



TAX TRANSPARENCY WITHOUT COMPLEXITY: HOW TO FUTURE-PROOF DAC?

INTRODUCTION

Accountancy Europe hosted [a high-level conference](#) on 12 May 2026, from 9:30 to 12:30 CEST, to discuss the upcoming recast of the Directive on Administrative Cooperation (DAC). With nine DACs adopted since 2011, the framework has become increasingly complex, fragmented and burdensome for both tax administrations (TAs) and businesses. The European Commission (EC) is now preparing a major simplification package aimed at streamlining reporting, improving data usability and reducing overlaps.

The event gathered senior representatives from the EC, EU Member States (MS), business, academia and tax advisers to reflect on lessons learned and priorities for the future.

OPENING REMARKS & KEYNOTE BY BENJAMIN ANGEL (DG TAXUD)

Benjamin Angel provided a candid assessment of the current DAC landscape.

Main challenges:

- **pace of legislative change:** many TAs are “a few DACs behind”, struggling to keep up with implementation
- **divergent penalties and gold-plating:** MS interpret “dissuasive and proportionate” sanctions differently and often add extra requirements during national implementation that lead to further complexity
- **unclear concepts:** DAC6 hallmarks were highlighted as a prime example of ambiguity between MS.

EC’s planned reforms for the DAC recast include:

- **merge** the nine DACs into one single instrument
- **review DAC6 hallmarks**, removing those that create heavy burdens without generating meaningful decisions by MS
- **eliminate** unused data points
- **address overlaps**, for example between DAC4 and DAC9, and move to a single template and reporting date
- **extend DAC6 reporting deadlines**, acknowledging that 30 days is too short

- **improve data use**, including sharing Country-by-Country (CbC) reports with national statistical offices and Eurostat
- **develop an EU Taxpayer Identification tool** interconnecting national databases to automate reconciliation
- **explore tax data hubs and AI-driven analytics**, inspired by customs and Nordic real-time economy initiatives.

Angel concluded that DAC will remain the EU's main vehicle for implementing OECD tax transparency developments.

PANEL 1: LESSONS LEARNED FROM DACS

Speakers shared, from their professional experiences, the main benefits as well as key challenges with DAC.

DAC's successes:

- greater transparency and cooperation across MS
- significant revenue increases in some areas (e.g., DAC7 platform reporting)
- positive for academic research thanks to CbC, for example, and CRS/DAC2 data.

Persistent difficulties:

- complex and divergent interpretations, especially under DAC 6
- unlevel playing field between lawyer and non-lawyer advisers due to legal professional privilege (LPP)
- precautionary reporting leading to large volumes of low-value data
- data quality inconsistencies across MS.

Behavioural effects:

- some evidence of **rerouting investments** to assets not covered by reporting
- under DAC7, many sellers mistakenly registered as platform operators
- concerns raised about **AI use** without adequate safeguards.

PANEL 2: DESIGNING A FUTURE-PROOF DAC

Speakers broadly welcomed the EC's simplification agenda, noting a rare political window to deliver meaningful change.

Key priorities and recommendations for the DAC recast:

- **significant simplification of DAC6**, including point-by-point assessment of each hallmark's added value, deletion of Hallmark A and call for longer reporting deadlines
- **reducing overlaps**, for example between DAC4 and DAC9
- **rewarding compliant behaviour through cooperative compliance**, where DAC data could form the basis for identifying cooperative taxpayers for tax administrations' risk assessment
- **reducing divergence**, potentially through joint EU guidance and guidelines (ideally binding), common templates, and minimum/maximum penalties
- **ensuring technology supports, rather than complicates, compliance**, with harmonised IT formats and machine-readable reporting
- **improving data usability**, as the current system is "data rich but insight poor"

- **maintaining trust** by ensuring political promises on simplification translate into real improvements for businesses.

Outlook for the upcoming political negotiations:

- broad MS support for the DAC recast, though details will be challenging
- unshell-related elements may be included only cautiously to avoid delaying agreement
- more intense debate expected on the tax omnibus than on the DAC recast itself.

CONCLUSION

The conference highlighted strong consensus that the current DAC framework has become overly complex and fragmented. At the same time, transparency objectives remain widely supported. The upcoming recast represents a unique opportunity to:

- streamline reporting obligations
- improve data quality and usability
- reduce administrative burdens
- enhance consistency across MS
- leverage technology responsibly.

Accountancy Europe will continue engaging with policymakers and stakeholders to ensure that the new DAC delivers on its promise: **transparency without unnecessary complexity**.

USEFUL LINKS

- [EC public consultation on DAC](#) – consultation response, February 2026
- [Recommendations to streamline the EU tax system](#) – publication, September 2025