



# **Evaluation of the Directive on administrative cooperation in the field of taxation (DAC)**

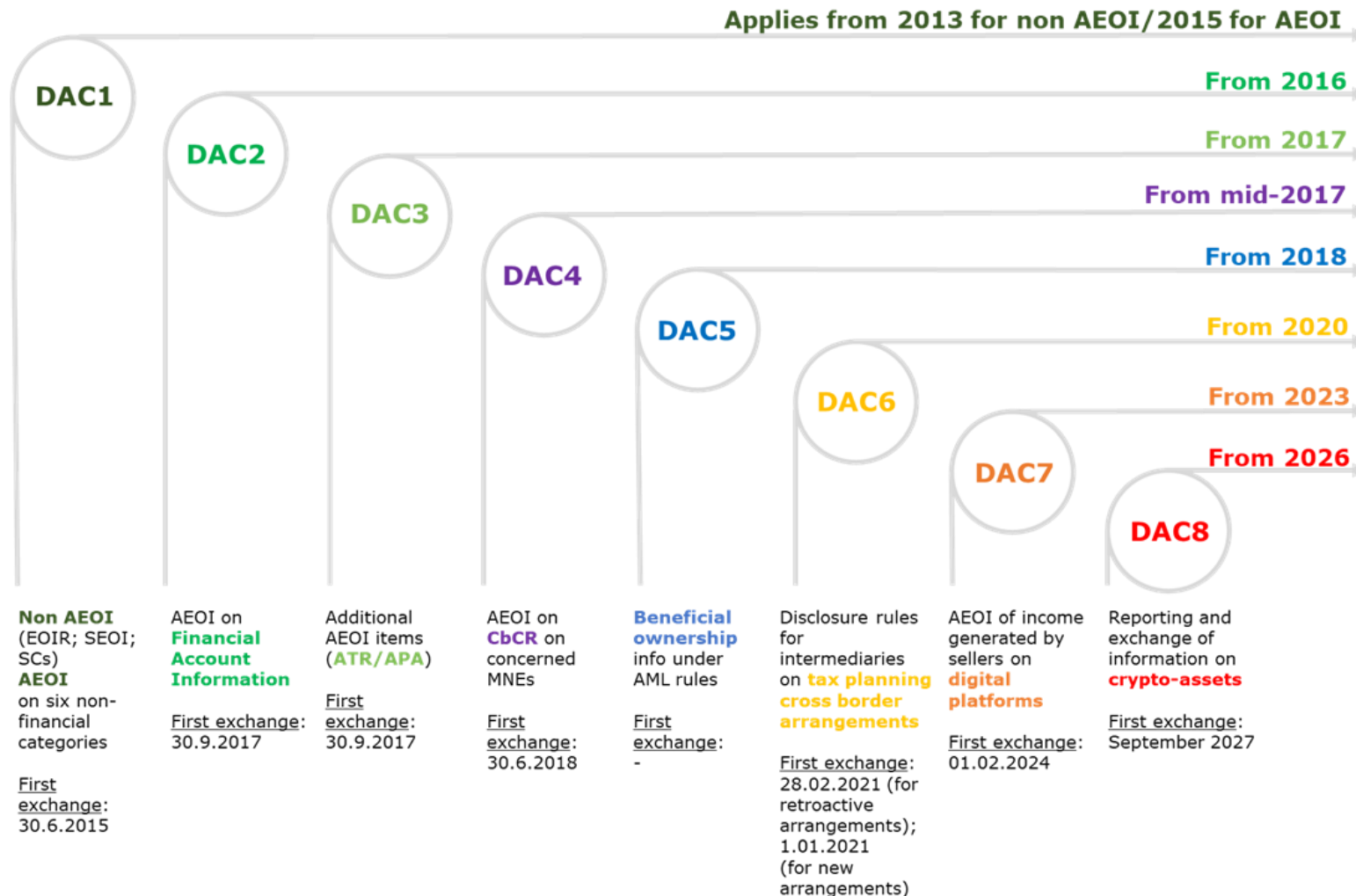
**17 December 2024**

**Brussels**

***European Commission  
DG Taxation and Customs Union***

# Overview of the DAC framework

Council Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation and its amendments



