



BJA Legal & Tax Committee News

European Commission proposes an extension of DAC6 reporting deadlines in response to Covid-19 pandemic

On 8 May 2020 and in response to the Covid-19 pandemic, the European Commission published a proposal to postpone the deadlines for reporting and exchanging information under the EU Directive 2018/822/EU (also known as “DAC6”).

Based on the proposed changes, there would be an extension of three additional months to report and exchange information on reportable cross-border arrangements under DAC6. Consequently, the new deadlines should be as follows:

- the date for launching the 30-day deadline for the reporting of information under DAC6 will be extended from 1 July 2020 to 1 October 2020. For any arrangements made between 1 July and 30 September 2020, the 30-day period will start on 1 October 2020;
- the date for reporting ‘historical’ arrangements under DAC6 (i.e. arrangements that became reportable from 25 June 2018 to 30 June 2020) will be extended from 31 August 2020 to 30 November 2020;
- for marketable arrangements, intermediaries must complete the first periodic report by 31 January 2021;
- the date for the first exchange of information between EU Member States on reportable cross-border arrangements will be extended from 31 October 2020 to 31 January 2021.

In its proposed Directive, the European Commission also requests the authority to further extend the deferral period by three additional months maximum. The Commission would only adopt this extension if exceptional pandemic-based circumstances persist and force Member States to implement lockdown measures during the deferral period.

It is important to underline that the proposed changes only affect the reporting obligations’ deadlines, and do not change DAC6’s 1 July 2020 entry into force. Cross-border arrangements that are reportable during any agreed deferral period would, in any case, have to be reported once the deferral period ends.

Both the European Parliament and European Council have been informed of this proposal. The Commission counts on both institutions to adopt these proposals as soon as possible. The proposal requests Member States to adopt and publish legislation transposing the proposed amendments by 31 May 2020 at the latest.

Assuming this proposed extension will be adopted by the European Parliament and European Council, taxpayers and intermediaries will have additional time to prepare and fine-tune their DAC6 reporting processes.

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