



國富浩華稅務（香港）有限公司
Crowe Tax Services (HK) Limited

The Filing Obligation of Country-by-Country Return

(August 2023)



Audit / Tax / Advisory

Smart decisions. Lasting value.

Country-by-Country Return

A multinational enterprise group (“MNE Group”) is obligated to file a Country-by-Country Return (“CbCR”) for an accounting period where:

- its consolidated group revenue for the preceding accounting period is at least EUR750 million (or HKD6.8 billion); and
- it has constituent entities or operations in two or more jurisdictions.

The following information of the MNE Group is required to be provided in the CbCR:

- Aggregate tax jurisdiction-wide information regarding the global allocation of the income, the taxes paid, and certain indicators of economic activities such as number of employees, stated capital, retained earnings and tangible assets for each jurisdiction in which the MNE group operates.
- A listing of all the constituent entities for which financial information is reported, including the jurisdiction of incorporation, where different from the jurisdiction of tax residence, and the nature of the main business activities carried out by each constituent entity.

The Hong Kong Inland Revenue Department (“IRD”) makes use of the CbCR information for the following purposes:

- 1) High level transfer pricing risk assessment;
- 2) Assessment of Base Erosion and Profit Shifting (“BEPS”) risks [Note]; and
- 3) Economic and statistical analysis where appropriate.

Note: It refers to the high level assessment of tax risks that may result in the erosion of the tax base of a jurisdiction.

The deadline for filing a CbCR is 12 months after the end of the relevant accounting period.

Heavy penalties are provided in respect of matters such as failing to file CbCR and providing misleading, false or inaccurate information in CbCR.



Country-by-Country Notification

One of the Hong Kong entity of a reportable group (i.e. a MNE Group which is required to submit CbCR) is required to make a notification containing information relevant for determining the obligation for filing a CbCR within 3 months after the end of the relevant accounting period.

For a reportable group which has more than one Hong Kong entity, a Hong Kong entity within the reportable group is not required to make a CbC notification if:

- 1) it is not the entity which is to file a CbCR; and
- 2) another Hong Kong entity within the reportable group has already filed the CbC notification.

In practice, the IRD will send a filing notice to an entity which has made a CbC notification or any other entity which is considered to be obliged to file a CbCR.

Failing to submit the CbC notification is liable on conviction to a fine up to HKD 50,000.

What we can do



Our Crowe's experienced tax team in Hong Kong can assist your group to prepare its CbC notification and CbCR in an efficient and compliant manner. We have participated in various tax defense cases where the IRD challenged the non-compliance of the Hong Kong entity related to CbC reporting/notification matter. Through our negotiations with the tax authority, the penalties imposed on our clients are eliminated/minimized.



If you are interested in our CbC reporting services, please feel free to contact our tax partner Cyrus Chow by email to cyrus.chow@crowe.hk or at +852 2894 6835 for enquiry.



Contact us

聯絡我們

國富浩華稅務（香港）有限公司
Crowe Tax Services (HK) Limited

9/F Leighton Centre,
77 Leighton Road,
Causeway Bay, Hong Kong
香港 銅鑼灣 禮頓道77號
禮頓中心9樓

E-mail 電郵: info@crowe.hk
Telephone 電話: +852 2894 6888
Facsimile 傳真: +852 2895 3752
Service Hotline 客戶服務熱線:
+852 2894 6611

About Crowe Global Crowe Global 簡介

Crowe Global is ranked among the top 10 global accounting networks comprising 200 independent accounting and advisory services firms with over 790 offices in 140 countries around the world. Crowe Global's member firms are committed to impeccable quality service, highly integrated service delivery processes and a common set of core values that guide our decisions daily. Each firm is well-established as a leader in its national business community and is staffed by nationals, thereby providing a knowledge of local laws and customs which is important to clients undertaking new ventures or expanding into other countries. Crowe Global's member are known for their personal service to privately and publicly held businesses in all sectors and have built an international reputation in the areas of audit, tax and advisory services.

Information can be obtained at: www.croweglobal.org

Crowe Global 為全球十大會計師事務所集團網絡之一，擁有200家獨立會計師事務所和諮詢服務公司、其790個辦事處遍佈全世界超過140個國家。Crowe Global 的成員所承諾向客戶提供高質素服務、高效率的服務流程、並且遵循一套共同核心價值和管理理念。成員所均為當地業界翹楚，聘用熟識當地法例和習俗的當地專才，以協助客戶拓展新業務及新市場。Crowe Global 的成員在審計、稅務、風險和諮詢服務領域中均已建立良好聲譽，能夠因應客戶的需要，提供個人化服務。

如欲取得 Crowe Global 更多資料，請瀏覽其網站：www.croweglobal.org



www.crowe.hk

Crowe Tax Services (HK) Limited is affiliated with Crowe (HK) CPA Limited. Crowe (HK) CPA Limited is a member of Crowe Global, a Swiss Verein (Crowe Global). Each member firm of Crowe Global is a separate and independent legal entity. Crowe Tax Services (HK) Limited and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global and specifically disclaim any and all responsibility or liability for acts or omissions of Crowe Global or any other Crowe Global member.

© 2023 Crowe Tax Services (HK) Limited

國富浩華稅務（香港）有限公司是國富浩華（香港）會計師事務所有限公司的聯營公司。國富浩華（香港）會計師事務所有限公司是 Crowe Global（根據瑞士法律組成的社團組織）的成員。Crowe Global 的每間成員所均為獨立的法律實體。國富浩華稅務（香港）有限公司及其聯營公司不對 Crowe Global 或 Crowe Global 任何其他成員的行為或遺漏承擔責任，並特此聲明不會承擔 Crowe Global 或 Crowe Global 任何其他成員因行為或遺漏招致的任何及所有責任。

© 2023 國富浩華稅務（香港）有限公司

Printed in August 2023
2023年8月印刷