

## BACKGROUND TO THE DAC DIRECTIVE

The first DAC Directive (**DAC1**) provided for the automatic exchange of information between Member States on five categories of predefined income and capital: income from employment, directors' fees, certain life insurance products, pensions, and ownership of and income from immovable property. This automatic exchange started 1st January 2015.

In December 2014, the Council adopted the first amendment to the Directive (**DAC2**). This amendment broadened the scope of automatic exchange of information to cover financial accounts, introducing in the EU framework the OECD Common Reporting Standard (CRS). The adoption of DAC2 led to a repeal of the Savings Directive, the instrument which was previously used by Member States to automatically exchange information on private savings income.

In December 2015, the Council adopted the second amendment to the Directive (**DAC3**). Again, as in the case of DAC2, the scope of automatic exchange of information was expanded, this time to include the automatic exchange of advance cross-border rulings and advance pricing arrangements.

In May 2015, the Council adopted the fourth amendment to the Directive (**DAC4**). This amendment further broadened the scope of the automatic exchange of information by adding exchanges of country-by-country reports of multinational enterprises to the scope of such information exchange.

Subsequently **DAC5** and **DAC6** were adopted.

**DAC5** introduced (as of 1 January 2018) a legal obligation for Member States to grant tax administrations access to beneficial ownership information as collected under the Anti Money Laundering framework.

**DAC 6**, effective in July 2020 broadened once more the scope of automatic exchange of information to include information on tax planning cross-border arrangements and introduced mandatory disclosure rules for intermediaries.