



## NO EXTENSION FOR DAC6 REPORTING DEADLINES IN SOME COUNTRIES – TIME TO ACT

Germany, Austria and Finland have announced that DAC6 reporting deadlines would not be deferred and the original deadlines shall apply. Several other EU Member States (including the Netherlands) have announced that they would implement the deferral of six months due to Coronavirus crisis. This has resulted in added complexity for the businesses and requires immediate attention.

### Background

On May 08, 2020, the European Commission had released a proposal to extend the filing deadlines under DAC6 due to Coronavirus crisis. On June 24, 2020, a formal agreement was reached by the Council of the European Union and the amending directive was published in the Official Journal of the EU on June 26, 2020.

In our [earlier newsletter](#) explaining the implications of the extension, we emphasised that the proposed extension is optional and did not provide much comfort, and the urgency for Internationally active companies to act on DAC6 would remain a high priority matter.

### What happened now?

On July 06, 2020, spokesperson for Germany's Finance Ministry announced that Germany will not defer the deadline by six months for DAC6 reporting. Austria has also announced not to defer the deadlines but would not implement the penalties for non-reporting within the original time frame, while Finland had already announced that deferral would not be exercised.

### Applicable deadlines

*Deadlines applicable for Germany, Austria and Finland (so far)*

- For (reportable) arrangements executed between June 25, 2018 and June 30, 2020, the reporting deadline is August 31, 2020.
- Arrangements executed from July 1, 2020 onwards that fall within the DAC6 Hallmarks need to be disclosed within the 30 days of execution

*Deadlines applicable for several EU Member States opting for deferral (including the Netherlands)*

- The so-called "historical reference period" (running from June 25, 2018 up to and including June 30, 2020) shall remain the same. This means that where a so-called reportable cross-border arrangement is made available for implementation, or is ready for implementation, or where the first step in its implementation has been made between June 25, 2018 – June 30, 2020, this arrangement must be reported no later than February 28, 2021 (instead of August 31, 2020).
- In the case where deferral option is exercised, the new reference period (1 July 2020 until 31 December 2020) shall apply, and the 30-day reporting period shall start from 1 January 2021.

### **What awaits further?**

Some EU Member States have not yet announced whether the deferral will be exercised or not. Such EU Member States are expected to announce on the deferral soon.

### **What does this mean for you?**

As the delay is optional, and depends upon the individual decisions of Member States, this will imply different reporting deadlines and potentially added complexity and difficulty for businesses active in the EU.

Jurisdictions offering the extension will allow more time for internationally active companies to get prepared for DAC6, which also includes the process of determining whether or not DAC6 is applicable. However, in some other jurisdictions, where the deferral is not been opted for, the reporting could be due much earlier, hence increasing the compliance burden and risk of penalties in case of delayed or no reporting.

Although the reporting deadline could be extended in some EU Member States, companies must pay attention to fully utilize that extra time as the deadline for "historical reference period" may seem later (at the latest February 28, 2021) but the new reference period also covers a longer period (6 months instead of initial 1 month), i.e. until December 31, 2020 instead of July 31, 2020 .

This implies increased compliance burden to analyse transactions, form conclusions, document transactions and timely report to the relevant tax authorities.

### **More information**

If you have any questions regarding DAC6 reporting, please contact your trusted RSM advisor.