



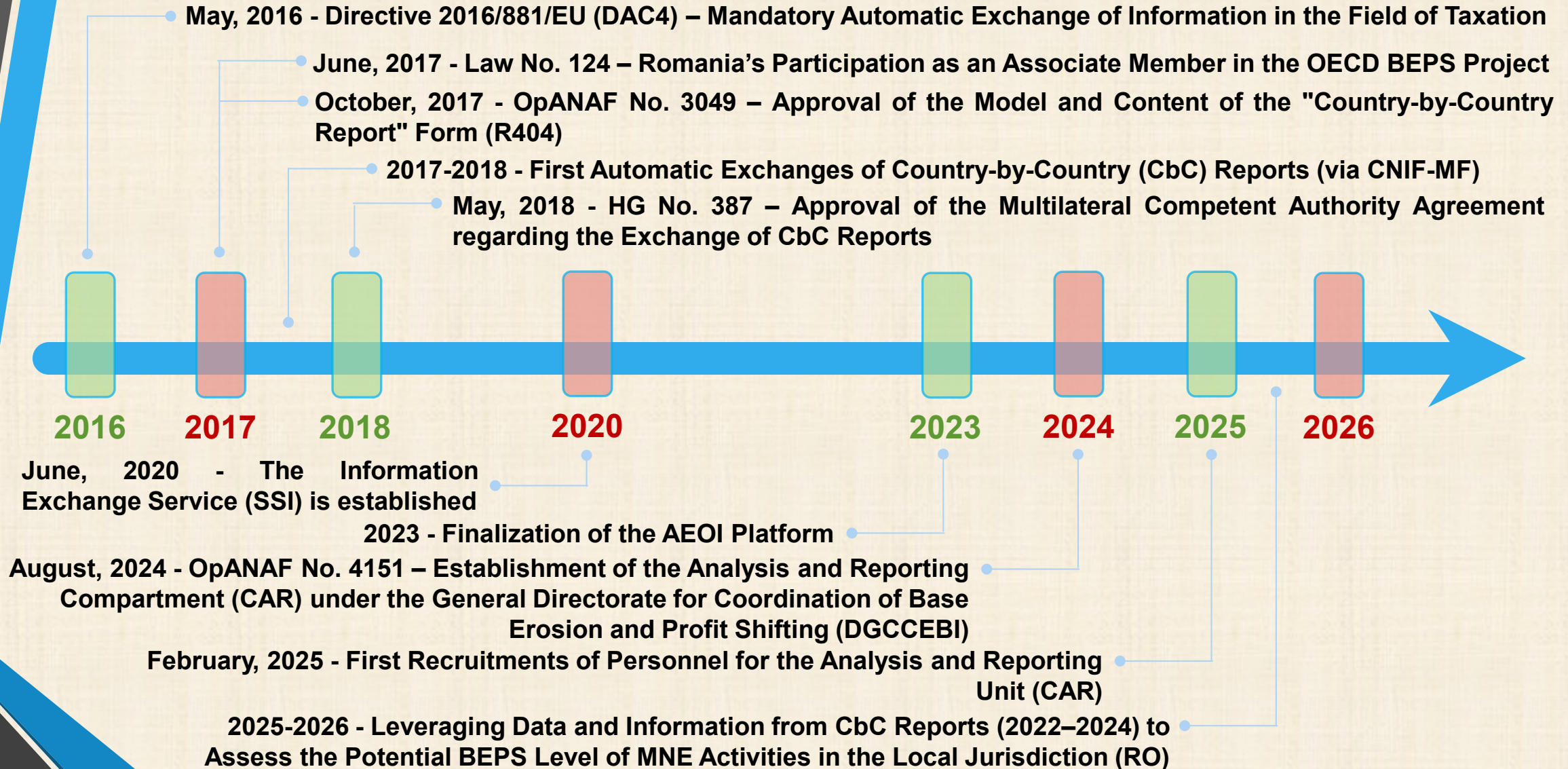
# Leveraging Data and Information from CbC Reports

