

For public discussion

**PROPOSAL OF A MODEL CONVENTION
ON CORPORATE TAXPARENCY**

(relevant for OECD member countries)

May 2015

PROPOSAL OF A MODEL CONVENTION

ON CORPORATE TRANSPARENCY

Preamble

[...introductory provisions to be inserted...],

Recognising that the possibility to create opaque corporate and tax structures across jurisdictions makes it difficult to develop an overall picture of global value chains;

Recognising that opacity of corporate and tax structures undermines trust in business environment, leads to discrimination of small and medium enterprises, illicit financial flows and state capture and that issues concerning the nature of the company are of systemic character and can be found in a number of member countries' laws.

Acknowledging the fact that circumvention of legal rules which is at the very heart of corporate tax avoidance makes it difficult to effectively tackle this problem by prescriptive rules, in particular in situation of a lack of coordination in tax enforcement at the international level.

Considering that a behaviourally informed legislative intervention the aim of which is to assist rather than to prohibit certain acts is necessary;

Convinced therefore that public disclosure of corporate and tax structures contributes to foster awareness of public about the ways in which capital flows and saves costs of competent authorities;

Desiring to conclude a convention motivating enterprises by means of positive publicity to have transparent corporate structure and to pay fair share to society, and to discourage enterprises by means of negative publicity from creating opaque corporate and tax structures;

Chapter I – Scope of the Convention

Article 1 – Object of the Convention

- 1 The Parties shall take action to prevent profit shifting and base erosion.
- 2 To fulfil this objective this Convention lays down rules for transparency of corporate and tax structures.

Article 2 – Enterprises covered

- 1 This Convention shall apply to conglomerates with at least one controlled enterprise registered in a member country.
- 2 This Convention shall not apply to conglomerates including at least one entity referred to in Annex 1, Part A, point 4, letter b).
- 3 Corporations directly owned or controlled by ultimate beneficial holders which are not a part of any conglomerate shall be subject to the provisions of this Convention if the identity of their ultimate beneficial holder(s), turnover, profit and tax on profit is not disclosed to the public.
- 4 Any corporation can voluntarily adhere to the regime provided for under this Convention by way of registration in the application referred to in Annex 3. Such adherence entails an obligation to comply with all provisions of this Convention.

Chapter II - General definitions

Article 3 – Definitions

- 1 For the purposes of this Convention:
 - a the term “ultimate beneficial holder” means the person(s) who ultimately owns or controls the customer and/or the natural person on whose behalf a transaction or activity is being conducted. The beneficial holder shall at least include:
 - i in the case of corporate entities:
 - A. the natural person(s) who ultimately owns or controls a legal entity through direct or indirect ownership or control over a sufficient percentage of the shares or voting rights in that legal entity, including through bearer share holdings, other than a corporation listed on a regulated market that is subject to disclosure requirements consistent with the legislation of a member country of the Organisation for Economic Co-operation and Development with full membership rights or subject to equivalent international standards; a percentage of 5 % plus one share shall be deemed sufficient to meet this criterion;
 - B. the natural person(s) who otherwise exercises control over the management of a legal entity;

