Secure access
No data storage
Web-based service

wts

WTS
CbCR-2-XML

Implement the XML structure to meet the legal requirements
of Country-by-Country-Reporting

SITUATION

Since 1 January 2016, the OECD Action Plan represents (BEPS – Base erosion and profit shifting) additional forwardlooking statements to the transfer pricing documentation of multinational corporations. Supplementary to previous requirements, the BEPS Action Point 13 calls for the country-by-country reporting (CBCR). The transfer pricing documentation was extended to a threetiered documentation approach. This OECD guideline has already been transposed into national law in most countries.
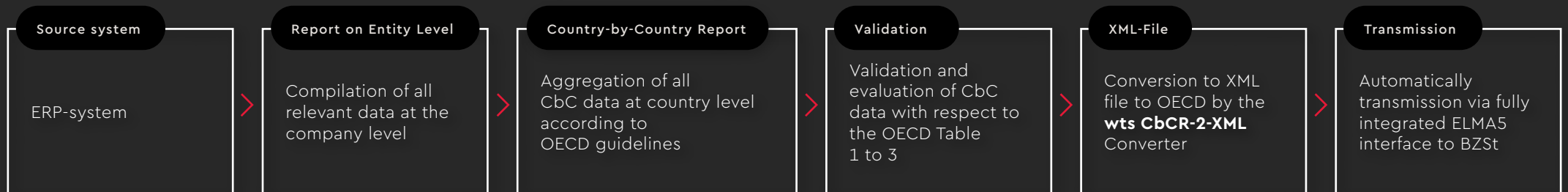
The OECD provides a standardized XML-structure which is relevant to all participating states. This is intended to standardize country-by-country data to enable an automated exchange between the States involved. To this XML-structure, the OECD posted a corresponding user guide[1] on 22 March 2016. The updated version 2.0 has been available since June 27, 2019.

[1] **Country-by-Country Reporting XML Scheme:** User Guide for Tax Administration and Taxpayers, OECD.
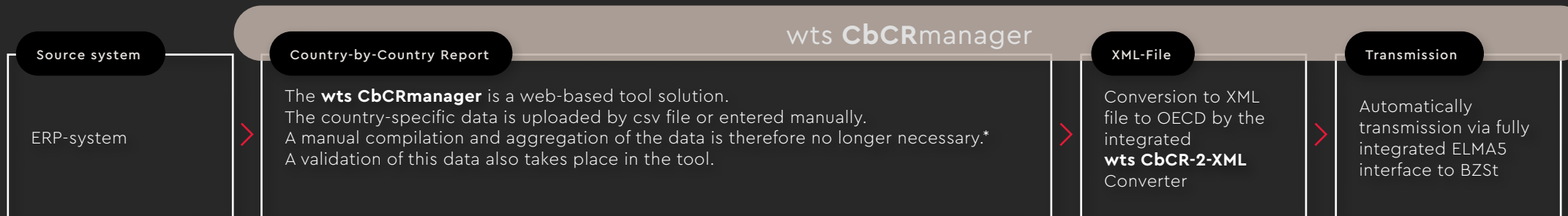
CHALLENGE

The User Guide for the XML structure published by the OECD is complex in content and sometimes unclear. In addition, the requirements of the XML scheme and the User Guide exceeded the sample tables 1 to 3 in annex III of Action Point 13 on the CbCR. Thus a high degree of cooperation between tax and IT experts is necessary to meet OECD requirements. The reason for this is the required expertise in relation to pricing (especially CbCR) and programming in the area of Extensible Markup Language (XML).

TRANSMISSION PROCESS: COUNTRY-BY-COUNTRY REPORTING

Source system	Report on Entity Level	Country-by-Country Report	Validation	XML-File	Transmission
ERP-system	Compilation of all relevant data at the company level	Aggregation of all CbC data at country level according to OECD guidelines	Validation and evaluation of CbC data with respect to the OECD Table 1 to 3	Conversion to XML file to OECD by the **wts CbCR-2-XML** Converter	Automatically transmission via fully integrated ELMA5 interface to BZSt

ALTERNATIV -

wts **CbCR**manager

Source system	Country-by-Country Report	XML-File	Transmission
ERP-system	The **wts CbCRmanager** is a web-based tool solution. The country-specific data is uploaded by csv file or entered manually. A manual compilation and aggregation of the data is therefore no longer necessary.* A validation of this data also takes place in the tool.	Conversion to XML file to OECD by the integrated **wts CbCR-2-XML** Converter	Automatically transmission via fully integrated ELMA5 interface to BZSt

* Additional risk analysis by the KPI integrated in the wts CbCRmanager

WTS CBCR-2-XML

Our portal is fully compliant with the OECD and German requirements for the mandatory XML-files. The WTS CbCR-2-XML covers all specifications for a transmission of the data from the tables 1–3 in the required data structure. The existing already validated CbCR-data will be uploaded via standardized Excel-file into the WTS CbCR-2-XML portal by entering additional user data into a web browser. In the next step the portal transforms the data of the imported files into the required XML-structure of the OECD and the German BZSt. Then, the converted file can be transmitted via the fully integrated ELMA5 to the German tax authority BZSt. In addition the current status of the XML-file validation will be available in our online-tool at any time. The portal also covers the requirements for countries that require conversion in accordance with the OECD standard (OECD pure).

The CbCR-2-XML portal complements our service portfolio in the context of CbCR. We at WTS continue to offer an independent tool solution that enables data validation and risk analysis in addition to the submission of data (WTS CbCRmanager). In addition, WTS offers an integrated solution to support the entire transfer pricing documentation process (WTS TPmanager).

YOUR BENEFITS AT A GLANCE

The CbCR-2-XML portal offers the following benefits for reportable companies:

1. Low requirements for the initial data format; an Excel-based import template is sufficient as the basis for the data and information to be converted

2. Avoidance of input and conversion errors due to automated transfer to the correct data structure

3. Compliance with OECD and German BZSt requirements

4. WTS does not store any data when using the CbCR-2-XML

5. The CbCR-2-XML portal is hosted on WTS servers in Germany

6. Automatically transmission via fully integrated ELMA5 interface to BZSt and status update within the tool

7. Additional option of preparing an individual risk report based on the submitted CbCR-data

Risk report by WTS
In addition to our online tool, WTS offers an individual risk report in relation to your CbCR-data.

wts.com/cbcr-2-xml

CONTACT:

Andreas Riedl
Partner
+49 (0) 69 1338456–53
andreas.riedl@wts.de

Andrea Groiss
Director
+49 (0) 89 28646–2667
andrea.groiss@wts.de

As a result of this report, the legal obligations of reporting on a country by country basis are transformed into an additional benefit. The risk report prepared by WTS (based on the CbCRmanager) analyses graphically displayed key performance indicators of your company group. The resulting acquisition of information represents a considerable added value and enables you to identify errors in the data basis or potential risks.