**Daniela Teodoru**

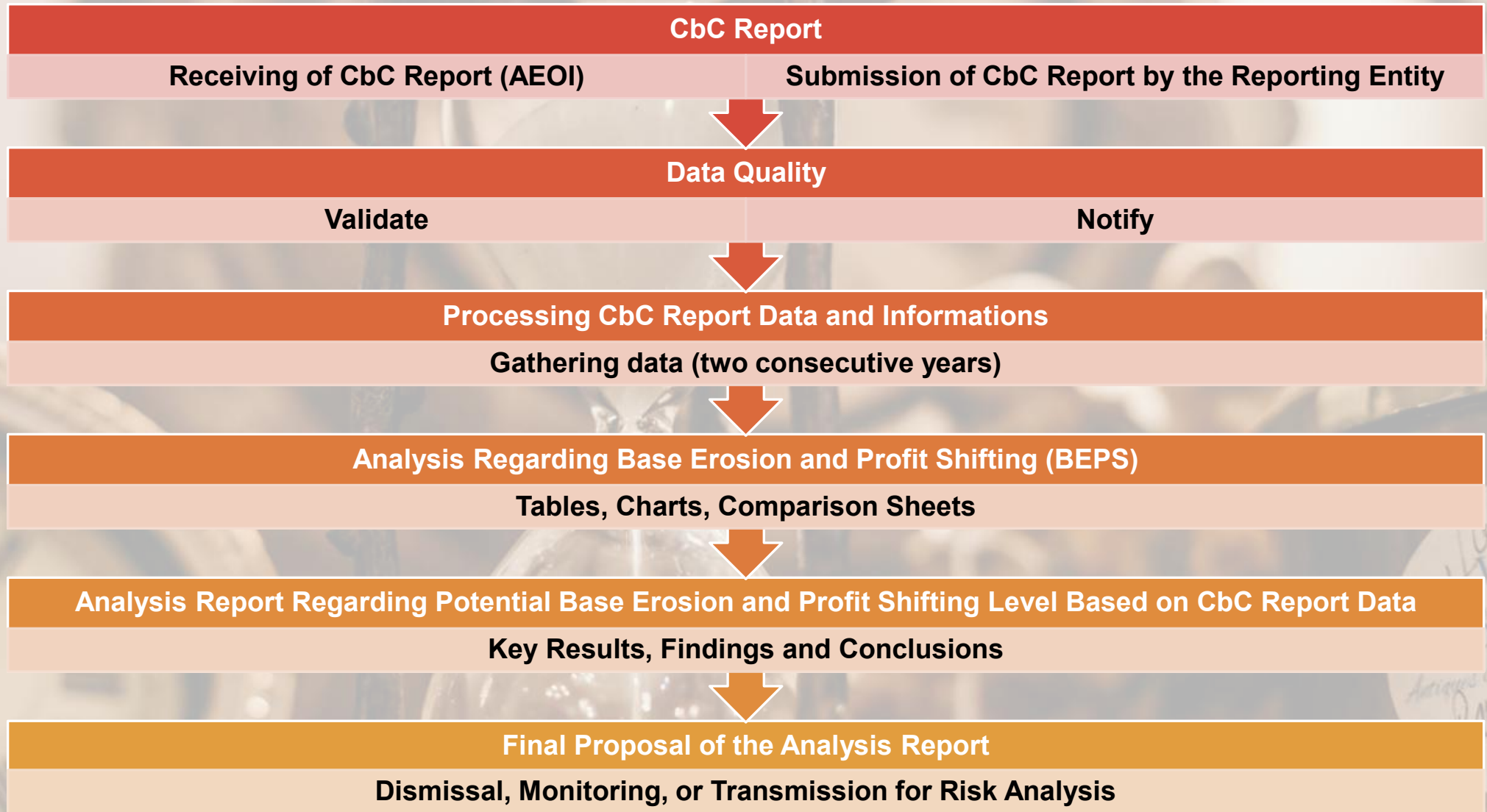
Director General

**Ministry of Finance – National Agency for Fiscal Administration  
(NAFA)**

# Timeline



# Operational Process Flow



# Data Quality

## Challenges and Obstacles Encountered

### Different Period

- Different Fiscal Period (e.g., from one year to another; compared to the calendar year)

### Structural Changes

- Changes in MNE Structure (e.g., Constituent Entities moved between MNE groups; changes in MNE / parent company name)