# Article 27- Obligation to evaluate DAC

## **Article 27 of the Directive**

- Obligation to report to Council and European Parliament on the application of DAC
- Every 5 years (last evaluation in 2018)

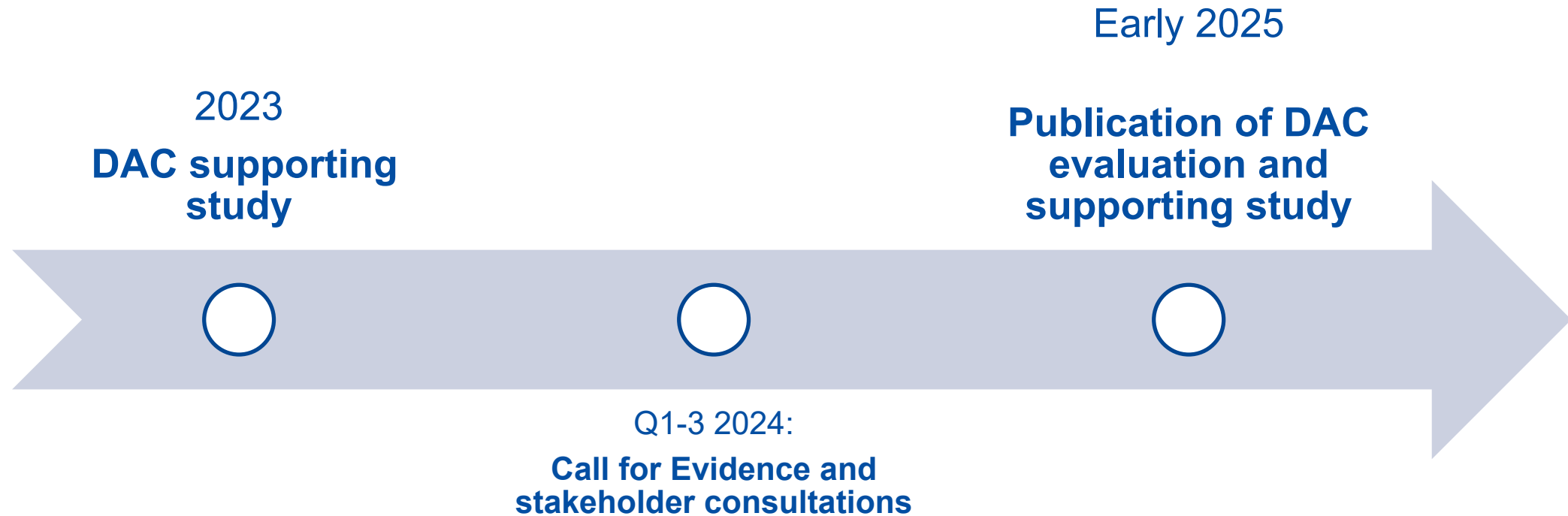
## **Current evaluation process**

- Launched in 2023

## **Scope of current evaluation**

- DAC1 to DAC6
- including Annex IV- DAC 6 hallmarks

# Current evaluation -timeline and steps



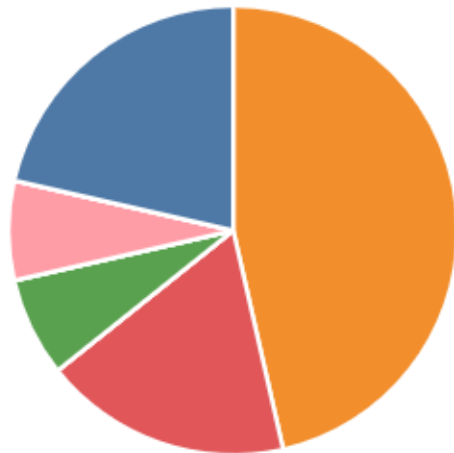
# Consultations

- **Two forms of consultation undertaken**
- Public consultation
- Call for Evidence (*“Have your Say”*)

