



Cross-border tax reporting – a year in action of DAC6 and beyond

The number of cross-border tax reporting requirements has been growing exponentially in the European Union, passing, among others, from “DAC1” to “DAC6” in a matter of only a few years.

So, the Council Directive 2018/822 of 25 May 2018 as regards mandatory automatic exchange of information in the field of taxation in relation to reportable cross-border arrangements (DAC6) was implemented in Luxembourg in 2020, requiring tax intermediaries to report certain qualifying cross-border arrangements—although the initial reporting deadlines have been postponed due to the Covid-19 outbreak.

Clearly, intermediaries should have used the time before the official start of reporting under DAC6 for setting up appropriate internal processes and a clear communication framework for the intermediaries and taxpayers involved in the arrangements such intermediaries advise upon (and hurry up if they have not done so yet!).

And the tax reporting rules in the EU are set to develop even further as the EU adopted end-March 2021 another layer of tax transparency rules for digital platforms and made some generic changes to the existing reporting regime (DAC7).

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