

21 MAR 2020

Luxembourg law implementing the DAC 6 Directive published today 26 March 2019

Luxembourg
DAC 6
International tax arrangements
Compliance
Reporting

The law voted on 21 March 2020 by the Luxembourg Parliament implements Council Directive (EU) 2018/822 of 25 May 2018 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation in relation to reportable cross-border arrangements. The law imposes certain reporting obligations applicable to intermediaries (such as banks, accounting firms, tax advisers, corporate service providers etc ...) regarding international potentially aggressive tax arrangements - if certain hallmarks are fulfilled.

However, the benefit of the client attorney privilege remains applicable to Luxembourg attorneys. A report on the transaction has to be filed with the local tax authorities.

If the intermediaries are not required to make a filing, the taxpayer has to undertake the disclosure himself.

The Law is applicable as from 1 July 2020, but information regarding reportable arrangements undertaken as from 25 June 2018 must be reported (deadline: 31 August 2020).

Non-compliance may result in penalties of up to EUR 250,000 per law infringement.

We are at your disposal for any assistance.