

PUBLIC CONSULTATION ON THE POSSIBLE RECAST OF THE DIRECTIVE ON ADMINISTRATIVE COOPERATION IN DIRECT TAXATION (DAC)

Fields marked with * are mandatory.

Introduction

The current Political Guidelines of the European Commission set out the objective of making business easier and faster in Europe by reducing administrative burdens and simplifying implementation.

Furthermore, the Commission's long-term competitiveness Communication sets a target of reducing burdens associated with reporting requirements by 25%, and by 35% for SME's without undermining the related policy objectives of the initiatives concerned. In this context, the Commission is working on a possible legislative proposal to recast the Directive on Administrative Cooperation (DAC).

DAC governs the cooperation and exchange of direct tax information between tax authorities in the EU. It aims to ensure efficient and effective administrative cooperation between the tax authorities of Member States, to combat tax fraud, evasion and avoidance while protecting tax fairness.

DAC has been subject to several amendments in recent years. To date, there have been eight amendments to the original DAC1, with the most recent update in 2025; DAC9. The various iterations of DAC have responded to the challenges presented by the increasingly digitalised economy and the associated risks of tax planning and avoidance. More specifically:

- DAC1 laid the foundations for current cooperation between tax authorities in the European Union and introduced Automatic Exchange of Information (AEOI) for certain categories of income and capital received by residents of other Member States; it also reinforced or introduced other forms of administrative cooperation among tax authorities;
- DAC2 extended the scope of AEOI to certain financial assets held by non-residents and income accruing from such assets;
- DAC3 introduced the AEOI of advance cross-border rulings and pricing arrangements (ATR/APA);
- DAC4 introduced the AEOI of Country-By-Country Reports (CBCR) for multinational enterprises (MNEs);
- DAC5 provides tax authorities with access to beneficial ownership information collected under anti-money-laundering (AML) rules;
- DAC6 introduced the disclosure and AEOI of potentially harmful cross-border tax arrangements;
- DAC7 introduced the reporting and AEOI of incomes obtained via online platforms;

- [DAC8](#) introduced the reporting and AEOI of information held by crypto-assets services providers; and
- [DAC9](#) introduced standard forms for reporting requirements under the [Pillar 2 directive](#).

While the DAC has been subject to several amendments over time, there is no current consolidated legal text of the Directive. In this light, it is necessary to bring together, in one single legal text, the DAC and its eight legislative amendments. This will simplify readability and clarity for all relevant stakeholders. A recent Evaluation of the DAC has highlighted the need to simplify the reporting obligations for stakeholders with a view to eliminating possible overlaps, inconsistencies or inefficient reporting, in a manner that reduces the administrative burden. This has been further supported by stakeholders consulted in the context of the overall simplification exercise undertaken by the European Commission.

For more information regarding the outcome of the DAC Evaluation and lessons learned therein, please consult the dedicated [page](#).

About you

***Language of my contribution**

- Bulgarian
- Croatian
- Czech
- Danish
- Dutch
- English
- Estonian
- Finnish
- French
- German
- Greek
- Hungarian
- Irish
- Italian
- Latvian
- Lithuanian
- Maltese
- Polish

- Portuguese
- Romanian
- Slovak
- Slovenian
- Spanish
- Swedish

* I am giving my contribution as

- Academic/research institution
- Business association
- Company/business
- Consumer organisation
- EU citizen
- Environmental organisation
- Non-EU citizen
- Non-governmental organisation (NGO)
- Public authority
- Trade union
- Other

* What best describes the area of activity of your organisations or your members.

- Generalist business association
- SME (Small and Medium Enterprises) association
- Banking and other financial services
- Online platforms and other online activities
- Tax intermediary, accountant, or tax advisor
- Other

* First name

Anthony Paul

* Surname

Gisby

* Email (this won't be published)

paul@accountancyeurope.eu

* Organisation name

255 character(s) maximum

Accountancy Europe

* Organisation size

- Micro (1 to 9 employees)
- Small (10 to 49 employees)
- Medium (50 to 249 employees)
- Large (250 or more)

Transparency register number

Check if your organisation is on the transparency register. It's a voluntary database for organisations seeking to influence EU decision-making.

