

# Country by Country Reporting Data and Risk Analysis

Forum on Implementation of Measures to Counter Base Erosion and Profit Shifting - 21 May 2026



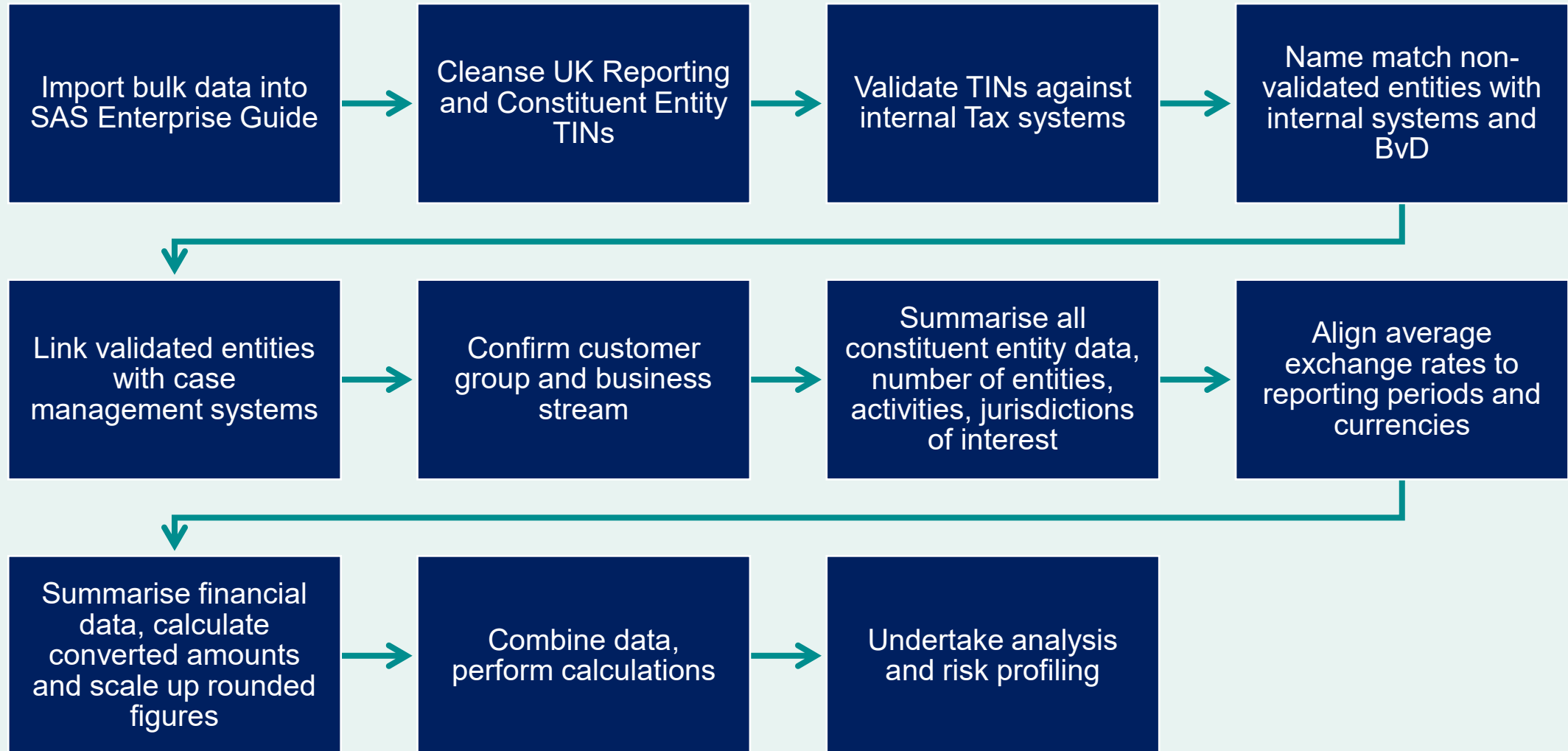
HM Revenue  
& Customs



# Utilisation of CbC Reports in HMRC

- The vast majority of CbC Reports are relevant to HMRC's Large Business (LB) and Wealthy & Mid-size Business Compliance (WMBC) segments.
  - LB operates a Customer Compliance Model for approx. 2,000 of HMRC's largest customers. This helps Compliance Managers and Tax Specialists to develop a deep knowledge of the customer's business model, its systems and processes and where risks may exist through risk reviews.
  - MSB covers a large number and wide variety of customers. Risk profiling is more important to risk identification as there are no Compliance Managers and less knowledge about the customer group and its structure.
- The UK receives around 4,000 CbC reports in total each year, approx. 3,500 are received on exchange.
- HMRC made the decision to take a dual approach to CbC reports to ensure it maximises impact and use – risk profiling and sharing reports with relevant tax specialists to assist risk reviews and assessments.