- ii in the case of legal entities, such as foundations, and legal arrangements, such as trusts, which administer and distribute funds:
 - A. where the future beneficiaries have already been determined, the natural person(s) who is the beneficiary of 5% or more of the property of a legal arrangement or entity;
 - B. where the individuals that benefit from the legal arrangement or entity have yet to be determined, the class of persons in whose main interest the legal arrangement or entity is set up or operates;
 - C. the natural person(s) who exercises control over 5% or more of the property of a legal arrangement or entity;
 - iii in the case of public entities, entities over which no other entity or other beneficial holder exercises control.
- b the term “links” or “link” means a situation in which two or more natural or legal persons or entities or arrangements are linked by participation or control. A situation in which two or more natural or legal persons, other entities or arrangements are permanently linked to one and the same person by a control relationship shall also be regarded as constituting a link between such such persons, other entities or arrangements;
 - c the term “participation” means holding of interest or membership of 5% or more of the voting rights or capital of a legal person, other entity or arrangement;
 - d the term “control” means a relationship enabling to exercise, directly or indirectly, a dominant influence in other legal person or a similar relationship between any natural person and a other legal person, entity or arrangement.
 - e the term “corporation” means a profit-oriented legal person;
 - f the term “enterprise” means a profit-oriented legal person or other entity or arrangement;
 - g the term “conglomerate” means a network of linked corporations, enterprises, other legal persons, entities or arrangements, in which ultimate beneficial holder has a direct participation or which the ultimate beneficial holder directly or indirectly controls, including direct participations held by controlled corporations, enterprises, other legal persons, entities or arrangements;
 - h the term “group” means a network of linked enterprises registered in a public register directly or indirectly controlled by an ultimate beneficial holder; ultimate beneficial holder is, however, not part of the group for the purpose of calculation of the global effective corporate tax rate or, if applicable, the sanctions under Article 9 (1);
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- i the term “corporate structure” means a network of links within the conglomerate, including persons, entities or arrangements within that network;
 - j the term “public entity” means a state, regional or municipal or other local organisation or an entity or a unit emanating from such an organisation or a state.
 - k the term “disclose” or “disclosure” means to make information available to the competent authorities of a member country;
 - l the term “global effective corporate tax rate” means the ratio of (i) the amount of tax on profit for the group and (ii) the amount of profit of the group, evidenced and calculated in accordance with Annex 2;
 - m the term “member country” means a member country of the Organisation for Economic Co-operation and Development with full membership rights.
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Chapter III – Taxparent regime

Article 4 – Taxparent disclosure

- 1 Any controlled corporation can disclose the corporate structure of the conglomerate as well as the global effective corporate tax rate of the group to which it belongs, including their constitutive elements and, if it does so, has to keep them accurate and up to date in accordance with the conditions set out in Annexes 1 and 2. Taxparent disclosure may also be performed by a controlled enterprise registered in the public register of a member country if within the group there is no controlled corporation registered in any member country.
- 2 Taxparent disclosure shall be carried out via an application referred to in Annex 3. A member country may decide that this application fulfils the role of public register of ultimate beneficial owners.
- 3 Taxparent disclosure can be performed by any controlled corporation or, if applicable, by a controlled enterprise, registered in a member country within the group on behalf of all other legal persons, entities or arrangements within the conglomerate under the conditions set out in Annexes 1 and 2

Article 5 – Taxparent mark

- 1 Any controlled enterprise within the group which is a part of a conglomerate in respect of which taxparent disclosure was performed, is entitled to use the taxparent mark provided that the taxparent disclosure was made public and the global effective corporate tax rate of the group is above 10%.
- 2 Granted taxparent mark shall be:
 - a a part, in an interactive form, of the homepage of the official website of the group or of at least a controlled enterprise registered in a member country within the group concerned in accordance with the conditions set out in Annex 4 Part A;

- b linked to the web application referred to in Annex 3 according to the specifications referred to therein;
 - c phrased:
 - i in at least the official language or languages of the member country corresponding to the country code top-level domain contained in the domain name of the internet website of which the taxparent mark is a part, if country code top-level domain is used, or
 - ii in the language of the internet website of which the taxparent mark is a part if generic top-level domain for such website is used,
 - iii in at least the official language or languages of the member country where active controlled enterprises of group using a certified taxparent mark sticker are present,
 - d used for the period of time when the published documents containing the information referred to in Annex 2 Part B in respect of all enterprises within the group are true, accurate and up-to-date.
- 3 Taxparent mark can also be used in the form of a certified sticker in accordance with the conditions set out in Annex 4 Part A.
- 4 The taxparent mark shall be the only marking which attests the transparency of the corporate structures and the global effective corporate tax rate.
- 5 Taxparent mark shall be displayed in a way that its form as well as the information it contains are visible, easily discernible and sufficiently distinguishing for an ordinary consumer. The affixing of markings, signs or inscriptions which could have an influence on the meaning or form of the taxparent mark shall be prohibited. Any other marking, sign or inscription may be affixed in the proximity of the taxparent mark only if the visibility, legibility, meaning or form of the taxparent mark is not thereby impaired.
- 6 Other conditions of use, the contents and the form of the taxparent mark are set out in Annex 4.
- 7 A group wishing to raise its global effective corporate tax rate or the amount of tax on profit paid in member countries can make via any of its controlled enterprises a special top-up payment. The amount of such top-up payment is added to the amount(s) of tax on profit paid by the group for the purpose of calculation of its global effective corporate tax rate. The top-up payment shall be paid to:
- (a) the member country in respect of which the corporation obtained the taxparent mark, or
 - (b) the Organisation for Economic Co-operation and Development if the corporation obtained the taxparent mark relating to more than one member country, or

- (c) the member country which the corporation selected for the top-up payment if the taxparent mark was not obtained and if neither proceedings which may result in sanctions referred to in Article 9 (1) took place,
- (d) the member country whose authorities initiated proceedings which may result in sanctions referred to in Article 9 (1).