4713568401-18

* Country of origin

Please add your country of origin, or that of your organisation.

This list does not represent the official position of the European institutions with regard to the legal status or policy of the entities mentioned. It is a harmonisation of often divergent lists and practices.

<input type="radio"/> Afghanistan	<input type="radio"/> Djibouti	<input type="radio"/> Libya	<input type="radio"/> Saint Martin
<input type="radio"/> Åland Islands	<input type="radio"/> Dominica	<input type="radio"/> Liechtenstein	<input type="radio"/> Saint Pierre and Miquelon
<input type="radio"/> Albania	<input type="radio"/> Dominican Republic	<input type="radio"/> Lithuania	<input type="radio"/> Saint Vincent and the Grenadines
<input type="radio"/> Algeria	<input type="radio"/> Ecuador	<input type="radio"/> Luxembourg	<input type="radio"/> Samoa
<input type="radio"/> American Samoa	<input type="radio"/> Egypt	<input type="radio"/> Macau	<input type="radio"/> San Marino

● Andorra	● El Salvador	● Madagascar	● São Tomé and Príncipe
● Angola	● Equatorial Guinea	● Malawi	● Saudi Arabia
● Anguilla	● Eritrea	● Malaysia	● Senegal
● Antarctica	● Estonia	● Maldives	● Serbia
● Antigua and Barbuda	● Eswatini	● Mali	● Seychelles
● Argentina	● Ethiopia	● Malta	● Sierra Leone
● Armenia	● Falkland Islands	● Marshall Islands	● Singapore
● Aruba	● Faroe Islands	● Martinique	● Sint Maarten
● Australia	● Fiji	● Mauritania	● Slovakia
● Austria	● Finland	● Mauritius	● Slovenia
● Azerbaijan	● France	● Mayotte	● Solomon Islands
● Bahamas	● French Guiana	● Mexico	● Somalia
● Bahrain	● French Polynesia	● Micronesia	● South Africa
● Bangladesh	● French Southern and Antarctic Lands	● Moldova	● South Georgia and the South Sandwich Islands
● Barbados	● Gabon	● Monaco	● South Korea
● Belarus	● Georgia	● Mongolia	● South Sudan
● Belgium	● Germany	● Montenegro	● Spain
● Belize	● Ghana	● Montserrat	● Sri Lanka
● Benin	● Gibraltar	● Morocco	● Sudan
● Bermuda	● Greece	● Mozambique	● Suriname
● Bhutan	● Greenland	● Myanmar/Burma	● Svalbard and Jan Mayen
● Bolivia	● Grenada	● Namibia	● Sweden
● Bonaire Saint Eustatius and Saba	● Guadeloupe	● Nauru	● Switzerland
● Bosnia and Herzegovina	● Guam	● Nepal	● Syria

● Botswana	● Guatemala	● Netherlands	● Taiwan
● Bouvet Island	● Guernsey	● New Caledonia	● Tajikistan
● Brazil	● Guinea	● New Zealand	● Tanzania
● British Indian Ocean Territory	● Guinea-Bissau	● Nicaragua	● Thailand
● British Virgin Islands	● Guyana	● Niger	● The Gambia
● Brunei	● Haiti	● Nigeria	● Timor-Leste
● Bulgaria	● Heard Island and McDonald Islands	● Niue	● Togo
● Burkina Faso	● Honduras	● Norfolk Island	● Tokelau
● Burundi	● Hong Kong	● Northern Mariana Islands	● Tonga
● Cambodia	● Hungary	● North Korea	● Trinidad and Tobago
● Cameroon	● Iceland	● North Macedonia	● Tunisia
● Canada	● India	● Norway	● Türkiye
● Cape Verde	● Indonesia	● Oman	● Turkmenistan
● Cayman Islands	● Iran	● Pakistan	● Turks and Caicos Islands
● Central African Republic	● Iraq	● Palau	● Tuvalu
● Chad	● Ireland	● Palestine	● Uganda
● Chile	● Isle of Man	● Panama	● Ukraine
● China	● Israel	● Papua New Guinea	● United Arab Emirates
● Christmas Island	● Italy	● Paraguay	● United Kingdom
● Clipperton	● Jamaica	● Peru	● United States
● Cocos (Keeling) Islands	● Japan	● Philippines	● United States Minor Outlying Islands
● Colombia	● Jersey	● Pitcairn Islands	● Uruguay

