

DAC6 Reporting update

18th June 2020

The Tax Administration has published on its website an update on the transposition of Directive 2018/822/EU (DAC6) which expands the automatic exchange of information for tax purposes with information on the so-called reportable cross-border arrangements into the Czech legal system ([HERE](#)).

The Tax Administration informs that due to a delay of the approval process of the relevant transposition amendment ([Act No. 164/2013 Coll. on international cooperation in tax administration](#)) in the Parliament, it is expected that the transposition amendment will become effective during September and not on 1 July 2020 (which is the date as of which the new amendment made in accordance with the DAC6 should be applied).

Due to similar delays in the implementation of this amendment which have occurred in a number of other EU Member States due to impacts of the COVID-19 pandemic, the Council of EU has already prepared a draft amendment to Directive 2011/16/EU, which postpones, among others, the deadlines for the notification/reporting under the DAC6 by approximately 6 months (the "COVID-19 DAC"). This directive is expected to be passed at the EU level by the end of June.

The Ministry of Finance has responded to this situation by expanding the tax laws (the so-called anti-crisis package) with a draft authorising provision to Act No. 164/2013 Coll. Based on such provision, the Government will be authorised to implement, by means of a government regulation, the postponement of deadlines (only under and to the extent of the relevant EU legal regulation). [This amendment](#) has been just approved in the second reading by the Chamber of Deputies.

In its notice, the Tax Administration stresses that according to the authorising provision the government regulation may postpone only the deadlines for fulfilment of duties. The government regulation will not affect the scope or content of the duties set forth in the original transposition amendment. According to the Tax Administration, if the COVID-19 DAC is approved in its current wording, the notification duty should be fulfilled in relation to the following:

- ▶ any cross-border arrangements the first step whereof was taken in the period from 25 June 2018 until 30 June 2020 (inclusive), by 28 February 2021 at the latest,
- ▶ any cross-border arrangements that were disclosed or prepared for implementation or where the first step was taken, in the period from 1 July 2020 until 31 December 2020 (inclusive), by 30 January 2021 at the latest,
- ▶ any cross-border arrangements that were disclosed or prepared for implementation or where the first step was taken, in the period from 1 January 2021, not later than within 30 days of the occurrence of such relevant fact.

We will continue monitoring this area.

Should you have any questions please contact your favourite tax advisor.



René Kulínský

rene.kulinsky@cz.ey.com
+420 731 627 006



Karel Hronek

karel.hronek@cz.ey.com
+420 731 627 065