# Outcome of the public consultation

**(May – July 2024)**

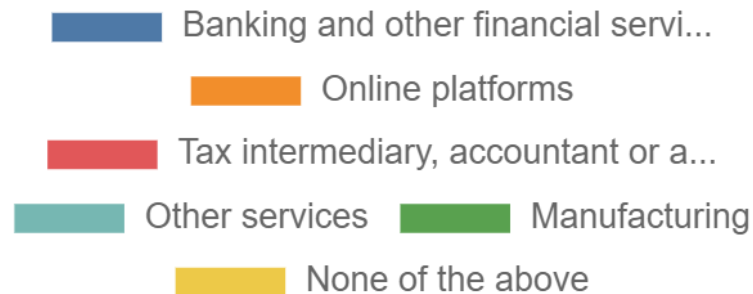
# Public consultation – Respondents to the questionnaire



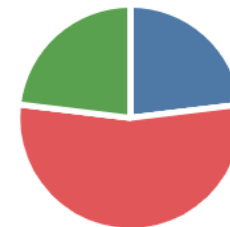
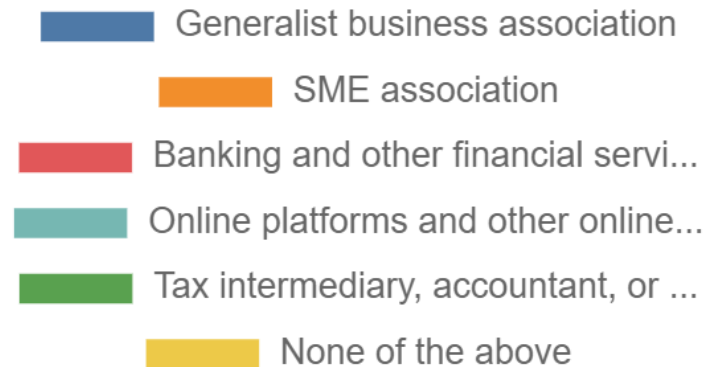
Almost 50% of the respondents are business organisations