Article 6 – Taxparent mark for groups in loss

A group in loss can obtain via any of its controlled corporations a special version of the taxparent mark referred to in Annex 4 Part B if within the taxparent disclosure the amount of loss instead of profit is disclosed. Paragraphs 2 to 6 of Art. 5 shall apply mutatis mutandis.

Article 7 – Public taxparent disclosure without the right to obtain taxparent mark

- 1 A group whose global effective corporate tax rate established in accordance with the conditions set out in Annex 2 is below 10 % shall make taxparent disclosure available to the public via any of its controlled corporation registered in the member country. Such disclosure does not give the right to obtain the taxparent mark.
- 2 Any controlled corporation within the group subject to the obligation under paragraph 1 shall indicate in a visible, easily discernible and sufficiently distinguishing manner on any communication made to the consumer in accordance with the provisions Annex 5 the global effective corporate tax rate of the group to which it belongs.

Article 8 – Additional taxparent disclosure conditions in certain sectors

Notwithstanding the provisions of Art. 7, taxparent disclosure shall be obligatory for a group with at least one controlled enterprise registered in a member country which fulfils at least one of the following conditions:

- a receive public funds in any form;
- b is engaged in contractual, other bilateral or unilateral relation with public institution or entity which receives public funds, in any form,
- c is active in at least one of the following sectors:
 - i gambling services,
 - ii security services,
 - iii disposal with nuclear fuel or waste,
 - iv trade in arms,
 - v off-shore services, in particular creation of corporate structures reaching to countries tax on profits set at the statutory rate below 10%.

Chapter IV – Final provisions

Article 9 - Sanctions

- 1 An enterprise which upon request did not provide through the taxparent web application or otherwise public authority of the member country with the information referred to in Article 4 in situation when it was obliged to do so under this Convention, shall be sanctioned unless it was able to prove that it did so within 10 days following such request and its global effective corporate tax rate was above 10 %. The sanction may include a monetary sanction up to the 10 % of the net turnover of the enterprise or the group to which the enterprise belongs.
- 2 An enterprise which obtained the taxparent mark on the basis of providing false or inaccurate information or information which were not up-to-date or made an improper use of the taxparent mark shall not be entitled to continue to use it or receive it for the period of five years from the moment when the illicit use was discovered.

An enterprise referred to in Art. 8 which has not performed the taxparent disclosure shall not be entitled to receive or use the taxparent mark for the period of five years from the moment when the latest omission or violation was discovered and for the same period shall be barred from the access to public funds in the member country or from the activity referred to in Article 8 (c), as applicable.

- 3 Member countries shall ensure the necessary protection to the taxparent mark as well as to the system of its attribution and shall take appropriate action in the event of its improper use. member countries shall also provide for penalties for infringements of this Convention, which may include criminal sanctions for serious infringements, and shall take all action necessary for their enforcement. Those penalties shall be effective, proportionate and deterrent.

Article 10 – Signature and entry into force of the Convention

- 1 This Convention shall be open for signature by the member countries of the Organisation for Economic Co-operation and Development. It is subject to ratification, acceptance or approval. Instruments of ratification, acceptance or approval shall be deposited with one of the Depositaries.
- 2 This Convention shall enter into force on the first day of the month following the expiration of a period of three months after the date on which five States have expressed their consent to be bound by the Convention in accordance with the provisions of paragraph 1.
- 3 In respect of any member country of Organisation for Economic Co-operation and Development which subsequently expresses its consent to be bound by it, the Convention shall enter into force on the first day of the month following the expiration of a period of three months after the date of the deposit of the instrument of ratification, acceptance or approval.

