



Mr Paolo Gentiloni

European Commissioner for Economy
European Commission
Rue de La Loi 200
1049 Brussels

27 April 2020

Dear Commissioner,

The Covid-19 outbreak is an unprecedented situation, with repercussions in all aspects of day-to-day business operations. Exceptional tax measures put in place in member states, such as tax deferrals, are playing an essential role in protecting businesses and jobs. Action at member states-level continues to be supported at an EU level by a rapid and wide-ranging response, and I wanted to thank you personally for your contribution to this important work.

There is one particular issue under your responsibility that continues to concern businesses across the EU, and for which I believe a solution can quickly be put in place that can help our companies focus on the immediate challenge of protecting output and jobs: I refer specifically to the fifth revision of the **Directive on Administrative Cooperation (DAC6)**, which is due to be implemented soon. Under DAC6, EU-businesses can be required under certain circumstances to report any cross-border tax arrangements to their national tax authority on 1 July 2020 under a standardized format.

BusinessEurope continues to support the European Commission's fight against tax fraud and the goals and framework of the DAC6, which we have never objected to, and which remain an important part of this fight. However, as you will appreciate, lockdown measures and home office restrictions mean many businesses' tax departments are restricted in accessing their businesses' tax data, and where they are able to operate, are heavily occupied with responding to the consequences of the crisis, including the administration of government support schemes (tax deferrals, VAT-refunds, etc). At the same time, national tax administrations are undertaking extraordinary efforts to ensure such measures are rapidly put in place, and in these circumstances, it is understandable that many have not been able to provide clear guidance on the exact details and requirements of the DAC6.

I hope you share my concerns that our immediate focus should be on enabling as many EU businesses as possible to survive the crisis, protecting jobs and social cohesion. At the same time, we need to ensure that the DAC6 plays as full a role as possible in the fight against tax fraud and evasion. A hurried implementation of the directive without proper guidance, risks businesses sending unclear responses to tax authorities, undermining both the effectiveness of the directive, as well as creating unnecessary legal and reputational risks for businesses.



We therefore call on the European Commission to urgently find a way to provide flexibility on the implementation date of this directive to member states, providing sufficient time to both national tax authorities and businesses to adequately overcome the persistent disruptions the crisis is causing to their daily operations. I believe this would be invaluable in allowing everyone to continue to focus on the urgent challenges this devastating virus has created.

My staff and I remain at your disposal to discuss any aspects of this issue in more detail.

Yours sincerely,

Markus J. Beyrer