# Working with Country-by-Country bulk data



# Entity Matching

## Cleanse UTRs and entity names

- First step is to cleanse UTR (TIN) and entity name fields due to data quality issues
- For example, UTR may contain spaces, office prefixes; entity name may contain internal prefixes, country codes or different suffixes (Limited/Ltd)

## Match on cleansed data

- References domestic systems (e.g. for Corporation Tax) and pre-constructed 'lookup tables'
- Where UTR matches to domestic records, easy to achieve reliable outcome
- Where UTR is not valid, attempt matching on entity name (using 'fuzzy matching')

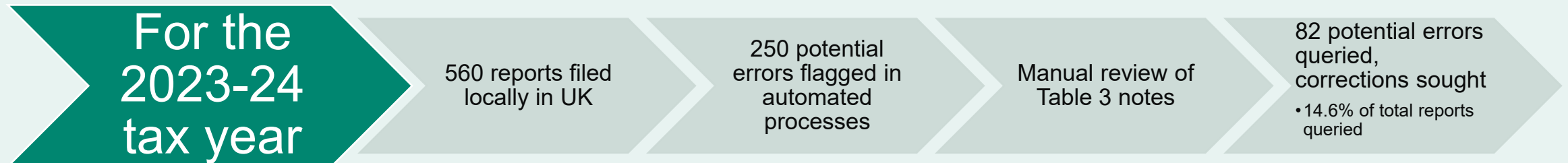
## Use third-party data

- In cases where steps above do not produce a reliable match, we can refer to third-party data sources
- Help to verify entity name, resolve cases where entity name recently changed, provide details of global ultimate owner etc.

## Manual handling of exceptions and use of historical data

- For unmatched entities, these are flagged and a manual review can determine which customer a report should be badged against if the UPE is unmatched
- Historical information is kept for previous matching and manual review outcomes – can be automatically referred to and built into lookup tables

# Scale of corrections sought



# Distributing individual CbC Reports

- Split large XML files into individual files
- Use outputs of bulk data matching to confirm appropriate customer or business stream for each individual XML file
- Rename files and automatically transfer to the relevant customer work folder, to ensure CbC reports are made available to correct tax specialists and teams
- Unallocated files – to be reviewed manually and shared as appropriate. Generally, MNEs with few UK entities of small size
- Individual files previously opened using Reporting tool, now readily converted to Excel format. Supplementary entity matching also provided and distributed.

# Approach to data availability and safeguards

- Encourage use of CbCR information in risk assessment
- Central repository: secured/controlled access for the central CbCR team
  - Data analyst teams can query underlying data for profiling without requiring access to original reports
- E-learning training package: origins of CbCR data, general and specific restrictions on usage
  - Training must be completed before viewing a report
  - Report cover sheet includes a declaration the training has been completed & links to training
  - Prompts, manuals and ad hoc training to **promote and support appropriate use**
- For customer groups outside of Large Business, reports must be requested
  - Information must be provided at the time of request, such as business reason for request, confirmation that training undertaken and risks understood
  - These details are recorded and held on central audit log

# Risk Assessment - Background

- Profiling to support risk assessment
  - Automated processes and manual reviews (data-led but manual completion)
  - CbC data can be used as the primary source, some profiles draw on other internal and external data sources
- Tools used
  - *CbC Reporting Tool (and OECD TREAT)* – transforms the XML submission into a readable MS Excel report, with the reporting tool based on TREAT.
  - *SAS EG* - used to interrogate bulk data for risk indicators and to help create bespoke risk profile outputs in MS Excel
  - *Power BI* – central CbCR view of reports received, customer specific Power BI dashboards for LB case teams

# Risk Assessment - Background

- **Single datastore allows us to build profiles on structured data**
  - Variety of criteria can be applied – year on year comparisons and trends, comparing key figures
  - Filtering by jurisdictions of interest (similar to TREAT functionality)
  - Include other key data sources for wider view – e.g. domestic CT filings
- **Distribution processes allow direct access to reports**
  - Tax specialists automatically provided with CbC report where relevant and applicable
- **Risk areas for profiling**
  - Primarily transfer pricing/BEPS risks
  - Cross-border funding overview, hallmarks of financial TP

# Risk Profile 1 – CF Cross Border Debt

## Objective:

- Identify groups with significant financial assets in low tax jurisdictions and high UK interest expense: risks around UK corporate debt tax rules.

