

Stephen Quest
Director General
Directorate-General for Taxation and Customs Union
Rue Joseph II 79
1000 Brussels
Belgium

31. March 2020

Re: Postponement of DAC 6 application deadline

Dear Mr Quest,

Europe's private equity and venture capital industry is, as many others, closely following the severe health crisis and its dramatic implications for people and businesses across Europe.

We welcome the initiatives that have already been taken by the European Commission to mitigate the inevitable and immediate impact which the Covid-19 pandemic will have on SMEs and on larger companies across Europe, alongside the private equity and venture capital funds that support them.

From July 2020 onwards, a significant amount of cross-border transactions need to be reported to national tax administrations under the EU's DAC 6 rules. Our members and the many companies they are invested in - about 80% of which are SMEs - have been working diligently to meet the compliance deadline. However, this effort is significantly impacted by the ongoing Covid-19 pandemic and the primary focus has understandably shifted towards ensuring business continuity and survival. Even in a scenario where the immediate crisis is under control by July 2020, businesses and funds will need to concentrate all efforts on helping the European economy to recover.

We therefore do not believe it to be practicable or helpful to introduce major new reporting obligations amidst this unprecedented pandemic. On the contrary, we are deeply concerned that the wide-ranging operational disruptions - from people to systems - pose a significant challenge in terms of the ability of businesses and funds to comply with the new obligations in time.

For this reason, we respectfully call upon the European Commission to recommend to Member States the postponement of the new reporting obligations. Since the duration and overall impact of the current crisis is impossible to predict at this point, we suggest that a new timeline/deadline should be considered at a later stage.

We thank you for your consideration and look forward to working with you on this important issue. Naturally, we remain at your disposal for any questions you may have.

Your sincerely,



Martin Bresson
Invest Europe Public Affairs Director