Article 11 – Territorial application of the Convention

- 1 Each State may, at the time of signature, or when depositing its instrument of ratification, acceptance or approval, specify the territory or territories to which this Convention shall apply.
- 2 Any State may, at any later date, by a declaration addressed to one of the Depositaries, extend the application of this Convention to any other territory specified in the declaration. In respect of such territory the Convention shall enter into force on the first day of the month following the expiration of a period of three months after the date of receipt of such declaration by the Depositary.
- 3 Any declaration made under either of the two preceding paragraphs may, in respect of any territory specified in such declaration, be withdrawn by a notification addressed to one of the Depositaries. The withdrawal shall become effective on the first day of the month following the expiration of a period of three months after the date of receipt of such notification by the Depositary.

Article 12 – Denunciation

- 1 Any Party may, at any time, denounce this Convention by means of a notification addressed to one of the Depositaries.
- 2 Such denunciation shall become effective on the first day of the month following the expiration of a period of three months after the date of receipt of the notification by the Depositary.

Article 13 – Depositaries and their functions

- 1 The Depositary with whom an act, notification or communication has been accomplished, shall notify the member countries of Organisation for Economic Co-operation and Development and any Party to this Convention of:
 - a any signature;
 - b the deposit of any instrument of ratification, acceptance or approval;
 - c any date of entry into force of this Convention in accordance with the provisions of Articles 10 and 11;
 - d any other act, notification or communication relating to this Convention.
- 2 The Depositary receiving a communication or making a notification in pursuance of the provisions of paragraph 1 shall inform immediately the other Depositary thereof.

In witness whereof [*...to be added...*]

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ANNEX 1 – CORPORATE STRUCTURE DISCLOSURE

PART A - DESCRIPTION OF THE CORPORATE STRUCTURE

1. The description of the corporate structure of a conglomerate shall contain information about all of its linked corporations, enterprises, other legal persons, entities or arrangements, public corporations and natural persons in which ultimate beneficial holder has a direct participation or which the ultimate beneficial holder directly or indirectly controls, including direct participations held by controlled corporations, enterprises, other legal persons, entities or arrangements. Without prejudice to point 3) those information shall include in respect of
 - (a) corporations:
 - (i) name,
 - (ii) address, including the name of the state,
 - (iii) identification number, if attributed,
 - (iv) legal form,
 - (v) name, address and an internet address of the public register where the corporation is registered;
 - (b) enterprises other than corporations:
 - (i) name,
 - (ii) address, including the name of the state, if any,
 - (iii) identification number, if any,
 - (iv) legal form,
 - (v) name, address and an internet address of a public register where the enterprise is registered; or
 - (c) legal persons other than corporations,
 - (i) name,
 - (ii) address, including the name of the state,
 - (iii) identification number, if attributed,
 - (iv) legal form,
 - (v) name, address and an internet address of the public register where the legal person is registered;
 - (d) entities or arrangements other than enterprises:
 - (i) name, if any,
 - (ii) address, if any,
 - (iii) identification number, if any,
 - (iv) legal form,

- (v) information regarding beneficiaries, if any, in the extent and form defined in respect of the relevant person, entity or other arrangement under this point 1),
 - (vi) name, address and internet address of a public register or a person subject to rules against money laundering as an obliged person or equivalent where the entity or arrangement is registered or where memorandum of association is kept,
 - (vii) name and address of the person authorised to determine beneficiaries,, if the beneficiary is not identified under point (vi),
 - (viii) name and address of the bank to which the document referred to under point (vi) was deposited, including the date and number of the deposit contract concluded with such a bank.
- (e) natural persons:
- (i) name;
 - (ii) month and year of birth;
 - (iii) country of residence;
 - (iv) if represented by a proxy, also information referred to under points (i) – (iii) with the indication whether when exercising the function of proxy the proxy acts within an activity in respect of which statutory duty of confidentiality applies;
- Even if public taxparent disclosure is made, the identity of natural person(s) within the corporate structure shall not disclosed to the public if those persons opted for non-disclosure of their identity unless their identity as direct or indirect holders has to be disclosed under other pieces of legislation of the member country or legislation of other member countries or third states.
- (f) public entities:
- (i) name,
 - (ii) nature of the public institution,
 - (iii) address of its headquarters, including the name of the state,
 - (iv) identification number, if any,
 - (v) name, address and the internet address of the public register where it is registered, if applicable,
 - (vi) name of the state from which it emanates,
 - (vii) name of the public institution or department exercising ownership powers in the public entity on behalf of the state, if applicable.
- (g) participations of more than 5% :
- (i) amount of the participation,
 - (ii) nature of the participation, in particular whether it is encumbered,