# Public consultation – Respondents to the questionnaire

**60% of the businesses who replied are tax intermediaries**  
(tax intermediaries, accountants, advisers)



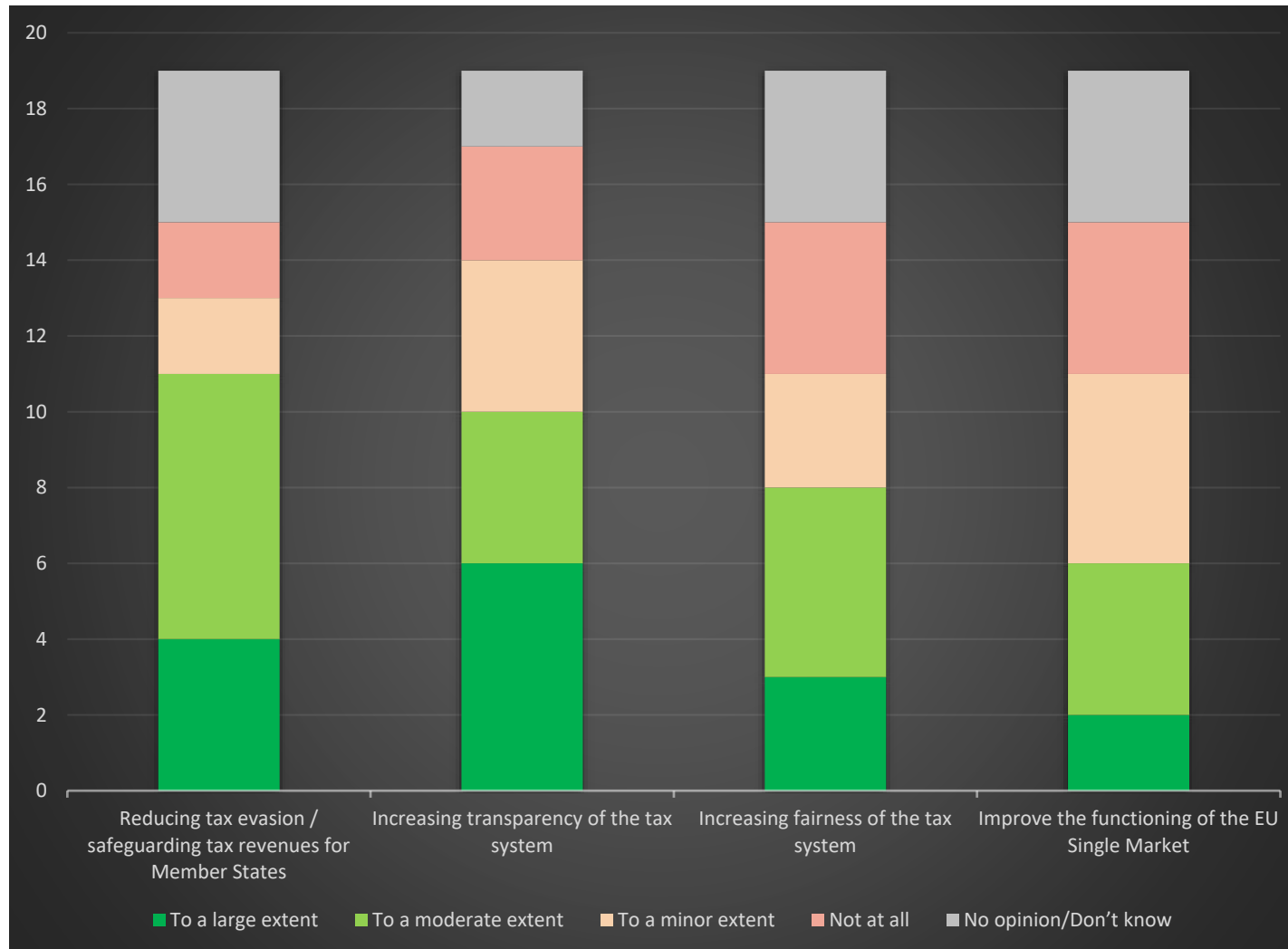
**Professional associations who replied are banking and financial services, tax intermediaries, and generalist business lobbyist associations**





