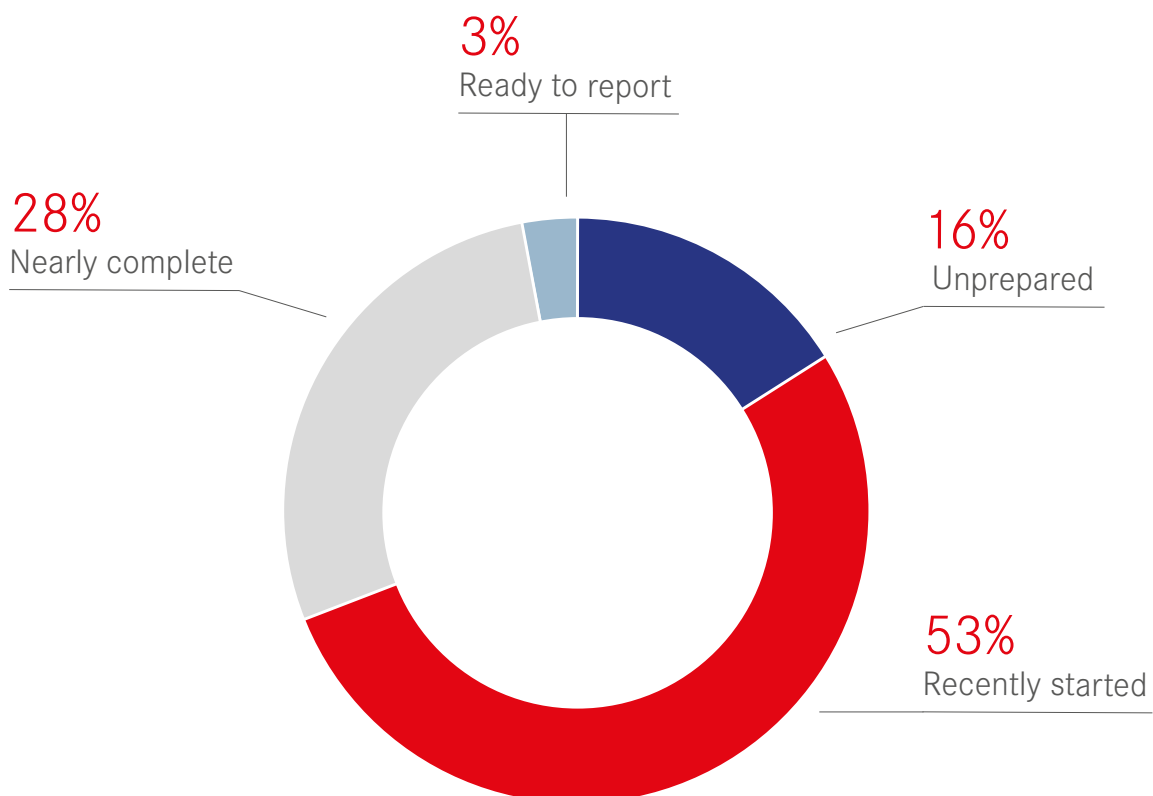


Matheson DAC6 Webinar – Poll Results on Preparedness

On 8 July, Matheson hosted a webinar on DAC6, an important EU-wide mandatory disclosure regime which applies to certain transactions. During the course of the webinar, we polled everyone in attendance on their organisation’s readiness for complying with the new disclosure regime. Although the reporting dates for DAC6 have been extended in Ireland, and many more EU member states, there are also a handful of member states where reporting of historical transactions (where the first step took place between 25 June 2018 and 30 June 2020) will become reportable as early as the end of next month (31 August 2020). We have included in the Appendix a list of the key reporting dates both under the original time frame and the delayed dates for member states like Ireland who have ‘opted-in’ to delay the reporting dates.

Bearing in mind the forthcoming reporting deadlines, we asked our audience, which was made up of a mix of intermediaries and taxpayers what their state of readiness was on 8 July. The results were somewhat surprising.