- Comoros
- Congo
- Cook Islands
- Costa Rica
- Côte d'Ivoire
- Croatia
- Cuba
- Curaçao
- Cyprus
- Czechia
- Democratic Republic of the Congo
- Denmark
- Jordan
- Kazakhstan
- Kenya
- Kiribati
- Kosovo
- Kuwait
- Kyrgyzstan
- Laos
- Latvia
- Lebanon
- Lesotho
- Liberia
- Poland
- Portugal
- Puerto Rico
- Qatar
- Réunion
- Romania
- Russia
- Rwanda
- Saint Barthélemy
- Saint Helena
- Saint Kitts and Nevis
- Saint Lucia
- US Virgin Islands
- Uzbekistan
- Vanuatu
- Vatican City
- Venezuela
- Vietnam
- Wallis and Futuna
- Western Sahara
- Yemen
- Zambia
- Ascension and Tristan da Cunha
- Zimbabwe

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The Commission will publish the responses to this public consultation. You can choose whether you would like your details to be made public or to remain anonymous.

Anonymous

Only organisation details are published: The type of respondent that you responded to this consultation as, the name of the organisation on whose behalf you reply as well as its transparency number, its size, its country of origin and your contribution will be published as received. Your name will not be published. Please do not include any personal data in the contribution itself if you want to remain anonymous.

Public

Organisation details and respondent details are published: The type of respondent that you responded to this consultation as, the name of the organisation on whose behalf you reply as well as its transparency number, its size, its country of origin and your contribution will be published. Your name will also be published.

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DAC general

The DAC prescribes the standardised IT reporting format (schema) for exchange of information between Member States' tax authorities. This is applied in a harmonised manner across the EU. However, there is no harmonisation of the domestic reporting format that the relevant tax authorities of the Member States require for reporting by the business of DAC information. Some Member States use the schema prescribed in DAC with little or no modifications while some Member States develop their own national reporting schemas, which can create an additional burden for business, especially those that report in several Member States.

Would you be in favour of making the schema used for the exchange of information between Member States' tax authorities also mandatory for the reporting of information by reporting entities to tax authorities, in all Member States?

- Yes
- No
- No opinion

In how many Member States did you report last year?

26

Under which DAC(s) did you report last year?

- DAC2
- DAC4
- DAC6
- DAC7

Cost of reporting per report (or an average if you report under different DAC)

	The costs are negligible	The costs are limited	The costs are high	Very high costs	I don't know/not applicable
One-off costs (IT and training)			between 3-5 FTE to completion		
Recurrent costs			between 2-3 FTE per year		

Please provide a quantification of cost estimations for the current annual notification regime. Quantification can be made in monetary terms or in FTE. For advisors, please indicate the average. If precise estimations are not available, please provide a range.

	Quantification
One-off cost	between 3-5 FTE to completion
Recurrent annual cost	between 2-3 FTE per year

DAC4 / DAC9

Currently DAC4 requires an MNE group to notify every year the reporting entity for the MNE group and the names of the entities which form part of the Group.

Would you be in favour of removing this obligation and instead requiring only the notification of changes in the group?

- Yes
- No
- No opinion

In how many Member States do you notify?

2

Cost of reporting per notification

	The costs are negligible	The costs are limited	The costs are high	Very high costs	I don't know/not applicable
One-off costs (IT and training)					Unable to quantify
Recurrent costs					Unable to quantify

Please provide a quantification of cost estimations for the current annual notification regime. Quantification can be made in monetary terms or in FTE. For advisors, please indicate the average. If precise estimations are not available, please provide a range.

	Quantification
One-off cost	Unable to quantify
Recurrent annual cost	Unable to quantify

Please provide a quantification of cost savings estimations where only the notification of changes in the group is introduced. Quantification can be made in monetary terms or in FTE. For advisors, please indicate the average. If precise estimations are not available, please provide a range.