# Public consultation – Fitness of the DAC with EU objectives

Please express your view on the extent to which DAC contributed to the following objectives



Most respondents consider that the **DAC fits with its overall objectives** to a large or a moderate extent in terms of:

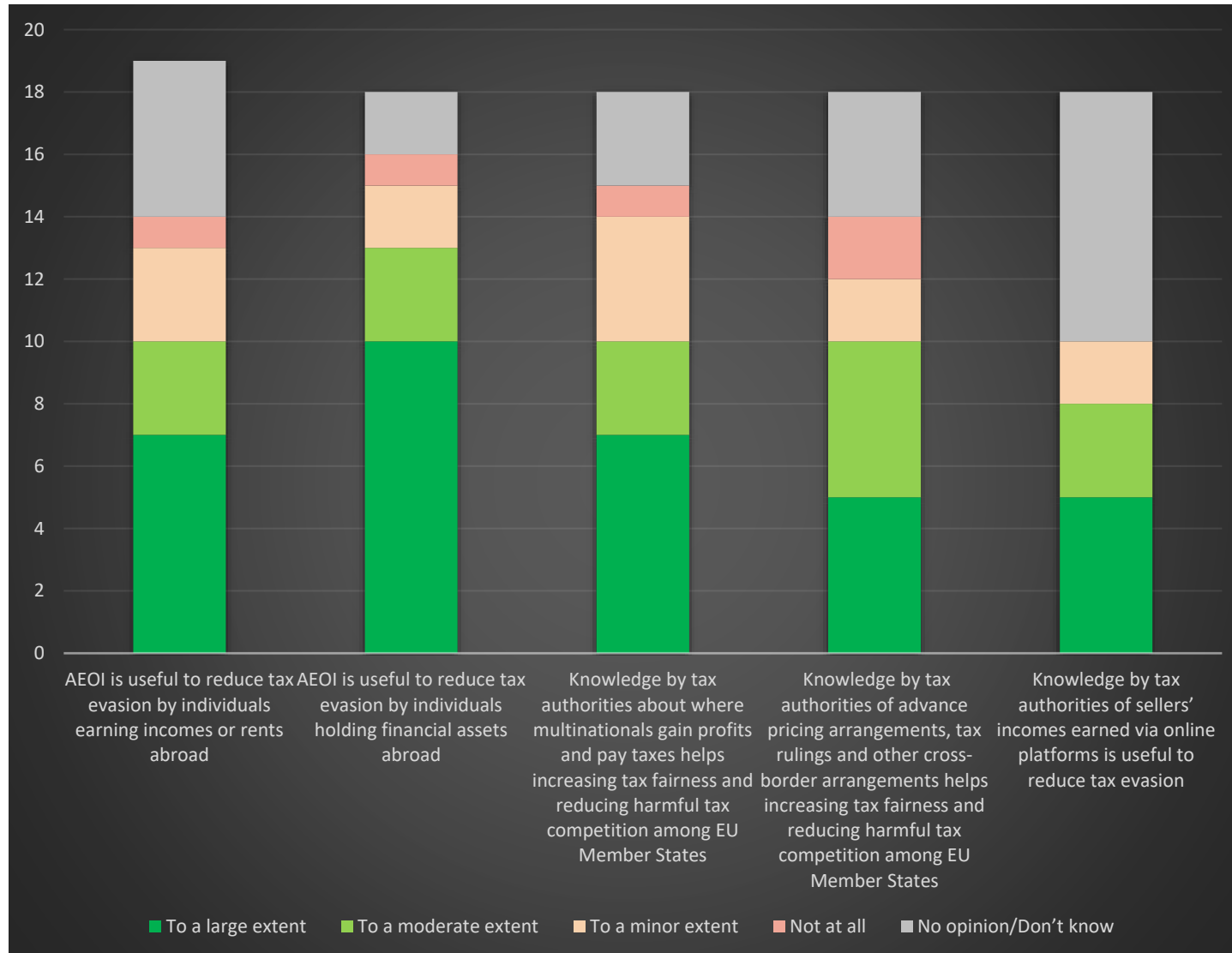
- **Reduction of tax evasion and safeguard of MS tax revenues**
- **Increase of transparency of tax system**

The answers were nuanced as regards:

- **Tax fairness**
- **Better functioning of the EU single market**

# Public consultation – Usefulness of the AEOI under DAC

To what extent do you agree with the following statements?



Most of the respondents consider that the **automatic exchanges of information** are **useful to a large or a moderate extent** for their **intended purpose** in assisting the Member States to:

