

ATOZ ALERT

DAC6 and CRS deadline extensions - Update

5 June 2020

Yesterday, the Luxembourg Finance Ministry reported that EU Member States have agreed on a compromise proposal for a Directive introducing an optional 6-month deadline extension for reporting under the mandatory disclosure regime applicable to tax intermediaries (DAC6) and an optional 3-month deadline extension for exchanging information under the Common Reporting Standards (CRS).

The compromise proposal follows the initial proposal presented by the European Commission on 8 May 2020 amending the EU Directive on Administrative Cooperation to address the urgent need for deferring certain time limits for the filing and exchange of information in the field of taxation due to COVID-19 pandemic, which we analysed in our [13 May 2020 ATOZ Alert](#).

New DAC6 deadlines

Should the option of the compromise proposal be adopted, the following reporting deadlines will apply:

- Reportable arrangements the first step of which was implemented **between 25 June 2018 and 30 June 2020** will have to be reported by **28 February 2021**.
- The 30-day reporting period applicable to reportable cross-border arrangements made available for implementation, ready for implementation, or where the first step in their implementation has been made **between 1 July 2020 and 31 December 2020** shall begin on **1 January 2021**.
- The first quarterly reporting of marketable arrangements shall be performed by **30 April 2021**.

New CRS deadlines

- Exchange of information between EU Member States in relation to calendar year 2019 or other appropriate time period will take place within 12 months (instead of the ordinary 9-month time frame) following the end of calendar year 2019 or the other appropriate time period.
- While the proposal does not cover the reporting deadlines applicable to reporting financial institutions, as these deadlines are provided by the internal law of the various EU Member States, the 3-month deadline extension for exchanging information with other EU Member States will enable EU Member States to grant a deadline extension to reporting financial institutions.

Next steps and implications in Luxembourg

The compromise proposal is expected to be formally adopted and then published in the Official Journal of the European Union in the coming weeks. Given the very short time frame granted to EU Member States to implement these EU provisions (should they decide to use the option granted by the proposal), the Luxembourg Finance Ministry took the initiative to communicate already on the position and the steps Luxembourg intends to take.

According to a [statement published on its website](#), the Ministry of Finance announced that draft laws would be presented soon to Parliament in order to implement these options by means of amendments of the law of 25 March 2020 on DAC6 and the law of 18 December 2015 on CRS. In other words, the Luxembourg Government intends to use the option granted by the EU proposal to extend by 6 months the DAC6 reporting deadlines and by 3 months the reporting deadline applicable under CRS. It was further announced that the law of 24 July 2015 on FATCA (“Foreign Account Tax Compliance Act”) would also be amended to introduce a 3-month deadline extension for reporting under FATCA. Last but not least, the Ministry of Finance mentioned that no penalties for late filing would apply, pending these draft laws being adopted.

Do you have further questions?



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