	Quantification
One-off cost savings	Unable to quantify
Recurrent annual cost savings	Unable to quantify

The Pillar 2 Directive (P2D) provides Member States with discretion to design the notification process for the entities in scope, which has led to divergent approaches across Member States. Furthermore, the notification required by P2D is very similar, in some respects, to the notification required by DAC4.

Would you be in favour of combining the notifications for the purposes of DAC4 and P2D?

- Yes
- No
- No opinion

DAC4

In how many Member States do you notify?

1

Cost of reporting per notification

	The costs are negligible	The costs are limited	The costs are high	Very high costs	I don't know/not applicable
One-off costs (IT and training)				Unable to quantify	
Recurrent costs					Unable to quantify

Please provide a quantification of cost estimations for the DAC4 notification under the current situation requiring separate notifications for the purposes of DAC4 and P2D. Quantification can be made in monetary terms or in FTE. If precise estimations are not available, please provide a range.

	Quantification
One-off cost	Unable to quantify
Recurrent annual cost	Unable to quantify

Pillar 2 Directive

In how many Member States do you notify?

Cost of reporting per notification

	The costs are negligible	The costs are limited	The costs are high	Very high costs	I don't know/not applicable
One-off costs (IT and training)					Unable to quantify
Recurrent costs					Unable to quantify

Please provide a quantification of cost estimations for the P2D notification under the current situation requiring separate notifications for the purposes of DAC4 and P2D. Quantification can be made in monetary terms or in FTE. For advisors, please indicate the average. If precise estimations are no available, please provide a range.

	Quantification
One-off cost	Unable to quantify
Recurrent annual cost	Unable to quantify

Please provide a quantification of cost estimations if notification for the purposes of DAC4 and P2D are combined. Quantification can be made in monetary terms or in FTE. For advisors, please indicate the average. If precise estimations are no available, please provide a range.

	Quantification
One-off cost	Unable to quantify
Recurrent annual cost	Unable to quantify

Currently there are two different reporting schemas under DAC4 and DAC9 with numerous overlapping fields. Would you be in favour of merging the two reporting schemas to prevent possible overlaps and double reporting?

- Yes
- No
- No opinion

Please provide a quantification of cost saving estimations where the two reporting schemas are merged. Quantification can be made in monetary terms or in FTE. For advisors, please indicate the average (*)

(*) if precise estimations are no available, please provide a range

	Quantification
One-off cost savings	Unable to quantify
Recurrent annual cost savings	Unable to quantify

DAC6

DAC6 foresees that any potentially harmful cross-border tax arrangement needs to be reported within 30 days after the arrangement has been made available.

Would you support a longer deadline to report an arrangement? In that respect, reasonable extended deadlines, also based on other existing deadlines in DAC, could be 60 days or 90 days.

- Yes - 60 days
- Yes - 90 days
- No
- No opinion

Please clarify

The current 30-day deadline is particularly tight, especially in the context of complex international groups where the analysis and assessment of an arrangement under DAC6 often require the involvement of multiple business functions, such as tax, legal, and compliance. This limited timeframe may not allow for adequate coordination among the relevant stakeholders, potentially impacting the thoroughness and accuracy of the evaluation process. The 30 day deadline is also restrictive as it is not clear in all circumstances when the reporting deadline countdown actually commences.

According to the findings from the DAC evaluation, reporting under DAC6 generates significant costs for the intermediaries and taxpayers. Can you please provide estimations of the costs incurred.

For taxpayer

Cost of reporting per report

	The costs are negligible	The costs are limited	The costs are high	Very high costs	I don't know/not applicable
One-off costs			3 to 5 FTE to completion		
Recurrent costs			2-3 FTE per year		

Please provide a quantification of cost estimations. Quantification can be made in monetary terms or in FTE. If quantifications are not available, please provide a range.

	Quantification
One-off cost	3 to 5 FTE to completion
Recurrent cost	2-3 FTE per year

For intermediaries

Cost of reporting per report

	The costs are negligible	The costs are limited	The costs are high	Very high costs	I don't know/not applicable
One-off costs			3 FTE to completion		
Recurrent costs			1 FTE per year		

Please provide a quantification of cost estimations. Quantification can be made in monetary terms or in FTE. If quantifications are not available, please provide a range.

