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In this article, the authors explore new public country-by-country reporting requirements that U.S.-headquartered multinational enterprises operating in Europe and Australia will need to comply with.

With the introduction of the EU and Australian public country-by-country reporting regimes, multinational enterprises including U.S.-headquartered groups with operations in covered jurisdictions are now required to publicly disclose key tax and financial data. Unlike the confidential base erosion and profit-shifting action 13 CbC report filing, which is exchanged solely between tax authorities, public CbC reporting mandates publication on the company's website and disclosure in the business register, making the information accessible to investors, regulators, civil society, and competitors alike. These obligations arise in addition to existing U.S. and international tax compliance requirements, creating a new layer of transparency risk that U.S. MNEs can no longer afford to treat as a purely foreign compliance matter.

The EU/EEA CbC Reporting Goes Public

Since 2016 traditional OECD CbC reporting (nonpublic CbC reporting) has been an annual obligation for MNEs with a consolidated annual turnover of at least €750 million. Traditional CbC reporting is made available to the tax administration of each tax jurisdiction for use in broad transfer pricing and BEPS risk assessments. This enables a better assessment of tax practices and helps combat tax avoidance. The legal requirements for the nonpublic CbC reporting are based on the recommendations of the OECD within the framework of the BEPS project, particularly action 13.[1]

The EU public CbC reporting further increases transparency by requiring that it be made available not only to tax authorities, but also to the public. The aim is to allow the public to scrutinize the tax practices of large MNEs. Proponents argue that public CbC reporting can lead to greater

[1] OECD, "Transfer Pricing Documentation and Country-by-Country Reporting, Action 13 — 2015 Final Report" (2015); and Council Directive 2016/881/EU (DAC4), amending directive 2011/16/EU.

accountability and fairer competition, while critics raise concerns about protecting sensitive corporate data.[2]

Public CbC Reporting Requirements

The first public CbC report must be prepared for the financial year beginning after June 21, 2024, and must be disclosed in the business register and published on the company's website no later than one year after the end of the reporting period (if applicable, by referencing the business register).[3]

This means MNEs with a financial year that ended June 30, 2025, should have disclosed and published the EU public CbC report by June 30, 2026. For calendar-year groups, the first year in scope is the full year 2025, with a publication deadline of December 31, 2026. The disclosure obligation applies to multinational companies (corporations or commercial partnerships) and groups of companies with a consolidated turnover of more than €750 million in two consecutive financial years,[4] which are either domiciled in the EU or in the European Economic Area or have subsidiaries or branches of a qualifying size.[5] This latter criterion is particularly relevant for U.S.-headquartered MNEs.

Although the directive is an EU and EEA initiative, it captures, for example, U.S.-headquartered MNEs that operate medium- or large-size subsidiaries or branches in the EU or EEA. To qualify as a medium- or large-size company, the entity needs to exceed two of the following three thresholds:

- Revenue: Approximately €15 million.
- Balance sheet total: Approximately €7.5 million.
- More than 50 employees.[6]

Groups meeting at least two of the conditions must comply with EU public CbC reporting requirements, creating the additional administrative obligation of determining and implementing the necessary disclosure and publication steps.

In terms of content, companies may choose to provide the information consistently to the nonpublic CbC report, which will simplify the preparation in many cases. In addition to a list of the subsidiaries to be included, the required information includes a description of the business activities; the number of employees, revenue, profits, or losses before income tax; income taxes accrued and paid; and accumulated earnings.[7]

The information must then be disclosed in the public CbC report separately for all EU and EEA countries, as well as for those countries and territories listed in Annex I or II of the EU lists of noncooperative countries and territories as of March 1 of the reporting period (the black and grey lists[8]). Of particular public interest are disclosures indicating which MNEs continue to operate in jurisdictions such as Russia and on what basis. For the tax jurisdictions not mentioned (all other jurisdictions), the information must be presented in aggregate. For U.S. MNEs, this means that U.S. financial figures are aggregated with those of all other jurisdictions (e.g., China, Japan), which can reduce transparency and limit the usefulness of the information presented.

It is possible to defer disclosure of disadvantageous information for a period of five years if the disclosure of the market position of the companies would cause considerable disadvantage.[9] In principle, this does not apply to the information relating to the countries on the black and grey lists.

A key governance dimension is allocating final responsibility for the public CbC report. While members of the supervisory or administrative board must ensure that the report is prepared,[10] the auditor must examine and

[2] Directive (EU) 2021/2101 of the European Parliament and of the Council of November 24, 2021 (EU public CbCR).

[3] EU public CbCR, art. 48, paras. d and g.

[4] EU public CbCR, art. 48b, para. 1.

[5] EU public CbCR, art. 48b, paras. 4 and 5.

[6] German Commercial Code (Handelsgesetzbuch), section 267: Definition of Size Categories.

[7] EU public CbCR, art. 48, para. c.

[8] European Council, "EU List of Non-Cooperative Jurisdictions for Tax Purposes" (last updated Feb. 17, 2025).

[9] EU public CbCR, art. 18.

[10] EU public CbCR, art. 48, para. e.

report whether the disclosure obligation existed and was fulfilled for the previous year.[11]

EU public CbC reporting does not attach to the non-EU ultimate parent entity; it attaches to the group's economic footprint in Europe. U.S.-headquartered MNEs with qualifying subsidiaries or branches should familiarize themselves with EU public CbC reporting and assess its implications for compliance.

