

Taxation - administrative cooperation: deferral of certain deadlines for the filing and exchanging of information in the field of taxation due to the COVID-19 pandemic

2020/0081(CNS) - 08/05/2020 - Legislative proposal

PURPOSE: to address the urgent need to extend certain time limits for filing and exchange of information in the area of taxation due to the COVID-19 pandemic.

PROPOSED ACT: Council Directive.

ROLE OF THE EUROPEAN PARLIAMENT: the Council adopts the act after consulting the European Parliament but without being obliged to follow its opinion.

BACKGROUND: the lockdown measures imposed by Member States to help contain the COVID-19 pandemic have an important disruptive effect on the capacity of businesses and tax administrations to carry out some of their obligations under [Council Directive 2011/16/EU](#) on administrative cooperation in the field of taxation.

In the light of these unprecedented circumstances, a number of Member States and persons liable to report to the competent information under Directive 2011/16/EU have requested the deferral of certain time limits laid down in that Directive for automatic exchanges of information on financial accounts of which the beneficiaries are tax resident in another Member State, as well as on reportable cross-border arrangements included in the Hallmarks listed in Annex IV to that Directive.

Financial institutions are currently faced with urgent tasks related to COVID-19. The severe disruption caused by the pandemic is hampering the timely compliance of financial institutions and of the persons who are liable to report cross-border arrangements and negatively affects the capacity of Member States' tax administrations to collect and process the data.

This situation requires an urgent and coordinated response within the Union and where relevant at global level.

CONTENT: the proposal consists of amending existing provisions of Directive 2011/16/EU in order to address the urgent need for deferring certain time limits for the filing and exchange of information in the field of taxation due to the

COVID-19 pandemic.

The proposed measures consist of:

- extending by three months, until 31 December 2020, the time limit for the exchange of information on financial accounts of which the beneficiaries are tax residents in another Member State and who are liable to report information to the competent authorities;

- postponing the date for the first exchange of information on reportable cross-border arrangements that feature in Annex IV to Council Directive 2011/16/EU from 31 October 2020 to 31 January 2021;
- postponing from 1 July 2020 to 1 October 2020 the starting date of the 30-day period for reporting cross-border arrangements which are included in Hallmarks listed in Annex IV to [Council Directive 2018/822/EU](#) from 1 July 2020 to 1 October 2020;
- extending the date for the reporting of the ‘historical’ cross-border arrangements (i.e. arrangements that became reportable from 25 June 2018 to 30 June 2020) from 31 August 2020 to 30 November 2020.

The aim of the proposal is to address an exceptional situation without disrupting the existing structure and functioning of Directive 2011/16/EU. Therefore, it is foreseen to limit the deferral to a duration that is proportionate to the difficulties caused by the COVID-19 pandemic for filing and exchanging information.

The proposal provides for the possibility of a single extension of the deferral period for filing and information exchange. The Commission should be empowered to grant this extension by means of delegated acts.