## Parameters:

- Only groups with at least 1 'internal group finance' entity in a JOI
- Profit per employee in JOI of over £3m

## Additional:

- Aggregated loan relationship debits & credits for UK group
- Year on year changes to:
  - The number of financing entities in a JOI
  - Related party revenues, capital or profit in the JOI

# Risk Profile 2 – Year on Year Comparisons

## Objective

- Identify groups where the UK profitability has dropped significantly but the global profitability remains fairly constant and UK unrelated party revenues remain relatively constant.

## Parameters:

- Minimum UK Profit or loss change between Year and Year-1 set at -10,000,000
  - Decreased in absolute value of profit or increased in loss
- Minimum UK Profit or loss change percent between Year and Year-1 set at -15%
  - Decreased profit or increased loss percentage change
- Minimum Global Profit or loss change percent between Year and Year-1
  - INCREASE of -5% (so filtered out if Global has decreased by more than 5%)

## Additional:

- New entity in Jurisdiction of Interest

# Risk Profile 3 – TP Profitable Individuals

## Objective

- To identify groups where significant profit arises in low tax jurisdictions where there appears to be little substance to demonstrate that the profits arise from arm's length pricing.

## Parameters:

- List of jurisdictions of interest
- Profit per employee in the jurisdiction of over £10m
- Potential UK share of Global Profits is over £10m

# Risk Profile 4 – UK low profits for globally profitable groups

## Objective

- To identify groups that are highly profitable globally, but loss-making or have minimal profits in the UK despite having a significant presence in the UK.

## Parameters:

- Groups with global profits exceeding £500m
- Number of UK employees exceeds 500
- UK total profits are less than 10% of global profits. (Intergroup and external)

## Additional:

- The top 5 UK companies by number of employees for each Group are shown within the profile – provides entity level CbCR information, salary information from PAYE filings

# Future considerations

## Developing new risk profiles

- General move to improve & consolidate existing risk profiles
- Dataset contains structured data facilitating profile creation & trialling ideas
- Tracking new/disappearing activities per Table 2 for domestic entities

## New approaches, combining with other data sources

- ‘Everything in one place’ ideal – getting relevant data into the hands of tax specialists
- Creation of Corporation Tax wide Power BI dashboard – CbC module being developed to easily undertake ad-hoc profiling by case teams
- Focus on refresher training and updating internal risk assessment guidelines to keep CbCR relevant

# CT Snapshot – Power BI Interface

**Customer Name** [Redacted] **CT Snapshot** [Support Site](#)

**Return-Description** Primary [Redacted] GB [Redacted]

**Warning on CbC page use:**  
 • Before using the CbC reporting here, you need to complete the [Kallidus CbCr training](#) to understand this data. Alternatively email [CompetentAuthority\\_UK \(HMRC\)](#) to find out more. See full warning on use on Page 1.

**Values by Territory (Note: Financial values are NOT summarised by thousands)**

ResCountryName	Num-Employees	Profit or Loss	Tax Paid	PL Per Employee	Num-Entities in ResCountry
Belgium	-	26,905	21,637	26,905	1
Czechia	710	1,689,896	-	2,380	2
Denmark	1,905	15,699,097	1,642,265	8,241	2
Finland	923	7,093,964	1,146,567	7,686	2
France	-	(7,715,489)	-	(7,715,489)	2
Germany	-	(19,829)	-	(19,829)	1
Gibraltar	-	(396,123)	195	(396,123)	1
Greece	2,686	12,172,368	4,121,785	4,532	1
Hong Kong	75	526,574	402,981	7,021	2
Ireland	1,180	(16,176,615)	-	(13,709)	5
Isle of Man	-	-	-	-	3
Italy	-	(499,260)	15	(499,260)	1
Netherlands	45	4,151,918	5,202,890	92,265	2
Norway	2,229	936,998,007	18,714,771	420,367	5
Sweden	2,122	33,300,110	2,902,982	15,693	3
U.S.A.	-	(60,756)	-	(60,756)	1
United Kingdom	15,366	1,416,785,242	-	92,203	39
<b>Total</b>	<b>27,241</b>	<b>2,403,576,009</b>	<b>34,156,088</b>	<b>(8,027,873)</b>	<b>73</b>

**Available Territory Level Values**

- Num-Employees
- Unrelated
- Related
- Total
- Profit or Loss
- Tax Paid
- Tax Accrued
- Capital
- Earnings
- Assets
- Prop (%) Unrelated To Total Revenue
- Prop (%) Related To Total Revenue
- Prop (%) Related To Unrel Revenue
- PL Per Employee
- Revenue Per Assets
- PL Per Assets
- Return On Capital
- Unrelated Revenue Per Capital
- Related Revenue Per Capital
- Earnings (per Emp)
- Related Revenue Per Employee