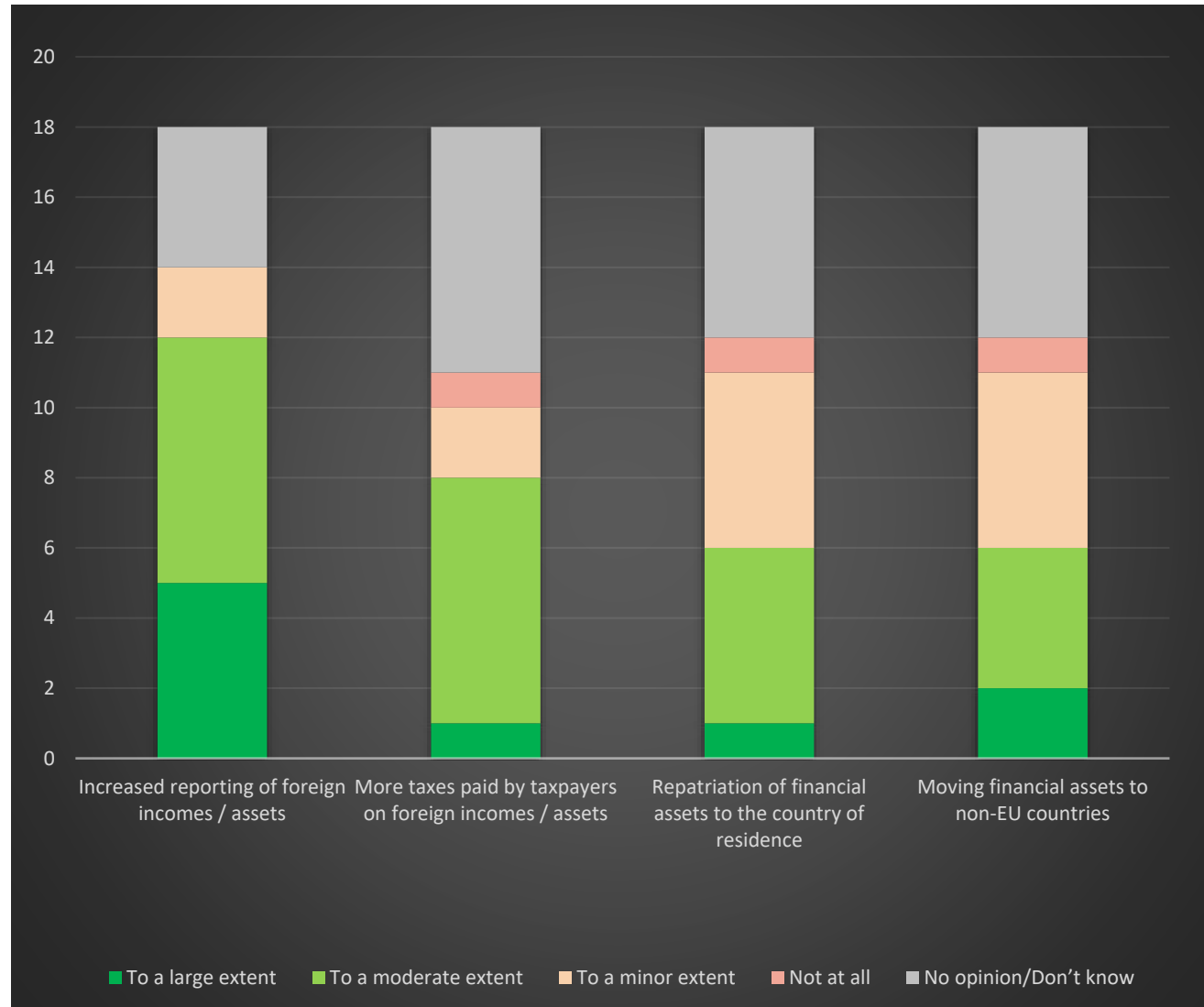
- **Reduce tax evasion** by individuals earning incomes or holding financial assets abroad
- **Identify situations of profit shifting** or potential **aggressive tax planning arrangements** by MNE's and other taxpayers

# Public consultation – Efficiency and possible impacts on tax collected

Following the entry into force of DAC, what is your perception of the impact on behaviour of the taxpayers?