The first question we asked was, “**How would you rate your organisation’s preparedness for DAC6 reporting?**”

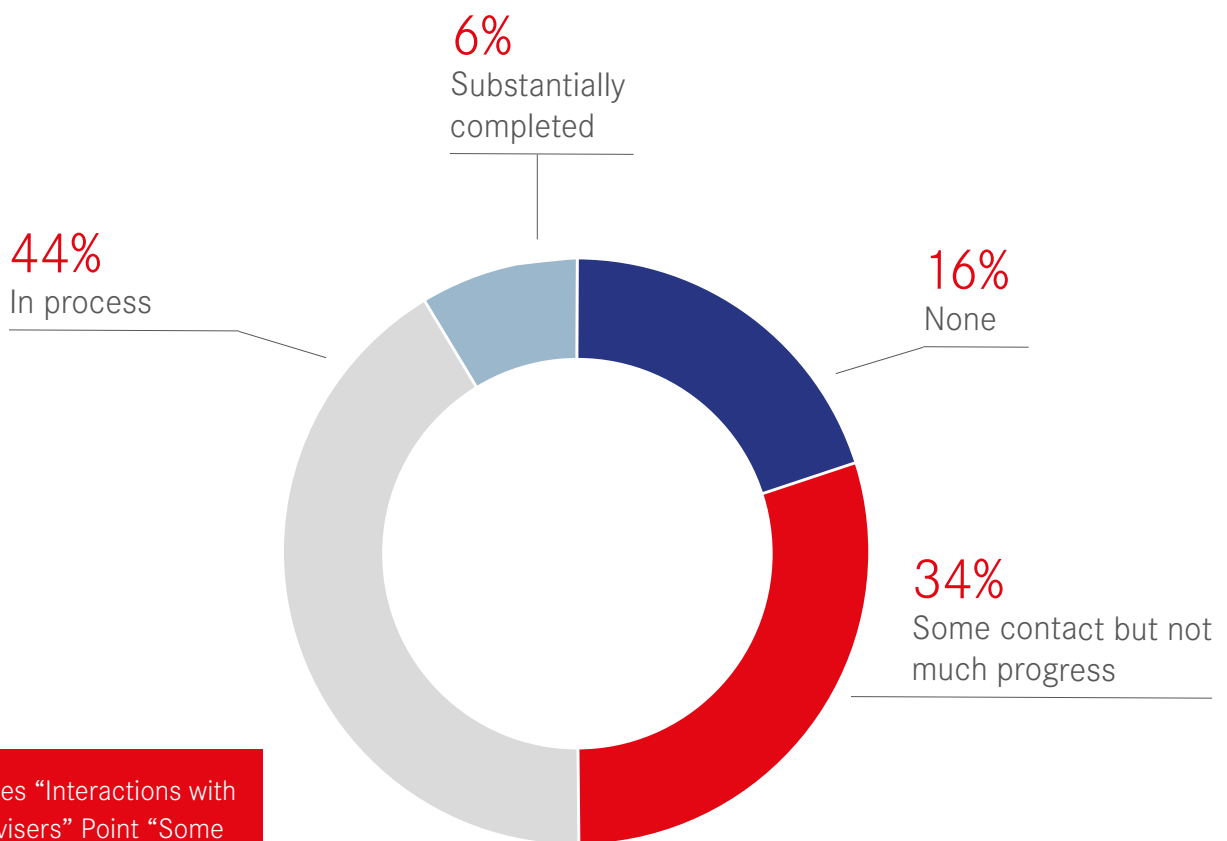


The most surprising results were that 16% of all respondents felt that their organisation was unprepared for DAC6 and only 3% of organisations polled felt that they were ready to file reports. With the announcement that Germany, one of the largest EU member states, is pressing ahead with the original DAC6 reporting deadlines, this will inevitably place a lot of pressure on organisations to get their houses in order by the end of August. While we are relieved to obtain a 6 month reprieve in an Irish context, a lot of work does need to be completed to ensure advisers and clients are fully aligned on reporting obligations and who will be the primary reporter.

For our second question, we asked taxpayers what level of engagement they have had with advisers on specific transactions and reporting obligations generally:

If you are a taxpayer for the purposes of DAC6, which of the following most accurately describes the level of interaction with advisers to date?