- (iii) information regarding the holder of the participation in the extent and form defined in respect of the relevant person, entity or other arrangement under this point 1),
- (h) participations of less than 5% an overall amount of those participations with the indication of the overall highest amount of such participations during the reporting period with the number of holders of such participations accompanied by a declaration of honour that to none of the holders of such participations an amount of profits higher than 5% was paid out during the reporting period;
- (i) participations whose holder is unknown despite an exercise of reasonable efforts to identify such a holder, an overall amount of those participations which may not exceed in total 5 % with the indication of the overall highest amount of such participations during the reporting period accompanied by a declaration of honour that no profits or other corporate or similar funds are paid out to such unknown holders during the reporting period.

If encumbered, the information shall contain in addition the information referred to under letters (a) – (f), as applicable. about the person in whose favour the security is held.

3. The description of corporate structure does not have to include information on the identity of holders of participations which:
 - (a) acquired participations through regulated markets or recognised multilateral trading facilities or equivalent schemes of third states;
 - (b) are held through collective investment fund or pension fund or similar scheme subject to regulatory surveillance a member country unless this scheme is a closed-end fund the units of which cannot be repurchased or redeemed on the markets or trading facilities referred to under letter a) or equivalent schemes regulated by third states,
 - (c) are held by a bank or an insurance company subject to regulatory surveillance a member country,
 - (d) are employee(s) who are direct holders of participations of legal persons, other entities or arrangements which employ them.

Participations referred to under this point in letters a) and d) shall be included in the corporate structure in the form of a sum indicating the total amount of those participations continuously on a quarterly basis; provision of point 7, letter b) shall apply *mutatis mutandis* in respect of these participations.

4. In respect of participations referred to under points 2 and 3, next to the amount of such participation in the description of the corporate structure the following expressions shall be added:
 - (a) acquired through regulated markets or recognised multilateral trading facilities or equivalent schemes regulated by third states;
 - (b) held by bank or insurance company regulated by a member country,

- (c) held by a collective investment fund or pension fund or an equivalent scheme regulated by a member country,
 - (d) held by employees,
 - (e) information not disclosed by the natural person,
 - (f) held by holders with participations of 5 % or less,
 - (g) held by non-identifiable holders.
5. In the description of the corporate structure controlling enterprises shall be distinguished by the expression „controlling“ added next to each such enterprise; if those enterprises are controlling enterprises due to the fact that they act in concert with other enterprises, they shall indicate an expression "acting in concert" next to the previous expression. The following rights shall not be taken into account when determining whether certain person holds a "controlling" participation:
- (a) rights attaching to participation held on behalf of a person outside the group; or
 - (b) attaching to participation:
 - (i) held by way of security, provided that the rights in question relating to the participation are exercised in accordance with the instructions received, or
 - (ii) held in connection with the granting of loans as part of normal business activities, provided that the voting rights are exercised in the interests of the person providing the security.
6. The changes to the corporate structure referred to in paragraph 1 shall be provided in respect of changes affecting participations of:
- (a) more than 5% or their holders, at the latest at the end of each three months calendar period within which the first such change occurred,
 - (b) less than 5 %, including the participations held by unknown holders, at the latest at the end of period of 12 months since the performance of the last taxparent disclosure within which the first such change occurred.
7. In addition to information included in the corporate structure description, the following information may be entered into the taxparent web application in respect of subjects referred to in point 1), letters (a) – (d):
- (a) amount of public subsidies received,
 - (b) number of employees,
 - (c) reference to the website with published report on corporate responsibility.
8. The information on corporate structure shall be provided through the interactive form in the framework of the taxparent web application referred to in Annex 3.

