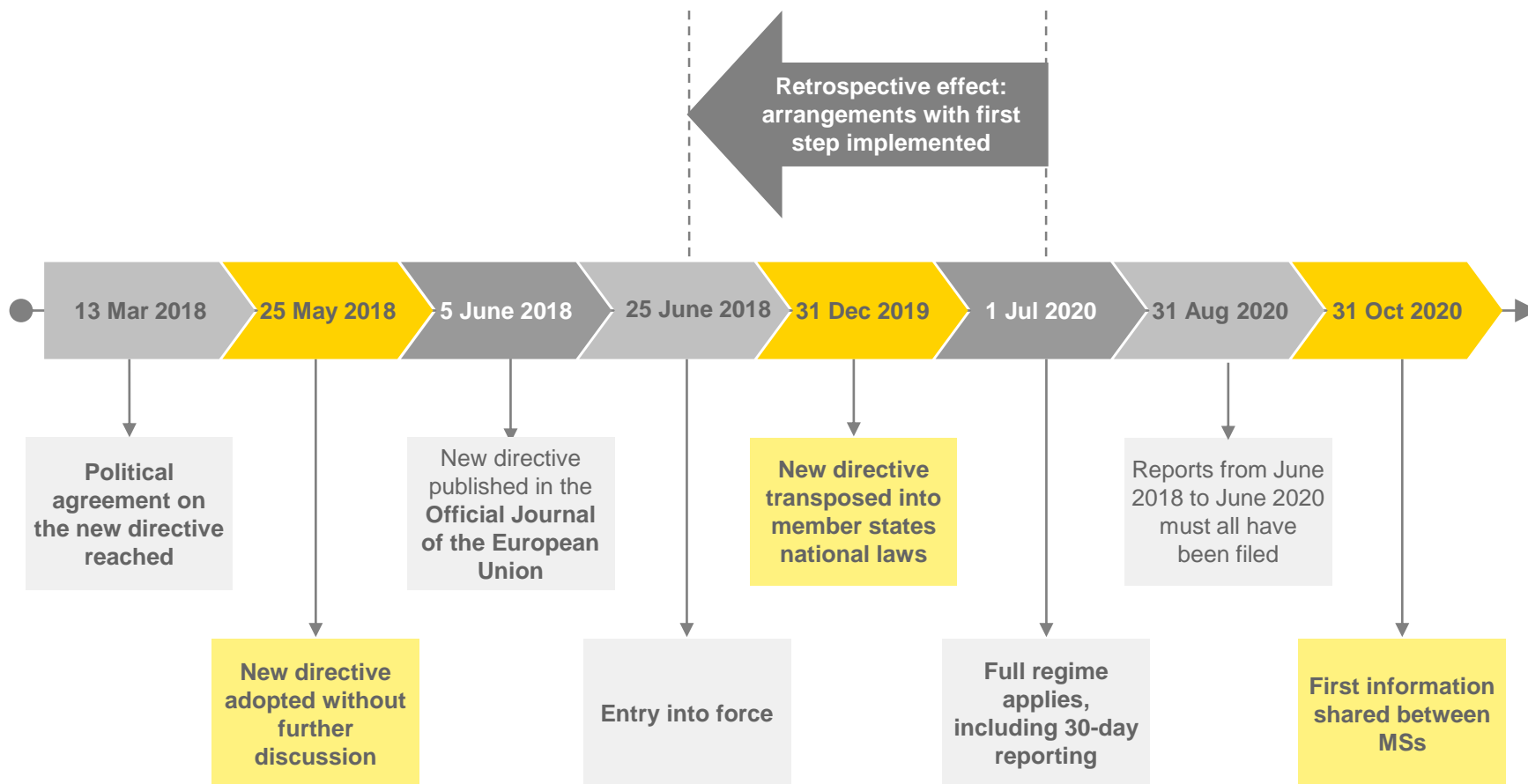
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The background of the slide is a high-contrast image of Earth from space. The top half shows the blue curve of the planet's atmosphere against the black void of space. The bottom half shows a dense network of orange and yellow lights representing city lights and infrastructure, primarily concentrated in North America and Europe. A white vertical line runs down the left side of the image, separating the grey background from the Earth image.

2

**EU
Mandatory
Disclosure Regime
(MDR)**

Implementation timeline



When, and then what?

Transition

From the date of entry into force of DAC 6 (25 June 2018) until 30 June 2020, arrangements where the first step of implementation has been taken after 25 June 2018 must be reported by 31 August 2020

After 1 July 2020

Within 30 days beginning on the day after the arrangement either:

- ▶ Was made available or ready for implementation Or
- ▶ When the first step in the implementation was undertaken

In case of aid, assistance or advice (intermediaries):

- ▶ Within 30 days beginning on the day after they provided such aid, assistance or advice

Automatically shared with other Member States

First exchange by 31 October 2020

Penalties determined by national laws
'Effective proportionate and dissuasive'

What does the taxpayer need to consider?

Considerations	Impact	Consequences
Develop a strategy, policy and guidance for MDR reporting: <ul style="list-style-type: none">▶ Process to recognise reportable arrangements▶ Establish reporting lines▶ Training	Missed or late disclosures on arrangements	Penalties, increased controversy and reputational damage
Identification of and engagement with intermediaries <ul style="list-style-type: none">▶ LPP status▶ Assessment of planned disclosures▶ Appoint a 'lead intermediary'?▶ Provision of proof to other intermediaries	Inconsistent disclosures made by multiple intermediaries:	
Keep abreast of MS developments, interpretative differences and additional reporting requirements	Underreporting or overreporting in certain countries	
Maintain robust and complete documentation to meet audit challenges	Audit activity?	

Identify resources and technology to meet your obligations (in-house and outsourced)

EY MDR tool: overview

MDR tool features

The EY MDR tool, available by accessing the EY server, can be used by organisations, to recognize and document cross-border reportable arrangements

Data input

- ▶ Access for named users (client and/or EY) to log arrangements
- ▶ Functionality to capture proposed disclosures by your intermediaries
- ▶ Data input guidance (technical explanations of MDR terms) provided
- ▶ Ability to attach and upload essential documents

Analysis

- ▶ Evaluates whether an arrangement is reportable
- ▶ Compares input on same arrangement from different intermediaries to drive reporting consistency

Documentation and reporting

- ▶ Functions as an online repository of reportable arrangements during the transition phase (until July 2020) and beyond
- ▶ Dashboard for monitoring
- ▶ Report generation per arrangement and hallmark



Process



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