Lithuania

Lithuania Notes Required Information Under Domestic Implementation of Public Country-by-Country Reporting Directive

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Report from our correspondent Eglė Burbaitė

The Ministry of Finance has prepared detailed draft rules determining the procedure for preparing the corporate income tax information report as required by the Public Country-by-Country Reporting Directive (for previous reporting, *see* Lithuania Prepares to Transpose Public Country-by-Country Reporting Directive into Legislation (23 March 2023)).

In addition, the rules clarify how to indicate information related to all activities of a separate company or activities of the main parent company (including all group companies indicated in the consolidated financial statements) for the relevant financial year.

It is proposed that the corporate income tax information report should include the following information:

- name(s) of the company(ies);
- currency used in the information report;
- a brief description of the nature of activities of the company(ies);
- the number of employees on a full-time equivalent basis;
- revenues (including from affiliated undertakings), which are to be calculated as:
    - the sum of the net turnover, other operating income, income from participating interests, excluding dividends received from affiliated undertakings, income from other investments and loans forming part of the fixed assets, other interest receivable and similar income; or
    - the income as defined by the financial reporting framework on the basis of which the financial statements are prepared, excluding value adjustments and dividends received from affiliated undertakings;
- the amount of profit or loss before income tax;
- the amount of corporate income tax accrued during the relevant financial year, which is to be calculated as the current tax expense recognised on taxable profits or losses of the financial year by undertakings and branches in the relevant tax jurisdiction (current tax expenses relate only to the activities of an undertaking in the relevant financial year and shall not include deferred taxes or provisions for uncertain tax liabilities);
- the amount of corporate income tax paid (including withholding taxes) on a cash basis, which is to be calculated as the amount of corporate income tax paid during the relevant financial year by undertakings and branches in the relevant tax jurisdiction;
- the amount of accumulated earnings at the end of the relevant financial year (the accumulated earnings shall mean the sum of the profits from past financial years and the relevant financial year, the distribution of which has not yet been decided upon; with regard to branches, accumulated earnings shall be those of the undertaking which opened the branch).

Information in the corporate income tax report should be provided separately for each Member State (or aggregated at Member State level).

It is proposed to temporarily exclude certain information, if its disclosure would seriously harm the commercial position of the companies to which the corporate income tax report relates. Any exclusion of information along with the justification of why the information was not included must be provided. All excluded information must be published in a subsequent corporate income tax report within a period not exceeding 5 years from the date of its first exclusion. Information relating to tax jurisdictions included in Annexes I and II of the Council conclusions on the revised EU list of non-cooperative jurisdictions for tax purposes must be included in all cases.

Further developments will be reported as they occur.

The draft rules are available here (in Lithuanian only).
