

European Commission
DG Taxation and Customs Union
## EU framework for Administrative Cooperation

### DAC1
- **(Dir. 2011/16, except Art. 8)**
  - New framework and tools *(incl. removal of banking secrecy)* for administrative cooperation and, in particular, new provisions for:
    - **Exchanges on request**
    - **Spontaneous exchanges**

### DAC1 (AEOI)
- **(Dir. 2011/16, Art. 8)**
  - Automatic exchange of information on 5 non-financial categories:
    - Income from employment
    - Director’s fees
    - Pensions
    - Life insurance products
    - Immovable property (income and ownership)

### DAC2
- **(Dir. 2014/107)**
  - Automatic exchange of information on financial account information:
    - Interests, dividends or other income generated
    - Gross proceeds from sale or redemption
    - Account balances

### DAC3
- **(Dir. 2015/2376)**
  - Automatic exchange (using a central directory as from 1.2018) of:
    - Advance cross-border rulings
    - Advance pricing arrangements

### DAC4
- **(Dir. 2016/881)**
  - Country-by-country reporting on certain financial information:
    - Revenues
    - Profits
    - Taxes paid and accrued
    - Accumulated earnings
    - Number of employees
    - Certain assets
DAC5 – The proposal

• **MS tax administrations shall have access to beneficial ownership information held by obliged entities and registries collected under AML legislation**

• **Rationale behind the proposal**
  • Identification of beneficial owners behind intermediary entities key in the fight against tax fraud and evasion
  • Uneven access to beneficial ownership information by tax authorities within the EU

 Council Proposal amending Directive 2011/16/EU
## Access to:

<table>
<thead>
<tr>
<th>AMLD provision</th>
<th>explanation</th>
<th>4AMLD</th>
<th>Impact of the 4AMLD proposal</th>
</tr>
</thead>
<tbody>
<tr>
<td>13</td>
<td>Customer due diligence measures</td>
<td>✔</td>
<td>Enhanced to include electronic identification means</td>
</tr>
<tr>
<td>30</td>
<td>Information held on registries of BO – entities, trusts and other similar legal arrangements</td>
<td>✔</td>
<td>Access</td>
</tr>
<tr>
<td>31</td>
<td></td>
<td>✔</td>
<td>Registration Access</td>
</tr>
<tr>
<td>32a</td>
<td>Access to mechanisms on BO of bank accounts</td>
<td>✗</td>
<td>New</td>
</tr>
<tr>
<td>40</td>
<td>Documents and information on the customer due diligence and evidence/records of transactions</td>
<td>✔</td>
<td>Enhanced to include electronic identification means</td>
</tr>
</tbody>
</table>
DAC – the basics

Audits, Monitor compliance
"Look-through" for Controlling Persons

- Corresponds to "beneficial owner" in the Financial Action Task Force Recommendations
- Look-through the entity to identify the natural person(s) who exercises control over the entity
  - For entities: control or ownership interest (often interpreted as >25% ownership)
  - For trusts (and equivalent): settlor(s), trustee(s), protector(s), beneficiary(ies) and other natural person(s) exercising effective control over the trust
Exchange of information on request

• **Pre-requisites**
  • National sources have been exhausted
  • No obligation to collect information if contrary to national law
  • Foreseeably relevant information for tax purposes
  • Use of information for tax – purpose limitation
  • Secrecy requirements

• **Follow-up requests to exchanges resulting from automatic exchange of information would fall into this scope**