### Incomplete Reports

- Incomplete or Incorrectly Completed CbC Reports (e.g. reporting data only for the local jurisdiction; reporting data excluding the local jurisdiction)

### NOTIN

- TIN Issues (e.g., missing TIN; incorrectly completed TIN; same TIN used for multiple constituent entities)

### Currency

- Different Currency (e.g., between two reporting periods)

# Data Quality

## Data Inconsistencies and Outlier Values (Positive or Negative)

### Negative Values

- Negative Total Revenue or Negative Fixed Assets (impact on key ratios)

### Inequalities

- Related Party Revenue + Unrelated Party Revenue (non-equal) compared to Total Revenue

### Profit without Revenue

- Jurisdictions reporting profit with zero or no revenue (impact on key ratios)

### Active Entities / No Activity

- Jurisdictions with active Constituent Entities but no aggregated figures reported

### Outlier Values

- Outlier values (positive or negative) in key ratios (ROE, Profit Margin, ETR)

# Criteria, Significant Thresholds, and Indicators Considered for Potential BEPS Level

## Significant Thresholds (continuously adjustable):

- ETR, Profit Margin, Total Revenue/Employee, Profit/Employee, Total Revenue/Tangible Assets, Profit/Tangible Assets, and the proportion of Related Party Revenue/Unrelated Party Revenue

## Tax Rate in Other Jurisdictions

- Compared to the Local Jurisdiction (if lower, the jurisdiction is included in the JLT group – Low-Tax Jurisdictions)

## Footprint of the MNE in the Local Jurisdiction

- Size / Footprint of the MNE in the Local Jurisdiction (for analysis prioritization)

## Key Ratios and Risk Indicators

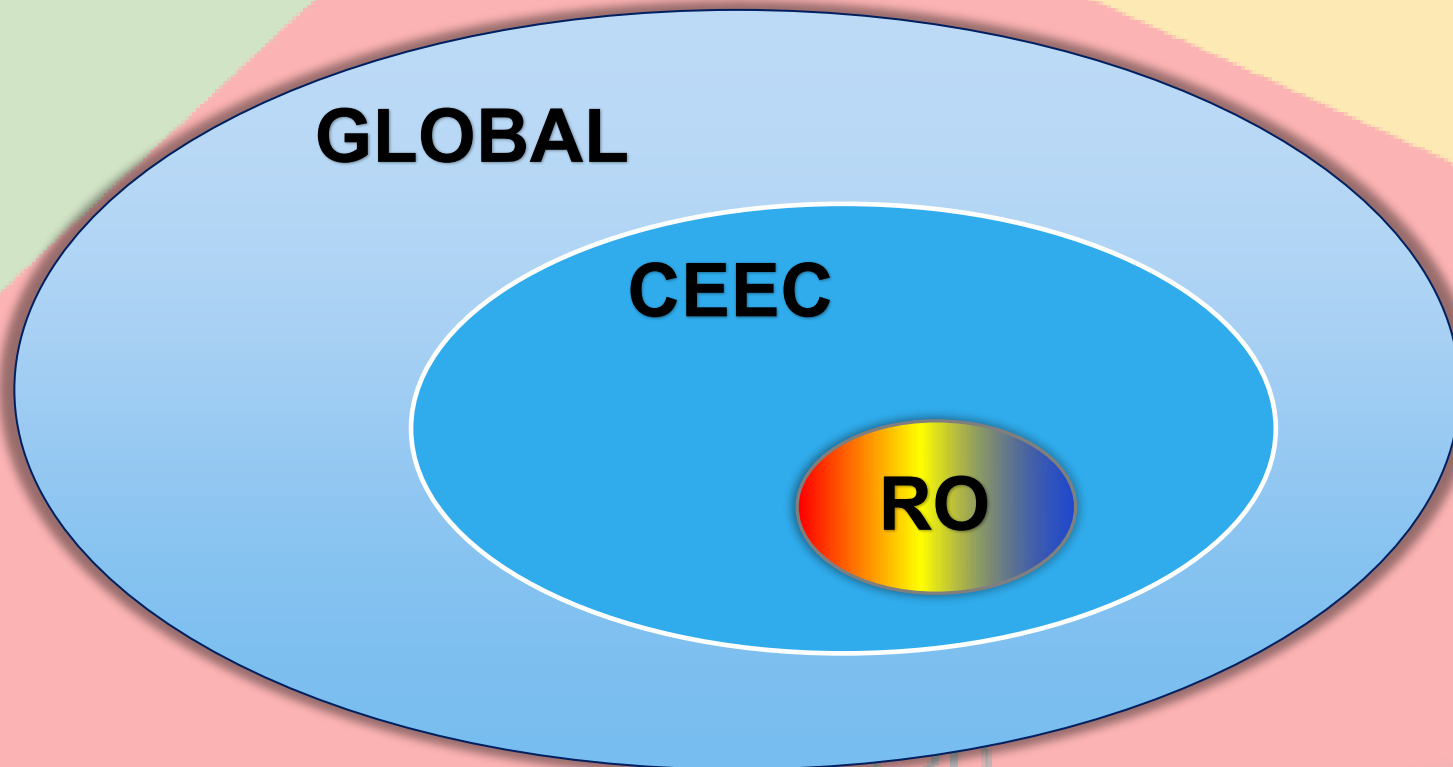
- Ratios and Indicators explained in the OECD BEPS Handbook