	Quantification
One-off cost	3 FTE to completion
Recurrent cost	1 FTE per year

As indicated in the DAC evaluation, the Main benefit test (MBT) and the connected hallmarks A1, A2 and A3 have been highlighted as difficult to apply and as creating significant administrative burden due to its inherent complexity and divergent interpretation of the concept across Member States.

Do you agree with the outcome of the DAC evaluation on this issue?

- Yes
- No
- No opinion

Please explain

We are unable to fully agree with the outcome of the DAC evaluation on this issue as we do not have the level of data that was collected for the evaluation. However, our members have encountered certain issues in practice.

The practical application of the Main Benefit Test (MBT), and the related hallmarks A1, A2, and A3, is indeed one of the main challenges encountered. The lack of clear and harmonised guidelines at the EU level has led to a proliferation of positions and interpretations, often highly divergent among Member States. This situation creates significant operational complications for both intermediaries and taxpayers, increasing uncertainty and the risk of non-compliance, as well as substantially adding to the administrative burden associated with DAC6 reporting obligations.

In practice, the current construction of MBT means that it is not possible to rule out that there is a risk that reporting is required. This probably leads to over-reporting and considerable increases the costs. Indeed, as all arrangements that could fall to be reported must be assessed and documentation kept indicating why the decision has been taken that they are not reportable to mitigate the risk of high penalties for non-reporting, a per report basis for assessing the cost is not necessarily a meaningful measure.

Cost of reporting per report for MBT

	The costs are negligible	The costs are limited	The costs are high	Very high costs	I don't know/not applicable
One-off costs			Unable to quantify		
Recurrent costs			Unable to quantify		

Please provide a quantification of cost estimations. Quantification can be made in monetary terms or in FTE. If quantifications are not available, please provide a range. For advisors, please indicate the average.

	Quantification
One-off cost	Unable to quantify
Recurrent annual cost	Unable to quantify

Did you encounter issues with application of any other hallmarks?

	The description of the hallmark is clear and does not generate difficulty in application	The description of the hallmark is clear but occasionally raises questions in application	The description of the hallmark is unclear and challenging in application	The description of the hallmark is unclear and practically impossible to apply
B1 – transfer of losses	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
B2 – conversion of income into capital	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
B3 – circular / round tripping transaction	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
C1a) Cross-border deductible payment – non-resident recipient	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
C1b) i – no CIT (Corporate Income Tax)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
C1b) ii – non-cooperative jurisdiction	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

C1c) – full exemption of benefits	●	●	●	●
C1d) – preferential tax regime for benefits	●	●	●	●
C2 – duplication of deductions	●	●	●	●
C3 – duplication of relief from double taxation	●	●	●	●
C4 – value of transfer of assets	●	●	●	●
D1 – Circumvention of DAC2/CRS automatic exchange of Information	●	●	●	●
D2 – non-transparent ownership chain	●	●	●	●
E1 – unilateral safe harbour rules	●	●	●	●
E2 – transfer of hard-to-value intangibles	●	●	●	●
E3 – intra-group cross-border transfers	●	●	●	●

Please explain the reply

In many cases, the hallmarks are particularly challenging because the clarifications provided by tax authorities are not always illuminating and are often difficult to reconcile with the realities of day-to-day operations. In some cases, for example, the Italian Tax Authorities have even extended the scope and application of certain hallmarks, which has created additional coordination issues with other jurisdictions. This lack of consistency further complicates compliance and increases the risk of divergent reporting approaches across the EU.

In terms of specific hallmarks, the following issues have been identified:

B2 the scope of the hallmark can be particularly unclear - for example in situations where financing structures are changed, where a dividend goes from being taxable to tax exempt and in scenarios where an intermediary vehicle or holding company is inserted into the structure.

For C1 hallmarks (and primarily C1d), it would be good to have clarity on whether arrangements with such payments are reportable if the preferential treatment etc. at recipient level is within the intent of the law and the payment is taxed at the level above the entity. For example, in cases where income from investments is received by an investment fund type of entity that is tax exempt because the investor in the investment fund is taxed instead, i.e. setups replicating a tax transparency.

