

Impact of DAC6 on the asset management industry

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Are you prepared for the new mandatory reporting regime?

From July 2020, certain cross-border transactions need to be reported to the tax authorities under the European Union's DAC6 regulation. Do you have the governance and technology framework in place to comply?

What is the regulation about?

- As of 2020 certain cross-border arrangements must be reported to the tax authorities by taxpayers and/or their advisers (intermediaries).
- The reported information is shared between the tax authorities of all EU member states via the EU's common communication network.
- The arrangements are reportable if they fall within certain hallmarks. These hallmarks are very broadly defined and will capture a wide range of transactions within the Asset Management industry.

Who has to report?

- The primary responsibility for disclosure rests with an EU intermediary (e.g. tax adviser, lawyer, asset manager) who designs, markets, organises or makes available for implementation or manages the implementation of a reportable cross-border arrangement.
- If there is no intermediary involved who is resident in an EU member state, then the **taxpayers** themselves must report.

When to report?

- Generally, reporting must occur within a 30-day period from the earliest date of the arrangement being made available or being ready for implementation, or the first step of implementation being made (effective from **1 July 2020**).
- **Reporting obligations** already exist for reportable arrangements that are implemented after 25 June 2018 and before 30 June 2020 (due on **31 August 2020**).
- **Exception:** New mandatory disclosure rules implemented in Poland since **1 January 2019**.

What is happening in the asset management industry?

- **EFAMA** has provided two responses to the European Commission regarding the key concerns of the European investment management industry ([click here](#)).
- Some of the key topics submitted in those documents relate to requests for clarifications of the concepts of "intermediaries" and "taxpayers" in the context of the investment management industry, as well as more practical guidance as to what constitutes "proof of reporting".



How PwC can help you

Our team combines experts in the asset management industry with a holistic view of the impacts to your tax function, people, processes, data and technology. Bringing together these specialists enables us to assist you with an assessment in order to help you understand the new rules, implement effective controls, identify and report disclosable events, and engage with your business partners and clients to minimise disruption to your daily operations.

Four key topics for the asset management industry



Interaction with other regulations

DAC6 is just one aspect of tax transparency regulations. A holistic approach to consider DAC6 in the context of ATAD II, BEPS and other regulations is required to fully appreciate the impact on investment returns.



Fund manager as an intermediary

In many asset management structures, the fund manager, general partner or fund administrator will manage the relevant funds. Such a manager / GP may qualify as an intermediary under DAC6 with associated reporting obligations.



Hallmarks to consider for fund structures

The hallmark related to cross-border interest deductions could impact a lot of fund structures. UCITS funds may be impacted by the hallmarks related to standardised documentation.



Monitoring of local regulations

The importance of the fund industry in certain EU member states may lead to some divergence in terms of implementation of the directive. It is important to monitor such local laws and guidance to stay informed.