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DAC 6 services: disclosure of certain cross-border arrangements

EU intermediaries and, in some cases, taxpayers are required to disclose information about certain cross-border arrangements to the tax authorities.

After reporting, an automatic exchange of information takes place between the tax authorities of all EU Member States.

An arrangement is reportable if:

- (1) it qualifies as a cross-border arrangement, and
- (2) there are indications of a potential risk of tax avoidance, known as "hallmarks".

Some hallmarks only trigger a reporting obligation if the arrangement also meets what is known as the main benefit test (MBT).

The reporting obligation started on 1 January 2021 and must be carried out within certain deadlines.

Who is required to report?

Most intermediaries involved in a reportable cross-border arrangement (tax advisers, accountants, domiciliation agents, management companies, banks, insurance companies, family offices) can be obliged to report to the tax authorities.

Intermediaries subject to professional secrecy (lawyers, chartered accountants and auditors) do not have to report, but instead have to notify any other intermediaries not subject to professional secrecy*, or the relevant taxpayer(s), of their reporting obligations.

The relevant taxpayer(s) will have to report if:

- there were no (EU) intermediaries involved in the arrangement or
- the only intermediaries involved are subject to professional secrecy

* The obligation for lawyers to notify non-client intermediaries of reporting duties is invalid (C-694/20).

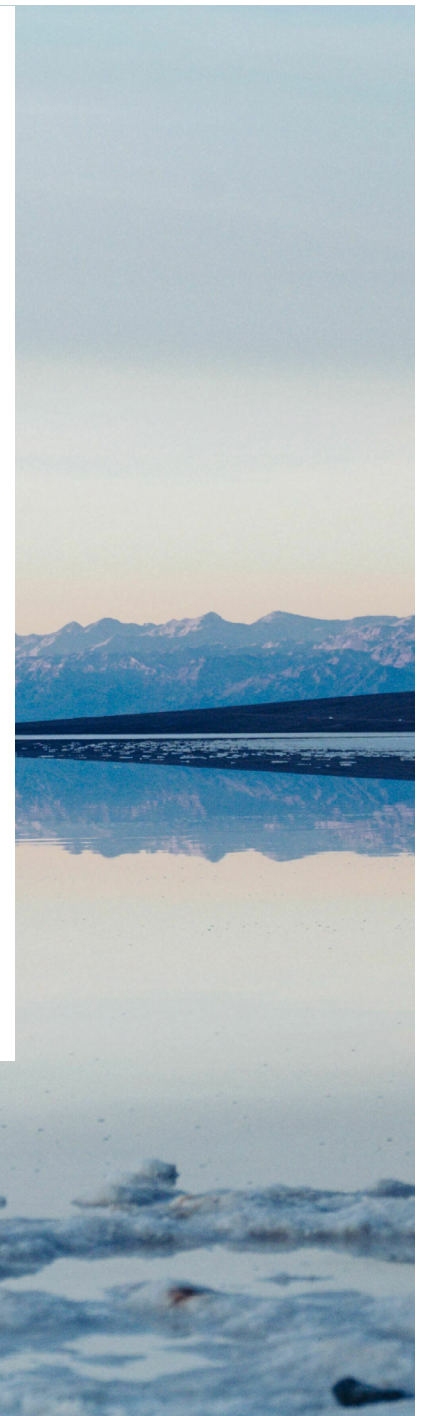
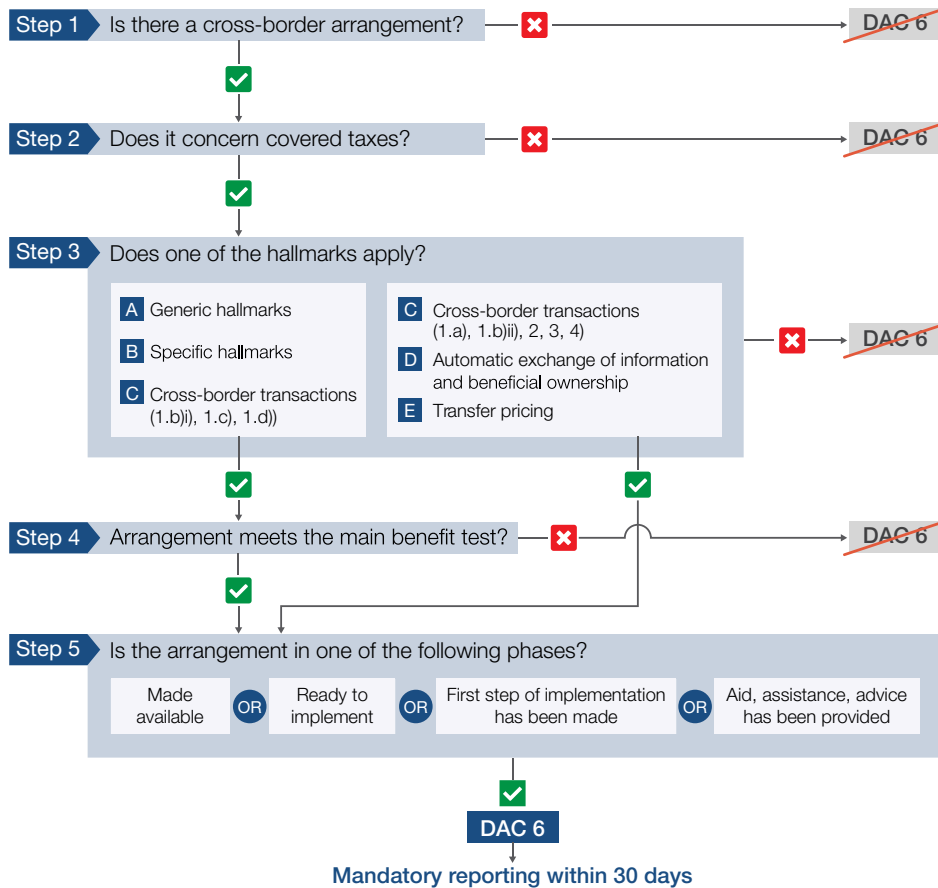
How can we help you?

Are you an intermediary, a relevant taxpayer, or both? Should you report all of the arrangements you participate in? What information should you give to the tax authorities? Whether you are a bank, insurance company, fund management company, multinational enterprise or family office, we provide in-depth advice and practical solutions.

Arendt's tax, legal and regulatory experts provide you with:

- in-depth and insightful legal analysis of DAC 6 concepts and rules, down to the finest nuance
- reliable identification of potentially reportable transactions or structures and definition of reporting duties
- tailored advice on strategic approaches
- assistance managing the impact of DAC 6 on existing policies and procedures
- comprehensive and customised reporting solutions
- training sessions, e-learning and tailored workshops

DAC 6: is your transaction reportable?



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Contact us

Contact us to review your situation and find appropriate solutions: tax@arendt.com

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