Furthermore, further clarity could be provided as to whether payments to entities with special statutory tax rates below the ordinary corporate tax rate would be in scope, e.g. deductible payments to a pension fund.

For C2, it would be beneficial to have confirmation whether a double tax deduction is in scope if there is also double inclusion so that there is no tax benefit – which could be the situation in certain branch structures or CFC scenarios.

We have received feedback that D hallmarks are difficult to understand and it would be beneficial to have improved clarity on certain aspects – such as interposing an entity in an investment structure would not trigger this hallmark if the underlying investors are subject to KYC requirements. Also, for entities that only hold title on behalf of beneficial owners, clarity that they would not necessarily be in scope if beneficial owners are subject to KYC would be useful.

E1: It can be unclear what constitutes a safe harbour. For example, for Danish thin capitalisation rules, the DTA guidelines state that use of the threshold for applying the rules may be considered as covered by E.1.

E2: It is unclear whether a recent arm's length acquisition of an asset from a third party would imply that the subsequent intra group transfer should fall outside the scope of this hallmark.

E3: It would be beneficial to have clarity as to whether this hallmark also applies when the transferring entity is liquidated after the transfer.

Article 8ab, paragraph 9 requires that in situations where there are multiple intermediaries involved in the same reportable cross-border arrangement, all of them are liable to report information. While this provides for complete information on the arrangement, it can also lead to duplicative reporting. Furthermore, if intermediaries do not report (e.g. in situations of legal professional privilege), the reporting obligation falls to the taxpayer.

Please indicate below which option to streamline reporting would you be in favour of:

- Taxpayer as a principal reporting subject, intermediaries secondary

- Single report by intermediaries who are jointly liable
- Taxpayer as a sole reporting subject
- Other
- No change to the current situation
- No opinion

Please explain

Reporting frequency by tax intermediaries varies considerably between Member States depending on Member State interpretation, how tax intermediaries are defined, and how widely the legal professional privilege provisions are drawn – if drawn more widely, it is often the taxpayer that reports.

The issue of reporting responsibility needs to be analysed in detail as the responsibility of respective party could change the level playing field. For example, even if the reporting obligation is moved to taxpayer, an professional advisor might still need to report under professional ethical standards other than DAC6. Such issues need to be considered.

The level of involvement that an intermediate has in an arrangement is not constant. Where taxpayers are driving an arrangement, they would normally be in the best position to understand the implications deriving from a specific arrangement, as would “promoters” of certain tax planning arrangements. Consequently, reporting obligations should be placed primarily on taxpayers and promoters, with intermediaries advising on elements of an arrangement acting as the fall back.

In many circumstances, tax service providers lack an overview on all the relevant aspects of the arrangements, often based on a limited set of information and data, raising frequent doubts on the existence of hallmarks and making it difficult to ascertain whether the Main Benefit Test is met. In those circumstances, placing the obligation primarily on the tax intermediary increases the risk of non-compliance of reporting obligations.

DAC7

DAC7 requires the reporting of sellers that carry out activities involving the sale of goods for consideration. Sellers that carry out less than 30 activities involving the sale of goods and for which the total amount of consideration paid or credited does not exceed EUR 2000 during the reporting period are exempt from reporting.

Would you be in favour of increasing the current exemption threshold for the sale of goods, to exclude more low-value sellers from the DAC7 reporting obligations?

- Yes
- No
- No opinion

If yes, please state the activity and/or monetary exemption threshold for the sale of goods that you deem to be most appropriate?

DAC7 has greater impacts on some sectors than others. For example, the tourism / hotel sector uses booking systems that don't always include all of the information required. Additionally, a lot of the transactions collected are in connection to B2B transactions that are already known by tax administrations as they are subject to VAT – thereby representing a cost to the reporters with little or no added benefit for tax authorities.

Thresholds are a complex question that should be considered in light of the best way to protect Member State's tax base and by looking at particular sectors. If an increased threshold is considered advantageous, the natural threshold would be the VAT exemption threshold for the Member State where the reported individual is resident for tax purposes

Cost of reporting per report

	The costs are negligible	The costs are limited	The costs are high	Very high costs	I don't know/not applicable
One-off costs			Unable to quantify		
Recurrent costs			Unable to quantify		

Please provide a quantification of cost estimations. Quantification can be made in monetary terms or in FTE. If quantifications are not available, please provide a range. For advisors, please indicate the average.