INTERACTIONS WITH ADVISERS



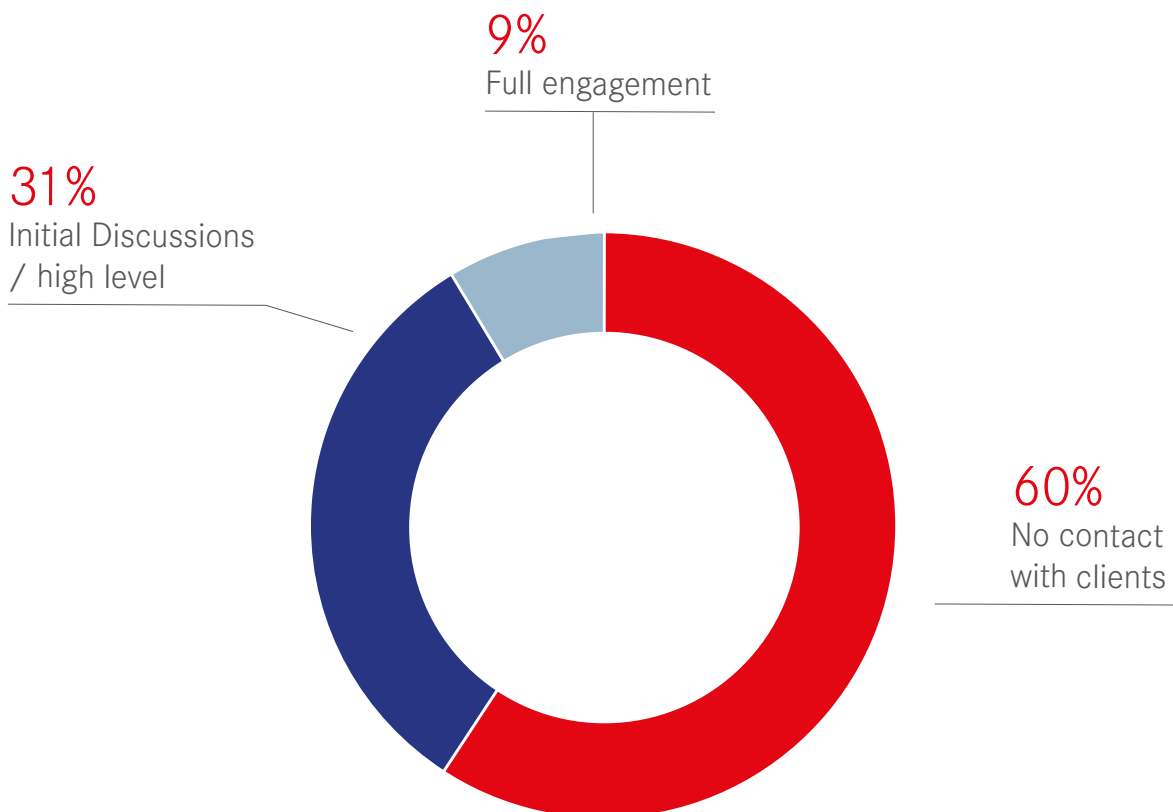
Series "Interactions with advisers" Point "Some contact but not much progress" Value 34%

The levels of communication between taxpayers and their advisers appears to be quite high, with only 16% indicating that little or no interactions have taken place to date. However, only 6% of respondents felt that they are in a substantially ready state and able to move forward and comply with their obligations. While the overwhelming majority are still working through issues and determining who is going to be a primary reporter for particular transactions, it is also clear that a lot of work still needs to be done over the coming weeks. One of our key takeaways from the webinar is the need to communicate with all advisers with respect to transactions which are potentially in scope. Now that there are effectively two parallel reporting deadline regimes within the EU, this will become even more important.

Our final question was posed to intermediaries and we asked

If you are an intermediary for the purposes of DAC6, which of the following most accurately describes the level of interaction with clients to date?

CLIENT ENGAGEMENT (BY INTERMEDIARIES)



The revelation that a whopping 59% of intermediaries had not yet contacted their clients was surprising. While advisers have been waiting on further guidance from Tax Authorities, to help determine if and when a reporting obligation will arise, it is still surprising that almost two-thirds of respondents have not had any contact at all with clients. Now that most Tax Authorities, including **Ireland as of 3 July**, have published more detailed guidance, we expect the levels of engagement to increase substantially over the coming weeks. With just over 6 months to run until the first reporting obligations arise in Ireland and other countries which have “opted-in” for the delayed implementation of reporting dates, it is clear that a lot of work needs to be completed by the overwhelming majority (91%) of intermediaries. It is likely to be a busy few months ahead for taxpayers and advisers alike, in order to ensure that compliance can be achieved.

