

Law 5066/2023 Public reporting on income tax information/data by multinational enterprises & other provisions

With Law 5066/2023 (Government Gazette A 188/15.11.2023):

- ▶ The Directive (EU) 2021/2101 of the European Parliament and of the Council is incorporated in the Greek legislation amending Directive 2013/34/EU, introducing additions/amendments to Law 4548/2018 and 4919/2022 as regards disclosure of income tax information/data by multinational enterprises and by certain standalone enterprises and branches in a public report (the Public Report);
- ▶ The covered persons and the relevant criteria, under which the obligation for the publication of income tax information exists, are determined;
- ▶ Is determined the required information to be disclosed in the Public Report, as well as guidelines for the publication and accessibility of the report;
- ▶ Is determined that responsibility of the statutory auditor as well as the responsibility of the members of administrative, managing and supervisory bodies of the liable enterprises;
- ▶ Are introduced provisions for additional publication requirements for personal enterprises, as well as foreign third-country companies' branches or private capital companies and credit and financial institutions' branches having their registered office in another Member State;
- ▶ Are determined the fiscal years to which Law 5066/2023 applies, which are fiscal years starting after 22 June 2024

I. Covered persons: Specific criteria and exemptions

Category	Criteria	Exemptions
Ultimate Parent (UP) ¹	<ul style="list-style-type: none"> ▶ Consolidated Revenue > €750 mio ▶ For 2 consecutive years² 	<ul style="list-style-type: none"> ▶ The Group (incl. branches) is established, or has its fixed places of business or permanent business activity only in Greece; ▶ The UP or one of its affiliates discloses a CbC Report.
Standalone ³	<ul style="list-style-type: none"> ▶ Revenues > €750 mio ▶ For 2 consecutive years 	<ul style="list-style-type: none"> ▶ The Group (incl. branches) is established, or has its fixed places of business or permanent business activity only in Greece; ▶ The UP or one of its affiliates discloses a CbC Report
Subsidiaries ⁴ <u>Where its UP is not governed by the law of a Member State</u>	<ul style="list-style-type: none"> ▶ UP's Consolidated Revenues > €750 mio ▶ For 2 consecutive years 	<p>When a report of income tax information is drawn up by the UP (or standalone) enterprise, and meets the following criteria:</p> <ul style="list-style-type: none"> ▶ Publicly available on its website; ▶ In at least one of the official languages of the Union ▶ No later than 12 months after the balance sheet date of the financial year for which the report is drawn up; and ▶ It identifies the name and the registered office of a single subsidiary, or the name and the address of a single branch governed by the law of a Member State, which has published a CbC Report.
Branches	<p>Opened by an enterprise that is not governed by the law of a Member State and the following criteria are met:</p> <p>a) Branch's Net Revenues > €8 mio for 2 consecutive years; AND</p> <p>b) The Ultimate Parent reports:</p> <ul style="list-style-type: none"> ▶ Consolidated Revenue > €750 mio ▶ For two (2) consecutive years; OR <p>The Standalone enterprise reports</p> <ul style="list-style-type: none"> ▶ Revenues > €750 mio ▶ For two (2) consecutive years. 	<p>When a report of income tax information is drawn up the UP (or standalone) enterprise, and meets the following criteria:</p> <ul style="list-style-type: none"> ▶ Publicly available on its website; ▶ In at least one of the official languages of the Union ▶ No later than 12 months after the balance sheet date of the financial year for which the report is drawn up; and ▶ It identifies the name and the registered office of a single subsidiary, or the name and the address of a single branch governed by the law of a Member State, which has published a CbC Report.

¹ This is the enterprise that prepares consolidated financial accounts at the higher level.

² In case of liable enterprises, the obligation is to report information for the last of the two consecutive fiscal years.

³ Means an enterprise which is not part of a group as defined in Appendix A' of L.4308/2014 (A' 251).

⁴ Medium and large enterprises as defined in par. 5 & 6 Art. 2 of Law 4308/2014 (A' 251)

II. Content of the Public Report

- ▶ The Public Report shall include information relating to all the activities of the standalone or ultimate parent enterprise, including those of all affiliates consolidated in the financial statements of the relevant fiscal year.

The information to be disclosed consists of:

- ▶ Name of the ultimate parent or the standalone enterprise, the financial year concerned, and the currency used;
- ▶ Nature of activities;
- ▶ Number of employees;
- ▶ Total net revenue (incl. revenues from affiliates);
- ▶ Profit (loss) before income tax;
- ▶ Amount of income tax accrued in the country by reason of the profits made in the current year in that country;
- ▶ Amount of income tax paid on a cash basis during that year;
- ▶ Accumulated earnings.

The Public Report of income tax information shall present the required information:

- ▶ Separately for each Member State;
- ▶ Separately for each tax jurisdiction which:
 - ▶ On 1st March of the financial year for which the report is to be drawn up, is listed in Annex I to the Council conclusions on the revised EU list of non-cooperative jurisdictions for tax purposes;
 - ▶ On 1st March of the financial year for which the report is to be drawn up and on 1st March of the preceding financial year, was mentioned in Annex II to the Council conclusions on the revised EU list of non-cooperative jurisdictions for tax purposes;
- ▶ On an aggregated basis for other tax jurisdictions.

III. Filing Notification

- ▶ It is provided that, in case a subsidiary or branch draws up an incomplete income tax information report, due to lack of sufficient information provided by the ultimate parent, they should submit, along with the report, a Filing Notification indicating that its ultimate parent did not make the necessary information available.

IV. Publication and Accessibility

- ▶ Both the Public Report of income tax information and the Filing Notification should be prepared in English;
- ▶ Shall be published within 12 months of the closing

date of the financial year for which the Public Report is drawn up, and remains publicly accessible indefinitely;

- ▶ Both the Public Report of income tax information and the Filing Notification should be published in the Greek General Electronic Commercial Registry (G.E.M.I.).
- ▶ This publication should be accompanied by a reference to the subsidiary's and/or branch's website of the relevant register.

V. Compliance, audit requirement

- ▶ The auditor, the accountant or the audit firm is designated as responsible for determining in the relevant audit report whether the company should have published a Public Report and whether it has done so in accordance with the relevant provisions.

VI. Responsibility for drawing up, publishing and making accessible the report to the public

- ▶ The members of the administrative, management and supervisory bodies of the responsible enterprises and the legal representatives of branches are jointly responsible for ensuring that the Public Report is drawn up, published and made accessible to the public.

VII. Penalties for non-compliance

- ▶ Non-compliance to all the above can result in fines ranging from €10.000 to €100.000 for the management and administrative bodies and the legal representatives of branches.
- ▶ Responsible for imposing fines is the The General Directorate for Market and Consumer Protection of the General Secretariat for Consumer Protection of the Ministry of Development.

Based on the new provisions, practically an obligation is defined for covered enterprises within the scope of the relevant provisions of Chapters B and C of Law 5066/2023, either to proceed with the publication of a Country-by-Country Report (CbCR) or to proceed with the submission of a Public Report with content that is significantly similar (but not necessarily identical) to that of the CbCR.

To this end, enterprises are required to weigh up these alternatives and choose the most suitable alternative based on their priorities in terms of tax compliance and transparency.

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