

To: All Finance Ministers in the EU and the UK

Mr Philip Kermode, acting Director General
Directorate-General for Taxation and
Customs Union

23 June 2020

Re: Postponement of DAC 6 application deadline

Dear Finance Ministers,

Dear Mr Kermode,

The undersigned associations¹ are writing to you regarding the decision taken by member states to defer the DAC 6 application deadline. We applaud the European Commission's role in pro-actively putting this important issue on the agenda several weeks ago, and thank ambassadors and Fiscal Attachés for agreeing on the compromise text at such short notice.

While we welcome the decision to address the looming practical impediments and implementation challenges, which many of our members across Europe would have faced in the absence of a deferral, we took note of the optionality enshrined in the agreement between member states last week. This optionality increases the risk of a heterogeneous implementation landscape, which would create further challenges for our members operating in multiple European jurisdictions. This approach risks undermining the benefit of deferral for both - reporting institutions and tax authorities.

For example, DAC 6 expressly exempts intermediaries and taxpayers from reporting information that has already been reported in another member state. This approach should lead to a single report being made by the prime intermediary. If that intermediary is located in a jurisdiction that defers the start date, other intermediaries, located in other jurisdictions that do not defer the start date will now be required to report. This will add unintended but significant compliance costs and administrative burdens to reporting institutions whilst providing no additional benefit to member state tax authorities.

We note that Recital 5 to the Directive states that ***"This situation requires an urgent and, to the extent possible, coordinated response within the Union."*** To allow tax authorities and businesses (all currently focusing their full attention on the Covid-19 crisis) to prepare for the new reporting deadline, **we urge all member states to make full use of the deferral option and encourage all tax authorities to work in a coordinated manner on detailed guidance in the field of DAC6.**

We hope, that the European Commission can continue to play an active role in encouraging all member states to closely coordinate on the matter of the application deadline to reduce the risk of creating a highly complex and heterogenous reporting landscape amidst this crisis and recovery efforts.

We thank you for your consideration and look forward to working with you on this important issue. Naturally, we remain at your disposal for any questions you may have.

Yours sincerely,

Paul Hale
Managing Director,
Global Head of Tax
Affairs, AIMA, on behalf
of **ACC**

Adam Farkas
Chief Executive, **AFME**

Paul Hale
Managing Director,
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Wim Mijs
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Tanguy van de Werve
Secretary General,
EFAMA

Bertrand de Saint Mars
AMAFI Chief Executive,
on behalf of **EFSA**

Chris De Noose
Managing Director,
ESBG

Michaela Koller
Director general,
Insurance Europe

Eric de Montgolfier
Chief Executive
Officer, **Invest
Europe**

¹ More information about each association is in the Annex.



Annex – Information about signatory organisations

ACC (the Alternative Credit Council) is an affiliate of AIMA which was established to assist firms focused in the private credit and direct lending space. The ACC currently represents over 170 members that manage over \$400bn of private credit assets.

AFME (the Association for Financial Markets in Europe) is the voice of all Europe's wholesale financial markets, providing expertise across a broad range of regulatory and capital markets issues. It represents the leading global and European banks and other significant capital market players. AFME advocates for deep and integrated European capital markets which serve the needs of companies and investors, supporting economic growth and benefiting society.

AIMA (the Alternative Investment Management Association) is the global representative of the alternative investment industry, with more than 1,900 corporate members in over 60 countries. AIMA's fund manager members collectively manage more than \$2 trillion in assets.

EACB (The European Association of Co-operative Banks) represents, promotes and defends the common interests of its 27 member institutions and of cooperative banks, with regard to banking as well as to co-operative legislation.

EBF (the European Banking Federation) is the voice of the European banking sector, bringing together 32 national banking associations in Europe that together represent a significant majority of all banking assets in Europe, with 3,500 banks - large and small, wholesale and retail, local and international – while employing approximately two million people. EBF members represent banks that make available loans to the European economy in excess of €20 trillion and that reliably handle more than 400 million payment transactions per day. Launched in 1960, the EBF is committed to a single market for financial services in the European Union and to supporting policies that foster economic growth.

EFAMA (the European Fund and Asset Management Association) is the voice of the European investment management industry, representing 28 member associations, 59 corporate members and 23 associate members. At end Q3 2019, total net assets of European investment funds reached EUR 17.2 trillion. These assets were managed by more than 62,500 investment funds, of which almost 34,000 were UCITS (Undertakings for Collective Investments in Transferable Securities) funds, with the remaining funds composed of AIFs (Alternative Investment Funds).

EFSA (the European Forum of Securities Associations) was created in 2007 and gathers AFME (The Association for financial markets in Europe), AMAFI (The French Financial Markets Association), AMF (Asociacion de Mercados financieros), ASSOSIM (The Italian financial markets association), BWF (Bundesverband der Wertpapierfirmen), DSDA (The Danish Securities Dealers Association), Febelfin (The Association representing Belgian financial institutions), IDM (The Polish Securities Dealers Association) and SSDA (The Swedish Securities Dealers Association).

ESBG (European Savings and Retail Banking Group) represents the locally focused European banking sector, helping savings and retail banks in 21 European countries strengthen their unique approach that focuses on providing service to local communities and boosting SMEs. An advocate for a proportionate approach to banking rules, ESBG unites at EU level some 900 banks, which together employ more than 650,000 people driven to innovate at roughly 50,000 outlets. ESBG members have total assets of €5.3 trillion, provide €1 trillion in corporate loans (including to SMEs), and serve 150 million Europeans seeking retail banking services.

Insurance Europe is the European insurance and reinsurance federation. Through its 37 member bodies — the national insurance associations — Insurance Europe represents all types of insurance and reinsurance undertakings, e.g. pan-European companies, monoliners, mutuals and SMEs. Insurance Europe, which is based in Brussels, represents undertakings that account for around 95% of total European premium income. Insurance makes a major contribution to Europe's economic growth and development. European insurers pay out almost €1 100bn annually — or €2.9bn a day — in claims, directly employ over 900 000 people and invest nearly €10 200bn in the economy.

Invest Europe is the world's largest association of private capital providers. We represent Europe's private equity, venture capital and infrastructure investment firms, as well as their investors, including some of Europe's largest pension funds and insurers. Invest Europe's members take a long-term approach to investing in privately-held companies, from start-ups to established firms. They inject not only capital but dynamism, innovation and expertise. This commitment helps create healthy and sustainable companies across Europe, securing millions of jobs and delivering strong returns for leading pension funds and insurers whose members depend on them for their retirements.