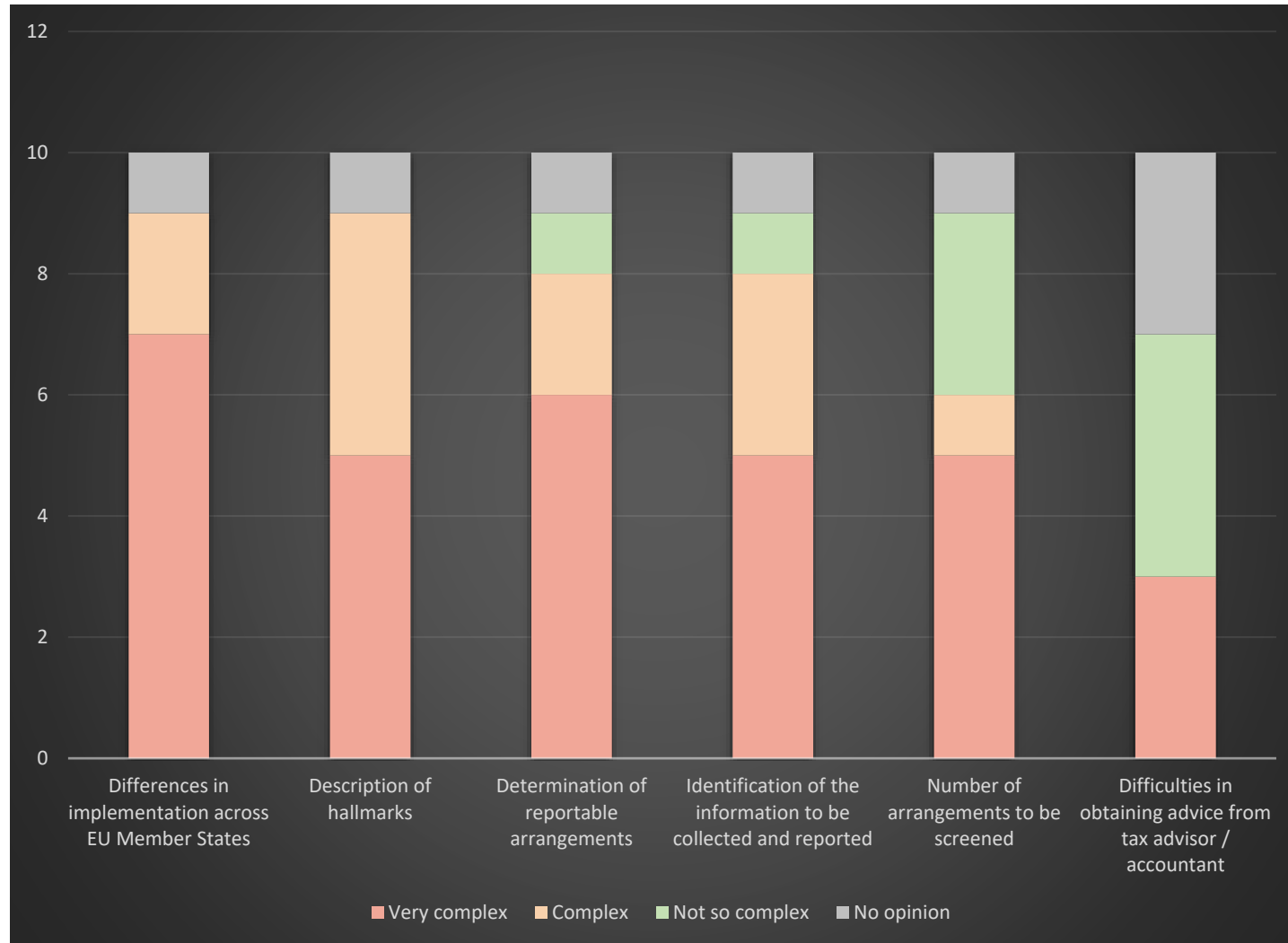
More than 50% of the respondents consider that **DAC led possibly to increased reporting of foreign incomes or assets** and **repatriation of financial assets to the country of residence**.

Respondents acknowledge a possible reaction to the introduction of tax transparency rules: **shift of financial assets to jurisdictions outside the EU**.