PART B - EVIDENCE OF THE CORPORATE STRUCTURE

1. Without prejudice to point 6, no evidence of information within the corporate structure description is required in respect of holders and participations which:
 - (a) do not exceed 10 %, or
 - (b) are referred to in Part A, point 1, letter h) and i) and point 2), letters a) and d).
2. The information about participations and their holders other than that referred to under point 1 shall be evidenced, as appropriate, by:
 - (a) an excerpt from a public register; or
 - (b) an excerpt from a securities account maintained by a person entitled to keep securities accounts or ensure their custody; or
 - (c) a document issued by a bank stipulating that paper certificates allowing for transfer or other disposal with participations were irredeemably deposited with such a bank, or
 - (d) a document in the form of a notarial deed.
3. Financial institutions issuing documents referred to under point 2, letters b and c) shall be supervised by a public body of:
 - (a) the member country in question, or
 - (b) other member country, or
 - (c) a state which ratified the United Nations Convention against Corruption.
4. If the submitted evidence is a document referred to under point 2, letters (b) or (c) issued by financial institutions with their registered office in a state referred to under point 3, letter (c) which is not at the same time a state or country referred to in point 3, letters (b) and (c), the corporation which submitted this evidence shall deliver in addition a waiver of confidentiality in respect of the information contained in the submitted document which shall be countersigned by a person or persons entitled to act on behalf of the financial institution keeping the securities account or the deposit and include information referred to in point 7, letter (c) in respect of this financial institution observing the provision of letter e) of that point. The countersignature shall oblige the financial institution, upon request, to provide confirmation of the accuracy of this information in the web application referred to in Annex 3.
5. If the submitted evidence are documents referred to under point 2, letter (d) issued by a notary the corporation which submitted this evidence shall deliver in addition a waiver of confidentiality in respect of the information contained in the submitted document which shall be countersigned by a person or persons entitled to act on behalf of the notary and include information referred to in point 7, letter (c) and letter (e) in respect of the notary observing the provision of letter e) of that point. The countersignature shall oblige the notary, upon request, to provide confirmation of the accuracy of this information in the web application referred to in Annex 3.
6. Evidence about participations which exceed 5%, but stay below 10% shall be upon request made readily available and submitted to the application referred to in Annex 3

under the same conditions as other documents.

7. Documents referred to under points 2, 4, 5 and 6 shall:
 - (a) be submitted together with the information which they substantiate;
 - (b) not be older than three months from the date when they are submitted;
 - (c) indicate a date and place of their issuance, the name, identification number, if any, the email and the address of the registered office of their issuer;
 - (d) be issued or submitted to the taxparent web application in an electronic form; if issued by persons registered in a public register of a member country as a an electronic copy of a paper document they do not have to be legalised or apostilled;
 - (e) be in English or be accompanied by an English translation and, if made public for the purposes of obtaining the taxparent mark, next to the original language version they shall be issued or translated into the official language of the member country for which the taxparent mark is claimed, if the language of the original document is different from the official language of the member country for which the taxparent mark is claimed; in the latter case the translation into English is not necessary.

If these documents do not contain the information referred to under this point, such information shall be attached in a separate document which shall comply with the requirements set out under this point.

7. The accuracy and completeness of documents submitted is under the responsibility of the corporation which submits these documents.
8. By completing the taxparent disclosure, the registered enterprise indicates on behalf of the conglomerate that it takes responsibility for:
 - (a) the accuracy of the corporate structure as well as for the evidencing documents,
 - (b) having obtained the consent of the natural persons in respect of information referred to under point 3, letter d), if such information are disclosed.
9. The evidence of the corporate structure shall be provided through the interactive application available at www.taxparency.eu in the form defined therein.

ANNEX 2 – THE GLOBAL EFFECTIVE CORPORATE TAX RATE

PART A – INFORMATION TO BE DISCLOSED REGARDING THE GLOBAL EFFECTIVE CORPORATE TAX RATE

1. In addition to the information required to be disclosed in Annex I the following information shall be disclosed in respect of:
 - (a) any enterprise registered within the European Union within the group:
 - (i) amount of net turnover defined in Annex V or VI of Directive 2013/34/EU,
 - (ii) amount of profit defined in Annex V or VI of Directive 2013/34/EU,
 - (iii) amount of tax on profit defined in Annex V or VI of Directive 2013/34/EU;
 - (b) any controlled enterprise registered outside the European Union within the group:
 - (i) amount of net turnover equivalent to those defined in Annex V of Directive 2013/34/EU,
 - (ii) amount of profit equivalent to that defined in Annex V or VI of Directive 2013/34/EU,
 - (iii) amount of tax on profit equivalent to that defined in Annex V or VI of Directive 2013/34/EU.
2. If in respect of corporation or enterprise referred to in point 1, letters a) and b) no tax on profit or loss or a similar tax is levied, the amount of tax levied on the profits paid to direct controlling holders shall be disclosed.
3. If the amount referred to in Part A, point 1, letter a), indent (iii) or letter b), indent (iii) include also the amount of deferred tax on profit, next to the amount of tax on profit it shall be indicated the amount of deferred tax and the amount of tax on profit without the amount of the deferred tax on profit.
4. If applicable, the amount of top-up payment referred to in Article 5 (8) shall be disclosed next to the information referred to under points 1 and 2.
5. In respect of any controlled legal person other than enterprise amount of net turnover, or amount of similar net revenue shall be disclosed.
6. The amounts referred to under previous points 1 shall be indicated in the currency corresponding to the currency in which those amount are indicated in the documents referred to in Part B of this Annex. If such currency is not euro, next to the amount in such currency the amount in euros should be indicated converted at the rate valid at the date when those amounts were entered into the taxparent web application.

