

Overview – EU mandatory disclosure rules (DAC6)

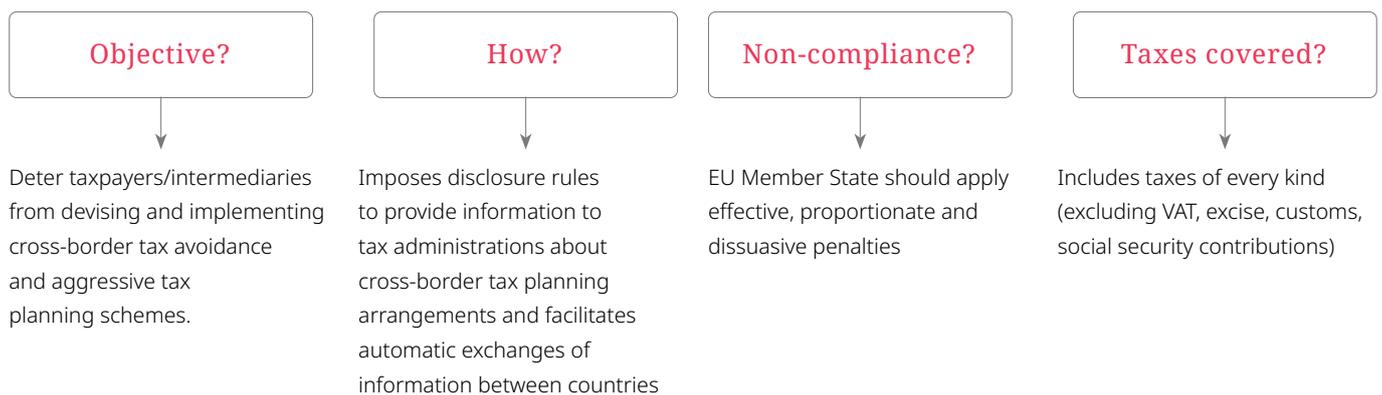
The EU Directive on Mandatory Disclosure Rules “Directive” that entered into force on 25 June 2018, has been implemented by the UK and EU Member States. The implementation of the Directive is expected to become effective from 1 July, 2020, making it obligatory for intermediaries and taxpayers, as the case may be, to file information with respect to cross-border arrangements which exhibit certain tax features (known as ‘hallmarks’).

The Directive will apply to all arrangements the first step of which was implemented on or after 25 June 2018. In terms of its geographical extent, the Directive applies whenever, in the context of an arrangement, there is an EU connection.

While the scheme of the Directive is to cast the initial obligation to report on the intermediaries, such as DLA Piper, there are possible exceptions and exemptions that may apply. Where an intermediary is exempt from filing (e.g. due to legal professional privilege),

the reporting obligation will lie with the taxpayer. In this context, our clients may have DAC6 compliance obligations by default.

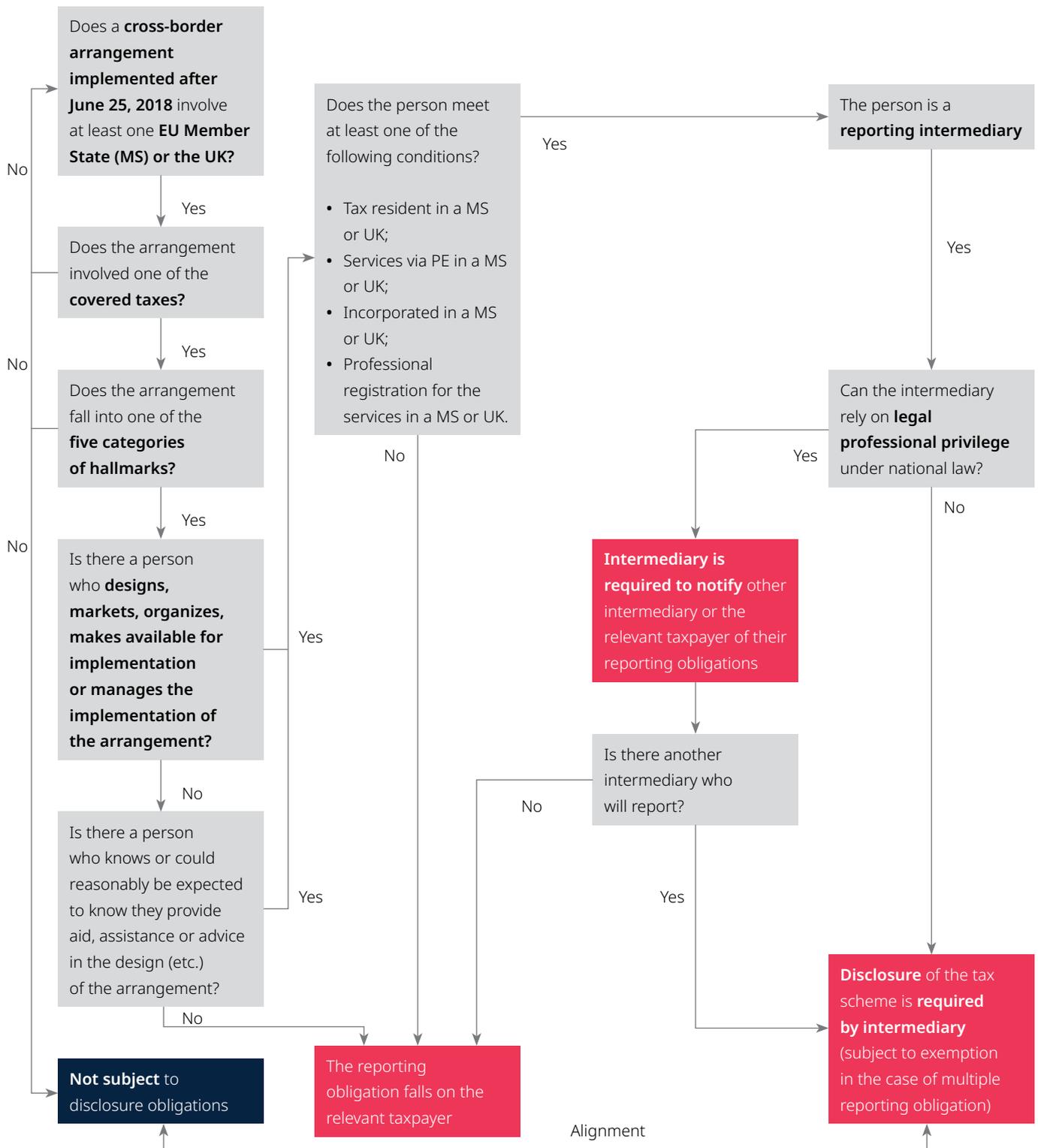
At the moment, there is a lot of uncertainty with respect to the application/interpretation of the Directive. Failure to comply can result in penalties. The Tax Group has been advising some of our clients and their key decision makers on the various steps they may need to follow to determine the applicability of the Directive and to engage in follow-up action to address their default DAC6 obligations.



Critical timelines in EU mandatory disclosure rules



Determining compliance obligation



How we can help

DLA Piper is a global law firm with lawyers located in more than 40 countries throughout the Americas, Europe, the Middle East, Africa and Asia Pacific, positioning us to help clients with their legal needs around the world.

If you would like further information or a free consultation with one of our Tax experts (for up to 2 hours) on EU Mandatory Disclosure Rules (MDRs), please fill in and submit [the following form](#), speak to your lead tax partner or email tax@dlapiper.com to find out more.