



PwC's EU Direct Tax Group

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EU Direct Tax Newsalert

European Commission proposes deferral of deadlines under DAC2/DAC6 due to COVID-19

Due to the COVID-19 pandemic, on 8 May 2020, the European Commission published a proposal for a Council Directive amending Directive 2011/16/EU on administrative cooperation in the field of taxation (DAC). The proposed Directive sets out deferrals of the reporting and exchanging of information deadlines for financial account information under DAC2 (EU Common Reporting Standard, CRS) and for mandatory disclosure rules under DAC6 (EU MDR). For a complete overview on DAC6, please refer to PwC's EUDTG's Newsalert available [here](#).

The Commission's proposed amendments:

- Defer the time limit for EU Member States' exchanges of information on reportable financial accounts under DAC2 by three months, i.e. until 31 December 2020. The European Commission notes that this proposal is aligned with that of the Steering Group of the Global Forum on Transparency and Exchange of Information for Tax Purposes concerning the CRS for Reporting Financial Institutions to extend the deadline for the exchange of information from the end of September 2020 to the end of December 2020.
- Change the date for the first exchange of information between EU Member States on reportable cross-border arrangements under DAC6 by three months, i.e. from 31 October 2020 to 31 January 2021;
- Change the date for the beginning of the period of 30 days for reporting on reportable cross-border arrangements by intermediaries (or taxpayers) under DAC6 by three months, i.e. from 1 July 2020 to 1 October 2020;
- Change the date for the reporting of the 'historical' reportable cross-border arrangements (i.e. arrangements in the period from 25 June 2018 to 30 June 2020) by intermediaries (or taxpayers) under DAC6 by three months, i.e. from 31 August 2020 to 30 November 2020.

- Change the date for the first periodic report for marketable reportable cross-border arrangements by intermediaries under DAC6 by three months, i.e. from 31 October 2020 to 31 January 2021.
- Considering the current uncertainty regarding the evolution of the COVID-19 pandemic, the proposed Directive provides for the possibility of further deferral of the abovementioned deadlines for a maximum of three additional months. The European Commission will be empowered to give such additional extension by way of delegated acts.

The European Commission's press release which accompanied the publishing of the proposed Directive indicated that the beginning of application of DAC6 will remain as from 1 July 2020.

The proposed Directive will now need to follow the normal EU decision making process for tax proposals, where the ECOFIN decides by unanimous vote and the European Parliament is consulted. In light of this formal process which needs to be followed the proposed Directive sets out an ambitious deadline for EU Member States to transpose the Directive into national laws and regulations by 31 May 2020, with its provisions applying as from 1 June 2020.

Takeaway

The proposed deferrals merely extend the deadline for complying with DAC2 and DAC6 obligations while ensuring that no reportable information remains without eventually being exchanged. Taxpayers and intermediaries operating in the EU need to understand the importance and impact of DAC6. Impact assessment, analysis and timely action are needed to ensure compliance on and after 1 July 2020.

