

European Commission
DG for Taxation and Customs Union
TAXUD Unit D2 – Direct Tax Policy & Cooperation
Katarina.ZNIDARSIC@ec.europa.eu

Luxembourg, 10 February 2026

Object: European Commission public consultation on the EU rules on administrative cooperation in the field of taxation – recast

Dear Madam,
Dear Sir,

ALFI as the representative of the Luxembourg investment fund and asset management industry, welcomes the public consultation on the EU rules on administrative cooperation in the field of taxation – recast and is pleased to hereby provide its views in this respect. In addition to our answers to the questionnaire, below are some comments that we hope you will find useful.

DAC general

As a matter of principle, ALFI welcomes any initiative aimed at simplifying and harmonizing, from a technical standpoint, the information exchange processes in place between member states and with other non-EU jurisdictions, both between tax authorities and between taxpayers and said tax authorities. In general, any initiative aimed at making these processes simpler and ultimately less costly can only be beneficial for all economic actors and other stakeholders.

That said, ALFI urges careful consideration of the fact that any transition from existing systems, which generally function well, to new standards will entail upgrade costs that will be borne by financial sector operators, investment funds, and ultimately investors. It is therefore important to ensure that these costs are not excessive and can be absorbed in an acceptable manner in the short to medium term. We therefore recommend conducting a specific assessment of any proposed changes.

The above is particularly important in the context of DAC 2 / CRS reporting. For this reporting, the use of harmonized templates would be welcome. However, these templates must consider and comply with the XML schemas provided and regularly reviewed by the OECD.

DAC4 / DAC9

Removing of the annual reporting requirement under DAC 4

The removal of the annual reporting requirement under DAC 4 and its replacement with a more targeted requirement would be a welcome simplification. We understand and support the rationale behind these reporting requirements in the fight against tax evasion, nevertheless, these requirements remain an administrative burden and a cost for the financial intermediaries concerned. Any simplification that does not undermine the objectives for which these reporting requirements were introduced would therefore be useful.

Combining the notifications for the purposes of DAC4 and P2D

In principle, combining DAC4 and P2D notifications could be a useful streamlining measure. However, we note that the procedures and formalities relating to P2D have only recently been issued by most Member States and, as a result, stakeholders and other interested parties may not yet be in a position to comment on the benefits and usefulness of combining these two notifications.

Merging the two reporting schemas under DAC4 and DAC9

As with notification, merging DAC4 and P2D reports could, in principle, be a useful streamlining measure. However, before changing processes that work well and introducing new ones that will deliver long-term savings, it is important to bear in mind that any change will involve new deployment costs and time for business analysis. We therefore recommend that a specific assessment be carried out for any proposed changes in this regard as well.

DAC 6

Longer deadlines to report an arrangement

The current reporting deadline is extremely short and ALFI strongly supports extending this deadline to 90 days or more.

In that context, in order to introduce further streamlining, it would also be relevant to consider:

- extending the deadline for the notification to other intermediaries (to 45 days or even longer) to allow sufficient time for other intermediaries /taxpayers to report within the applicable deadline; and

- revising the starting point of the notification/reporting period from the date on which *“the reportable cross-border arrangement is ready to be implemented”* to the date on which the reportable cross-border arrangement is actually implemented in practice. This is due to the fact that the start date of the reporting period may sometimes occur before the intermediary is even aware of the reporting obligation.

This would avoid the reporting of cross-border arrangements that have never been implemented in practice, thereby also ensuring that tax authorities only receive relevant information.

We would also like to emphasize that compliance with DAC 6 is much more complex than simple reporting/notification. Intermediaries (and taxpayers in some cases) must review each cross-border arrangement, maintain assessment records, and ensure internal coordination by intermediaries subject to reporting obligations. This complexity makes DAC 6 an extremely costly measure, with often very high penalties for non-compliance. It should therefore be assessed whether the benefits actually outweigh the costs of operating the system at all levels, for taxpayers, intermediaries, tax authorities, and the EU.

Outcome of the DAC evaluation on the Main benefit test (MBT) and the connected hallmarks A1, A2 and A3

We do agree that hallmarks A are difficult to apply and create significant administrative burden due to their inherent complexity and divergent interpretations across Member States. However, we also believe that this can hold true for most of all other hallmarks as well, as they are formulated in broad terms and leave ample room for interpretation by intermediaries, taxpayers, tax authorities and across Member States. When it comes to Hallmarks A (and those to which the main benefit test also applies), the MBT acts as a filter and prevents mass reporting of arrangements that are not harmful. For example, in the investment fund sector, many documents are “standardized” in the sense that they must comply with strict regulatory requirements that ensure appropriate information is provided to investors, particularly retail investors. Without the MBT, what is designed as an investor protection measure would end up being classified as a potentially harmful cross-border arrangement.

