

Questions and answers on DAC6

1. What is DAC6?

DAC6 (Directive 2018/822) is the 6th Directive of Administrative Cooperation developed by the Council of the European Union. It came into effect on 1 July 2020. Under DAC6, intermediaries (mainly tax advisors, but it could also apply to financial institutions) are obliged to identify and report certain cross-border arrangements to local tax authorities within 30 days after the arrangement is implemented. These are arrangements (e.g. a deal, product or transaction) involving parties in different countries that could possibly be used to avoid taxation.

2. What makes an arrangement reportable?

DAC6 has defined several hallmarks, or characteristics, that could indicate a potential risk of aggressive tax avoidance. If a cross-border arrangement has one or more of these hallmarks, it has to be reported. It is relevant to note that for some of the hallmarks there is only a reporting obligation if the main benefit of the arrangement, or one of its main benefits, is a tax benefit.

3. What is ING's role in reporting cross-border arrangements?

In most cases the primary intermediary (usually the tax advisor) reports the cross-border arrangement to the local tax authorities. Once reported, the primary intermediary (or the customer) must share the unique ID-reference number of the report with the other intermediaries involved. If ING receives an ID-reference number, we will not report the arrangement. However, if no other intermediary reports the arrangement then ING is legally obliged to do so.

4. What is an ID-reference number?

The ID-reference number is issued by the tax authorities as evidence that reporting has taken place. This evidence relieves other intermediaries of their reporting obligation. If an intermediary does not receive an ID-reference number, it is obliged to report the arrangement, even if it has already been reported. To avoid double reporting it is crucial that the customer, or their tax advisor, shares the ID-reference number with ING when ING is involved in an arrangement.

5. Do I have to inform ING upfront before mentioning the bank in a DAC6 report?

Yes. If a cross-border arrangement is reportable and ING is mentioned in the report, you must inform us in writing before reporting to the tax authorities.

6. Where can I find additional information on DAC6?

Read more about DAC6 on the website of the Dutch tax [authority](#), or contact a tax advisor.