	Quantification
One-off cost	Unable to quantify
Recurrent annual cost	Unable to quantify

Additional views or information

Would you like to add any comments or suggestions on possible solutions to simplify and/or improve the functioning of DAC?

Quite apart from costs to business of complying with the base requirements of the DAC, additional costs are often incurred by inconsistent application of DACs between Member States, inconsistent interpretation of law between Member States and different reporting requirements. Harmonisation would help address some of the costs currently incurred.

Many of the DAC initiatives can be seen as important for a functional fiscal control. One thing that is lacking is however to what extent that the information reported is actually needed and used by fiscal authorities. Such an investigation should be the starting point for any adjustments of the framework.

For DAC 9 (P2D) reporting, we have the following suggestion for simplification. In practice companies will have to report in all jurisdictions due to QDMTTs and other local obligations such as advance payments.. Some Member States, such as Denmark in their implementation of the rules, however do not require the submission of a QDMTT return. Consequently, compliance will likely be more complex in the EU, especially as the rules evolve. Administrative burden could be reduced by developing a centralised reporting system whereby there is one filing of relevant returns in a Member State and relevant figures are communicated to other relevant Member States. Alternatively, it could also be considered to require fillings only in jurisdictions where QDMTTs are actually payable.

Comments on specific questions:

We are unable to quantify the number of Member States in which our members' members submit reports or assist taxpayers in their reporting obligation. Our members report, or assist reporting, in most Member States, although this does depend on the legislative background of the Member State, which professionals are permitted to provide tax advice and who is covered by legal professional privilege.

Comments on harmonising the schema: Whilst there is some support amongst our respondents for harmonising the schema others would prefer to maintain the national format as although it may require more detail than the schema the format is established and known to taxpayers and intermediaries.

We are in favor of any simplification and reduction of burden, but a careful analysis should be done to assess the implications.

Comments on DAC 6 Reporting: One off costs (IT and Training) - Our respondents indicate that costs are highly dependent on the facts of each case and the complexity, level of involvement and advice needed.

Spending on IT varies between limited and large but all respondents point to the high or very high costs of training. DAC 6 is identified as particularly demanding in terms of training on implementation.

Recurrent costs - In respect of DAC 6, significant training costs are incurred on a recurrent basis when rules and practices are updated. Due to issues with clarity and complexity of the hallmarks, time is also spent considering and documenting arrangements that may fall to be reportable, even when it is subsequently determined that they are not reportable.

For advisors, costs are highly dependent on the facts of each case and the level of involvement and advice. However, there are substantial one off costs and ongoing costs in respect of IT system maintenance and ongoing training.

In respect of DAC 2, a lot of time is spent on reporting including on such matters as qualification of entities and Know Your Client and self-certification requirements.

Integration of DAC 4 and DAC9 reporting as far as possible would be a valuable administrative simplification. Deadlines should be made consistent and aligned with those for Pillar 2 due to the complexities of reporting under Pillar 2. As DAC9 has not yet been practically implemented, we are unable to ascertain the likely costs. However, it is not merely a matter of cost but rather the question of simplification reducing the likelihood that the reporting of certain information may be duplicated.

Comments on P2D reporting costs:

One off costs - Advisors and MNE clients have invested very large sums to meet their Pillar 2 reporting obligations. We are unable to estimate the costs, not least due to the fact that the legislation is still a work in progress with large adjustments as late as 5 January 2026.

Costs are linked for the time being with Pillar 2 implementation within MNEs to define perimeter, data, and calculations. There are still unknown costs in relation to compliance as related models for assessment and compliance in each country, and the related IT system and software solutions are still to be implemented.

Recurring costs - Recurring costs are likely to be considerable as the legislation keeps changing and there is a need to report annually. Respondents consider the likely ongoing costs to be disproportionate to the additional tax that is expected to be collected.

You may upload here an additional document about this consultation. All additional documents provided will be published on the Commission website.

Only files of the type pdf,txt,doc,docx,odt,rtf are allowed

Contact

Katarina.ZNIDARSIC@ec.europa.eu