PART B – EVIDENCE TO BE PROVIDED

1. Information referred to in Part A shall be evidenced by the latest and up-to-date:
 - (a) annual financial accounts duly published in a public register of the respective state, or
 - (b) annual report duly published in a public register of the respective state.
2. If the information referred to in Part A, point 1, letter a), indent (iii) or letter b), indent (iii) or in point 3 cannot be evidenced by the documents referred to under the preceding point, they shall be evidenced by:
 - (a) an excerpt(s) from a bank account from which the tax on profit was paid indicating at least:
 - (i) the bank account holder,
 - (ii) the beneficiary of the payment,
 - (iii) the amount of the payment,
 - (iv) the currency in which the payment was made,
 - (v) the information that the payment serves for paying the tax on profit; and
 - (b) waiver of confidentiality in respect of the information referred to under the previous letter countersigned by a person or persons entitled to act on behalf of the bank keeping the bank account referred to under the previous letter obliging this bank, upon request, to provide confirmation of the accuracy of this information in the web application referred to in Annex 3.
3. If information referred to under Part A cannot be evidenced by the documents referred to under point 1 and 2 or the information in these evidencing documents do not match the information referred to under Part A, those information shall be evidenced by way of declaration of honour adding the missing information or explaining how those information relate to the information contained in documents referred to under point 1.

PART C – DETAILS FOR CALCULATION OF THE GLOBAL EFFECTIVE CORPORATE TAX RATE

1. Formula for the calculation of the global effective corporate tax rate:

The amount of tax on profit excluding the deferred tax on profit of each enterprise within the group, including the additional top-up payment, if applicable, divided by the amount of profit of each enterprise within the group.

2. [Further details to be available later at www.taxparency.eu].

ANNEX 3 – TAXPARENT WEB APPLICATION

[To be available at www.taxparency.eu].

ANNEX 4 – TAXPARENT MARK

PART A – TAXPARENT MARK

A. The visual form

[To be available at www.taxparency.eu]

B. The detailed conditions of use

[To be available at www.taxparency.eu]

PART B – SPECIAL TAXPARENT MARK VERSION FOR GROUPS IN LOSS

A. The visual form

[To be available at www.taxparency.eu]

B. The conditions of use

[To be available at www.taxparency.eu]

PART C – RULES FOR THE ATTRIBUTION OF FILLED STARS TAXPARENT MARK

1. The rules for the attribution of the filled stars on the taxparent mark are set out in the following table:

SUM OF AMOUNTS OF TAX ON PROFIT PAID BY CONTROLLED CORPORATION IN ALL THE MEMBER COUNTRIES OF THE ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT WITH FULL MEMBERSHIP RIGHTS WHERE THEY ARE PRESENT	NUMBER OF FILLED STARS TO BE ATTRIBUTED ON THE TAXPARENT MARK
EUR 999 and less	Zero
EUR 1 000 to EUR 9 999	One
EUR 10 000 to EUR 99 999	Two
EUR 100 000 to EUR 999 999	Three
EUR 1 000 000 to EUR 9 999 999	Four
EUR 10 000 000 to EUR 99 999 999	Five
EUR 100 000 000 to EUR 999 999 999	Six
EUR 1 000 000 000 and more	Seven

2. [Further details to be available later at www.taxparency.eu].

ANNEX 5 – DISCLOSURE TEXT

The text which a controlled corporation referred to in Art. 7 (2) shall indicate on any communication made to the consumer or the general public shall read as follows:

"My global effective corporate tax rate is [0-9%]."