## Other BEPS Correlations

- Additional correlations and indicators with potential impact on BEPS level (currently under testing)

# MNE Footprint

- For an effective analysis of the potential BEPS level, jurisdictions have been divided into 14 economic-geographic zones/regions.
- The local jurisdiction (Romania) has been included in the zone named CEEC (Central and Eastern European Countries).



# Output

## Aggregated Figures (by jurisdiction and by region)

- Current year
- Previous year
- Share of Total MNE
- Differences

## Constituent Entities / Activities (by jurisdiction and by region)

- Current year
- Previous year
- Share of Total MNE
- Differences
- Evolution

## Inconsistencies and Outlier Values (by jurisdiction)

- Current year
- Previous year
- Differences

## Consolidated Report for the JLT Group (Low-Tax Jurisdictions)

- Current year
- Previous year
- Share of Total MNE
- Differences
- Evolution

# Output

## Key Ratios (by MNE and by jurisdiction)

- Current year
- Previous year
- Differences
- Potential BEPS Level

## Tax Risk (BEPS) Indicators (by MNE and by jurisdiction)

- Current year
- Potential BEPS Level

## Top / Bottom (by MNE and by region)

- Current year
- Previous year

## Comparison Table (Local Jurisdiction vs. MNE/Region Average)

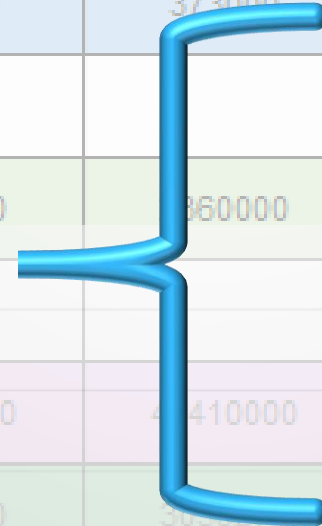
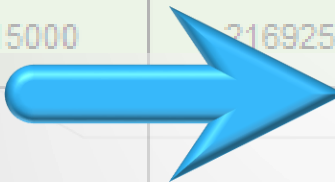
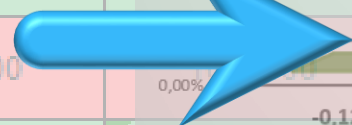
- Current year
- Previous year
- Evolution

# Potential BEPS Level

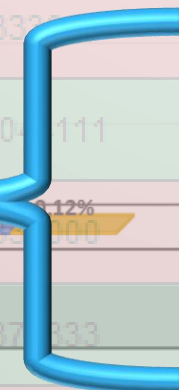
- Criteria
  - Significant Thresholds
  - MNE/Region Average
  - Quartile
  - Relative Differences (Mismatch)
- +
- Key Ratios
  - Tax Risk (BEPS) Indicators
  - Other BEPS Correlations



- Analysis Report



N/A  
LOW  
MEDIUM  
HIGH



DISMISSAL  
MONITORING  
TRANSMISSION

# Thank you!