Recommended Process Framework for U.S.-Headquartered MNEs

Given the rising scrutiny of public CbC reporting, U.S.-headquartered MNEs must implement audit-ready processes that go beyond technical compliance to include governance, communication, and reputational aspects. A structured six-step framework with clear responsibilities and early leadership involvement is essential. The steps are:

- step 1: preparatory assessment and scoping;
- step 2: internal stakeholder alignment;
- step 3: report preparation and process coordination;
- step 4: confirmation of data reliability, consistency, and pillar 2 alignment;
- step 5: determination of the scope of voluntary disclosure; and
- step 6: proactive preparation for external stakeholder scrutiny.

EU Reporting Form: Content Requirements

Formal Requirements

Implementing regulation (EU) 2024/2952 of November 29, 2024,[12] introduces a standardized template and electronic formats for public CbC reporting. The framework consists of five sections:

- section 1: general information;
- section 2: overview of financial information by country;
- section 3: list of subsidiaries and activities by country;
- section 4: omitted information; and
- section 5: explanations of material discrepancies between income taxes paid and income taxes accrued (nonmandatory).

iXBRL Taxonomy and Reporting Tool

On December 22, 2025, the European Commission published the corresponding public CbC reporting taxonomy,[13] the associated public CbC reporting generator, and comprehensive documentation. The public CbC reporting generator is an Excel-based tool that supports the preparation of a report on income tax information in iXBRL format, the official technical submission format. The template reflects the five reporting sections and includes optional narrative fields in the introduction and conclusion, enabling companies to provide additional context.

Down Under Goes Public as Well

Australia's public CbC reporting regime applies if several conditions are met. The entity must qualify as a constitutional corporation (or comparable structure) and be the CbC reporting parent, meaning the ultimate parent entity of a group with consolidated global income of at least AUD 1 billion (about $694 million). This threshold may bring foreign-parented groups into scope even if they fall below thresholds in their home jurisdiction.

The entity must also belong to a CbC reporting group during the period and have a sufficient nexus to Australia, either through tax residency or operations via a permanent establishment. In addition, the group's Australian-sourced turnover must reach at least AUD 10 million.

Australian Content Requirements

Formal Requirements

Reports must be submitted in XML format, via email,[14] within 12 months after the reporting period. Early registration with the Australian Taxation Office is recommended.

[11] EU public CbCR, art. 48, para. f.

[12] European Commission, "Implementing Regulation (EU) 2024/2952 of Nov. 29, 2024."

[13] European Commission, "Public Country-by-Country Reporting Taxonomy Project" (Dec. 22, 2025; last updated Mar. 10, 2026).

[14] ATO, "Public Country-by-Country (CBC) Reporting," at Publishing Your Public CBC Report.

Content Requirements

Compared to the EU regime, Australia requires enhanced disclosure. This includes a description of the group's tax approach (aligned with global reporting initiative 207[15]), integrating tax transparency with broader governance reporting. Detailed CbC reporting is mandatory for Australia and specified jurisdictions,[16] while other jurisdictions may be reported individually or in aggregate. In addition, companies must explain differences between tax accrued and expected tax based on statutory rates.

Comparison of the Three Reporting Regimes

Both the EU (directive (EU) 2021/2101 amending directive 2013/34/EU) and Australia (Tax Administration Act 1953 section 3D[17]) have enacted new public CbC reporting regulations in addition to the established nonpublic reporting regulations. It should be noted that even though the three CbC reporting frameworks (nonpublic, EU public, and Australian public) appear similar, they are not identical, and each regulatory framework differs in terms of geographical scope and content.

Public CbC Reporting Is a Board-Level Issue for U.S. MNEs

Although the public CbC reporting obligations arise in the EU and Australia, their reputational consequences are global: Noncompliance carries significant risk for U.S.-headquartered MNEs that have substantial business operations in the EU or Australia. Implementation brings compounding challenges — compliance requirements are rising, timelines are tightening, and the number of internal and external stakeholders requiring coordination has grown substantially. The EU and Australian public CbC reports must be prepared alongside the existing nonpublic reports; the frameworks differ meaningfully in scope and content. Fragmented disclosures remain a real risk when data is not centrally coordinated, and board-level oversight must be planned for well in advance of publication deadlines.

While nonpublic CbC reporting has so far been regarded as a predominantly tax-related topic, and the relevant group of addressees has been limited to (international) tax authorities, the public reports now broaden the scope by attracting new interested parties, such as investors, journalists, or competitors. Companies should not simply wait and see how remaining silent regarding the tax narrative will be interpreted by the public. The company-related decision on the scope of the publication of information that goes beyond the legal minimum thus becomes correspondingly important. It is advisable for U.S.-headquartered MNEs to familiarize themselves with the background, the internal process structure, and the contents of the public CbC reports in good time to be prepared for the new challenges. ■

[15] *See* Global Reporting Initiative, "GRI 207: Tax 2019."

[16] Specified jurisdictions outlined in ATO, "Taxation Administration (Country by Country Reporting Jurisdictions) Determination 2024," LI 2024/27 (2024).

[17] Tax Administration Act 1953 (Cth), Schedule 1, section 3D, in ATO, PS LA 2025/2.