# Public consultation – Zoom on DAC6: a call for simplification?

Please identify which of the following elements of DAC6 generates complexity



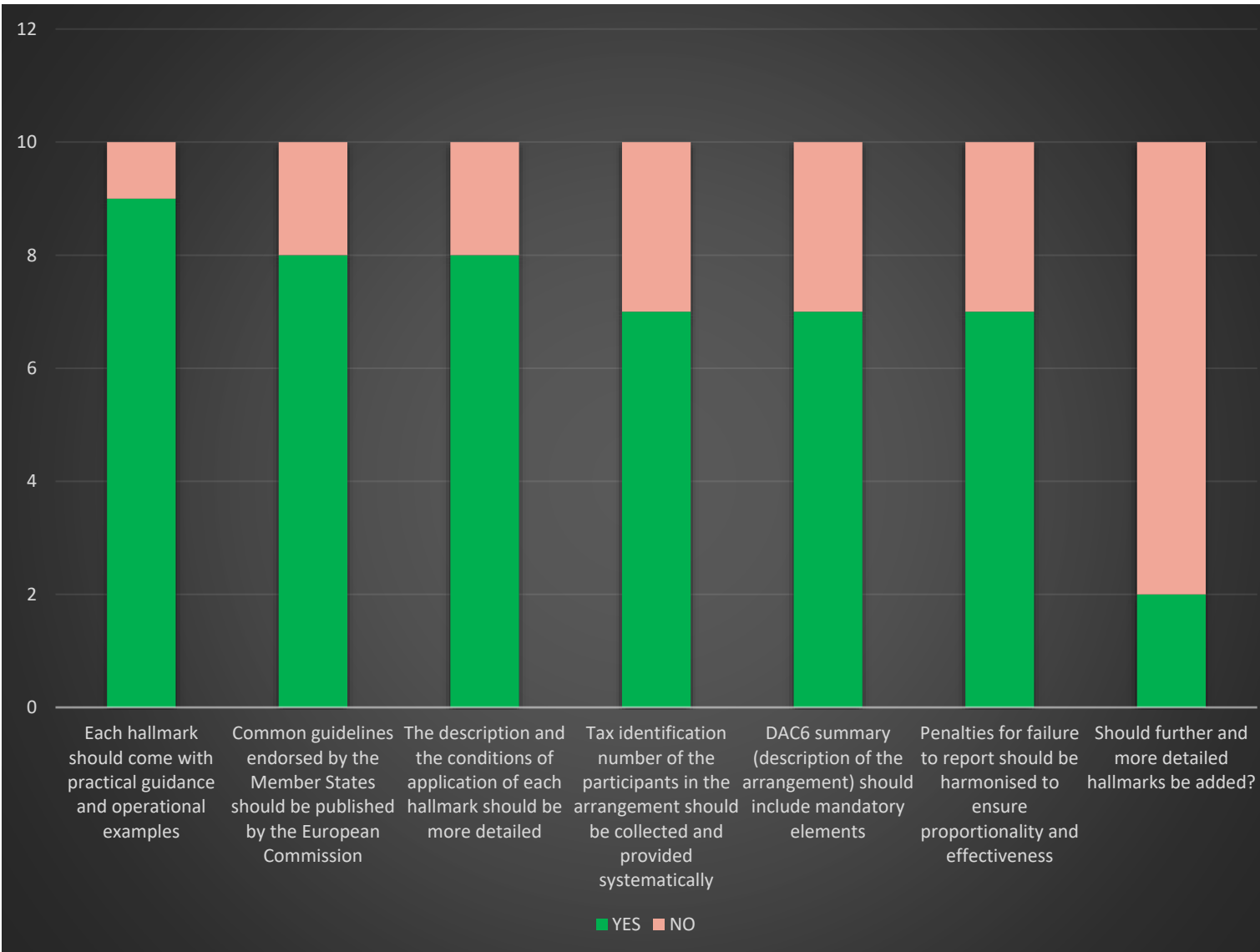
For most of the respondents, DAC6 generates **complexity** in terms of:

1. Differences in implementation across EU Member States
2. Description of hallmarks of Annex IV
3. Determination of reportable arrangements
4. Identification of the information to be collected and reported
5. Number of arrangements to be screened (administrative burden, costs\*)

\* From some stakeholders' experience, analysing the facts and filling the form may cause fees between €3.000 and €7.000 per case.

# Public consultation – Zoom on DAC6: possible ways of improvement

Please indicate for each of the following proposals if you agree or no



Respondents support the following suggestions for improvement:

1. **Practical guidance and operational examples for hallmarks, with more details**
2. **Common guidelines published by the Commission services**
3. **Mandatory report of TIN**
4. **Mandatory elements in the summary**
5. **Harmonisation of penalties**

# Outcome of the Call for Evidence

**Feedback period**

**07 May 2024 - 30 July 2024**

# Call for evidence feedback

## Feedback

- **Scope of DAC is wide** and some of the reporting may no longer be necessary in view of Pillar 2.
- Need to ensure a **more uniform implementation** of DAC provisions.
- **Use of data and its outcome** should be better monitored.
- **IT systems** need to be updated.

## Suggestions for improvements

- **Better assess administrative burden** for business and MS **before introducing new reporting and exchange obligations.**
- **Publish common guidance.**
- **Tackling potential non-compliance** consistently through **a more coordinated approach.**
- **Extension** of the 30 days **reporting timeframe** of DAC6.
- **Leveraging innovative technology** to improve collection and validation of TINs and **centralise the data in a single point of access.**

Keep in touch: TAXUD UNIT D2 - [TAXUD-UNIT-D2@ec.europa.eu](mailto:TAXUD-UNIT-D2@ec.europa.eu)



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# Thank you



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