ALFI believes that, more than the hallmarks, the complexity of DAC 6 stems from how it works and the allocation of roles to intermediaries and taxpayers, which cause confusion as to what is expected of the various actors in the process. In addition, compared to other DACs, such as DAC 2 which is mainly data driven and for which the information to be reported is clearly identified/identifiable, under DAC 6, the information to be reported leaves much to the judgment and interpretation of stakeholders who are often not tax experts.

Issues with application of any other hallmarks

As mentioned above, in our view, the hallmarks are worded in general terms that allow for interpretation and that Member States do not interpret them in a consistent and harmonized manner. This has led, particularly in order to avoid often significant penalties, to the reporting of genuine arrangements that did not constitute aggressive tax planning and were not even motivated by tax considerations, and which DAC 6 was therefore not intended to cover. As an example, the liquidation of entities that, in practice, results in a transfer of assets, very often falls within the scope of Hallmark E3.

ALFI believes that the transposition of Directive (EU) 2022/2523 of December 14, 2022, aimed at ensuring a minimum global level of taxation for multinational enterprise groups and large domestic groups in the EU, should lead to a reconsideration of some of the hallmarks, as it addresses some of the issues that DAC 6 initially sought to address or has rendered some of the hallmarks obsolete. With this in mind, any potential revision of the hallmarks should be carried out taking into account all existing directives aimed at combating tax avoidance, including ATAD. Such an approach would avoid duplication, and bring about much-needed simplification and streamlining, thereby reducing costs.

Streamlining reporting under DAC 6

In the light of the above considerations (complexity, allocation of roles between intermediaries and taxpayers...) we would recommend to have taxpayers as a principal reporting subjects and intermediaries as secondary ones as taxpayers are better placed than intermediaries to have knowledge on whether a reportable arrangement has actually taken place or if the conditions of certain hallmarks are actually met (e.g. the impact on EBIT).

We also note that when transposing DAC 6, the role of secondary intermediaries in DAC 6 reporting has not been implemented in a consistent and harmonized manner by Member States across the EU. This aspect should be reviewed to ensure simplification and a level playing field.

We are grateful in advance for your attention and remain at your disposal for any additional information or assistance you may wish to receive.

Sincerely yours,

ALFI

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

* Surname

ALFI

* Email (this won't be published)

info@alfi.lu

* Organisation name

255 character(s) maximum

ALFI - Association of the Luxembourg Fund Industry

* 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.

6182372280-83

* 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.

- Afghanistan
- Åland Islands
- Albania
- Algeria
- American Samoa
- Djibouti
- Dominica
- Dominican Republic
- Ecuador
- Egypt
- Libya
- Liechtenstein
- Lithuania
- Luxembourg
- Macau
- Saint Martin
- Saint Pierre and Miquelon
- Saint Vincent and the Grenadines
- Samoa
- San Marino

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

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

The Commission will publish all contributions to this public consultation. You can choose whether you would prefer to have your details published or to remain anonymous when your contribution is published. **For the purpose of transparency, the type of respondent (for example, 'business association', 'consumer association', 'EU citizen') country of origin, organisation name and size, and its transparency register number, are always published. Your e-mail address will never be published.** Opt in to select the privacy option that best suits you. Privacy options default based on the type of respondent selected

* Contribution publication privacy settings

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.

I agree with the [personal data protection provisions](#)

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?

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)					
Recurrent costs					

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 no available, please provide a range.

	Quantification
One-off cost	
Recurrent annual cost	

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?

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)					
Recurrent costs					

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 no available, please provide a range.

	Quantification
One-off cost	
Recurrent annual cost	

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 no available, please provide a range.

	Quantification
One-off cost savings	
Recurrent annual cost savings	

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?

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)					
Recurrent costs					

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	
Recurrent annual cost	

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)					
Recurrent costs					

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	
Recurrent annual cost	

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	
Recurrent annual cost	

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	
Recurrent annual cost savings	

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 reporting deadline is extremely short and ALFI strongly supports extending this deadline to 90 days or more.

