

DAC 7 - Navigating Tax Transparency in the Digital Economy

DAC7 that took effect in the EU in 2023 addressing the tax transparency of digital platforms brings new compliance obligations to digital platform operators with EU-based sellers or real estate. Failure to comply with DAC7 could result in significant penalties.

DAC7 Reporting Rules for Digital Platforms in- and outside EU

Recently adopted DAC7 reporting rules for digital platforms require certain digital platform operators to collect and report specific information on users that offer tangible goods for sale, personal services, any mode of transport or real estate for rent via the platform.

These DAC7 rules aim to regulate digital platforms in- and outside the EU for tax transparency and combat tax evasion in the digital economy.

Affected platform operators that facilitate transactions for EU-residents or transactions involving EU-based real estate should be registered for DAC7 reporting purposes to be able to file declarations of the information collected.

Non-compliance may result in penalties up to €250,000 and platforms failing to register and report the information may be barred from operating in the EU.

How Andersen Can Help

Andersen teams globally with experienced specialists to provide timely, practical and effective advice from a holistic perspective.

Regarding DAC7, Andersen can:

- Help determine if your business is subject to the registration requirement
- Facilitate the completion of registration requirements
- Implement the processes and systems needed for regular reporting

The Takeaway

Does your business operate a digital platform that facilitates transactions for EU-residents or transactions involving EU-based real estate? Key action items for businesses are to identify reportable users of their platform and understand how to collect and report the relevant information.


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