In that context, in order to introduce further streamlining, it would also be relevant to consider:

- extending the deadline for the notification to other intermediaries (to 45 days or even longer) to allow sufficient time for other intermediaries /taxpayers to report within the applicable deadline; and
- revising the starting point of the notification/reporting period from the date on which “the reportable cross-border arrangement is ready to be implemented” to the date on which the reportable cross-border arrangement is actually implemented in practice. This is due to the fact that the start date of the reporting period may sometimes occur before the intermediary is even aware of the reporting obligation.

This would avoid the reporting of cross-border arrangements that have never been implemented in practice, thereby also ensuring that tax authorities only receive relevant information.

We would also like to emphasize that compliance with DAC 6 is much more complex than simple reporting /notification. Intermediaries (and taxpayers in some cases) must review each cross-border arrangement, maintain assessment records, and ensure internal coordination by intermediaries subject to reporting obligations. This complexity makes DAC 6 an extremely costly measure, with often very high penalties for non-compliance. It should therefore be assessed whether the benefits actually outweigh the costs of operating the system at all levels, for taxpayers, intermediaries, tax authorities, and the EU.

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					
Recurrent costs					

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	
Recurrent cost	

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					
Recurrent costs					

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	
Recurrent cost	

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 do agree that hallmarks A are difficult to apply and create significant administrative burden due to their inherent complexity and divergent interpretations across Member States. However, we also believe that this can hold true for most of all other hallmarks as well, as they are formulated in broad terms and leave ample room for interpretation by intermediaries, taxpayers, tax authorities and across Member States. When it comes to Hallmarks A (and those to which the main benefit test also applies), the MBT acts as a filter and prevents mass reporting of arrangements that are not harmful. For example, in the investment fund sector, many documents are “standardized” in the sense that they must comply with strict regulatory requirements that ensure appropriate information is provided to investors, particularly retail investors. Without the MBT, what is designed as an investor protection measure would end up being classified as a potentially harmful cross-border arrangement.

ALFI believes that, more than the hallmarks, the complexity of DAC 6 stems from how it works and the allocation of roles to intermediaries and taxpayers, which cause confusion as to what is expected of the various actors in the process. In addition, compared to other DACs, such as DAC 2 which is mainly data driven and for which the information to be reported is clearly identified/identifiable, under DAC 6, the information to be reported leaves much to the judgment and interpretation of stakeholders who are often not tax experts.

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					
Recurrent costs					

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	
Recurrent annual cost	

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 type="radio"/>	<input type="radio"/>
B2 - conversion of income into capital	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B3 - circular / round tripping transaction	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C1a) Cross-border deductible payment - non-resident recipient	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C1b) i - no CIT (Corporate Income Tax)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C1b) ii - non-cooperative jurisdiction	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C1c) - full exemption of benefits	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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

Please explain the reply

As mentioned above, in our view, the hallmarks are worded in general terms that allow for interpretation and that Member States do not interpret them in a consistent and harmonized manner. This has led, particularly in order to avoid often significant penalties, to the reporting of genuine arrangements that did not constitute aggressive tax planning and were not even motivated by tax considerations, and which DAC 6 was therefore not intended to cover. As an example, the liquidation of entities that, in practice, results in a transfer of assets, very often falls within the scope of Hallmark E3.

ALFI believes that the transposition of Directive (EU) 2022/2523 of December 14, 2022, aimed at ensuring a minimum global level of taxation for multinational enterprise groups and large domestic groups in the EU, should lead to a reconsideration of some of the hallmarks, as it addresses some of the issues that DAC 6 initially sought to address or has rendered some of the hallmarks obsolete. With this in mind, any potential revision of the hallmarks should be carried out taking into account all existing directives aimed at combating tax avoidance, including ATAD. Such an approach would avoid duplication, and bring about much-needed simplification and streamlining, thereby reducing costs.

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

In the light of the above considerations (complexity, allocation of roles between intermediaries and taxpayers...) we would recommend to have taxpayers as a principal reporting subjects and intermediaries as secondary ones as taxpayers are better placed than intermediaries to have knowledge on whether a reportable arrangement has actually taken place or if the conditions of certain hallmarks are actually met (e.g. the impact on EBIT).

We also note that when transposing DAC 6, the role of secondary intermediaries in DAC 6 reporting has not been implemented in a consistent and harmonized manner by Member States across the EU. This aspect should be reviewed to ensure simplification and a level playing field.

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?

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					
Recurrent costs					

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	
Recurrent annual cost	

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?

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

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Contact

Katarina.ZNIDARSIC@ec.europa.eu