

Euro Tax Flash from KPMG's EU Tax Centre

European Commission issues DAC recast proposal

Issue 583 – June 26, 2026

On June 24, 2026, the European Commission [published](#) a proposal for a Council Directive on administrative cooperation in the field of taxation (recast) – DAC recast proposal.

The proposal aims to improve clarity by consolidating the various DAC texts (DAC1 to DAC9) into a single cohesive text and to streamline the application of certain rules in the DAC framework through a series of targeted amendments, including:

- **DAC4 /DAC9:** An option for MNE groups in scope of Country-by-Country Reporting and Pillar Two to file a combined notification form to report which group they are a part of and who and by when is filing the report on their behalf. Such groups are currently subject to notification requirements under both sets of rules.
- **DAC6:** A number of amendments to the EU Mandatory Disclosure Rules, including a reporting exemption for groups in-scope of Pillar Two (subject to conditions), and changes to the list of hallmarks (e.g., removal of generic hallmarks under section A), the reporting period (i.e., trigger point only where the first implementation step is taken and extension of the filing deadline from 30 to 90 days) and the notification requirements for intermediaries subject to legal professional privilege.
- **DAC7:** A number of changes to the EU reporting obligations for platform operators, including clarifications of the term 'Platform Operator', exclusion of certain small and medium sized Platform Operators, amendments to the exclusion criteria for sellers of low-value goods, and exclusion of related party sellers.

Other measures in the DAC recast proposal include the automatic exchange of information on beneficial ownership for real estate and the introduction of a new digital tool to enable the automated verification of the correctness of Tax Identification Numbers.



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European Commission – DAC recast – Simplification – Decluttering – Country-by-Country Reporting – EU Minimum Tax Directive – GloBE Information Return – Mandatory Disclosure Rules – Platform operators – Beneficial Ownership – Tax Identification Number

Background

On March 11, 2025, the ECOFIN Council adopted conclusions setting a tax decluttering and simplification agenda with a view to contributing to the EU's competitiveness. The conclusions represent the Council's views and aim to guide the Commission on initiatives in the field of taxation, in the context of improving the EU's competitiveness and reducing administrative and reporting burdens.

With respect to existing EU legislation, the Council conclusions called on the European Commission (EC) to reduce the reporting, administrative and compliance burdens and eliminate outdated and overlapping rules by reviewing pieces of EU law that aim to achieve similar objectives and that could therefore be considered redundant. The Council conclusions further proposed increased clarity of the tax legislation and a more consistent approach to the application of EU tax rules, for example by developing guidelines in close cooperation with Member States, where relevant.

On December 16, 2025, the EC launched a call for evidence and public consultation on the DAC recast proposal. The consultation document built on the results from the DAC evaluation and sought further feedback, in particular, on DAC4 (non-public Country-by-Country Reporting) and its interplay with Pillar Two, DAC6 (EU Mandatory Disclosure Rules) and DAC7 (Reporting obligations on platform operators). The EC received a total of 60 written responses to the call for evidence, including a response letter submitted by KPMG member firms in the EU¹.

For more information, please refer to E-News [Issue 225](#).

DAC recast proposal

On June 24, 2026, the European Commission [published](#) the DAC recast proposal alongside the proposal for an Omnibus on Taxation (see Euro Tax Flash [Issue 582](#)).

The DAC recast proposal aims to consolidate the various DAC texts (DAC1 to DAC9) into a single cohesive text to improve clarity. In addition, the draft proposes several amendments, which aim to remove duplicate reporting and to streamline the application of certain rules within the existing framework.

DAC4 and DAC9 notification obligations

Council Directive 2016/881/EU – DAC4 represents the EU transposition of the OECD BEPS Action 13 on (non-public) Country-by-Country Reporting. The rules require MNE groups to file, on an annual basis, a Country-by-Country (CbC) Report that includes information on their revenues, profit before income tax, taxes paid and accrued, number of employees, stated capital, accumulated earnings, and tangible assets. The information is disclosed for each jurisdiction in which they operate. In addition, in-scope MNE groups are required to identify all entities operating within each jurisdiction and indicate the nature of the business activities carried out by each entity.

In parallel, Council Directive (EU) 2025/872 – DAC9 – facilitates the exchange of Pillar Two information between Member States. The purpose of DAC9 is to introduce into EU law a framework for the exchange of GloBE Information Returns (GIR) filed by groups in scope of Pillar Two with the tax administration of an EU Member State.

¹ KPMG is a global organization of independent professional services firms providing Audit, Tax and Advisory services. KPMG is the brand under which the member firms of KPMG International Limited ("KPMG International") operate and provide professional services. "KPMG" is used to refer to individual member firms within the KPMG organization or to one or more member firms collectively. KPMG firms operate in 138 countries and territories with more than 276,000 partners and employees working in member firms around the world. Each KPMG firm is a legally distinct and separate entity and describes itself as such. Each KPMG member firm is responsible for its own obligations and liabilities.

ETC Comment:

Both regimes – CbyC Reporting and Pillar Two rules – affect MNE groups with annual consolidated group revenue of EUR 750 million or more.

However, BEPS Action 13 refers to annual consolidated group revenue in the immediately preceding fiscal year, whilst the EUR 750 million consolidated revenue threshold under Pillar Two uses a two-out-of-four-years test aiming to reduce volatility.

As such, it is important to keep in mind that MNE groups may not always be subject to both regimes at the same time.

Under the current framework of both DAC4 and DAC9, MNE groups can opt to designate one group entity in the EU to file the relevant report on behalf of the group. Where this option is exercised, in-scope groups are required to notify tax authorities of the identity and location of the designated filing entity. The notification required with respect to central filing for the purposes of CbyC Reporting and the Pillar Two GIR are currently separate and subject to different deadlines.

To eliminate this duplication of reporting of equivalent information, the proposal provides groups that are subject to the notification obligations mentioned above the option to file a combined notification form that is due by the last day of the fiscal year of the MNE group. This combined notification would be filed by the filing Constituent Entity of an MNE group on behalf of all the entities of an MNE group that are resident within the EU. The receiving tax authority is then required to exchange the notification with all other Member States concerned within three months upon receipt.

According to the proposal, a common notification template is to be adopted by the Commission by way of an implementing act and shall include the following information:

- identification of the MNE Group (including the entities of the MNE Group that are resident or located within the EU, the Ultimate Parent Entity of the MNE Group and the Constituent Entity that will file the GIR and CbyC Report);
- start and end dates of the Reporting Fiscal Year;
- information whether the entity is notifying for the purpose of submitting the GIR or CbyC Report or both.

ETC Comment:

Notification template

The Omnibus proposal to introduce a single a centralized CbyC and GIR notification within the EU would remove the need to file notifications in each relevant EU jurisdiction and is therefore a welcomed initiative.

However, the deadline for the combined notification would be aligned with the deadline that currently applies for CbyC Report notifications (i.e., last day of the fiscal year of the MNE group). Notably, this would require changes to the notification deadlines currently applied by EU countries with respect to Pillar Two. A majority of EU judications require notifications within the same deadline as for the GIR (i.e., within 15 months of the end of the relevant financial year, and 18 months for the first filings) with only a few EU jurisdictions requiring the notification at an earlier time (e.g., France, Portugal). For more details, please refer to the [KPMG BEPS 2.0 tracker](#) in Digital Gateway.

It further appears that the notification is required on an annual basis. Notably, the EC did not limit the notification requirement to instances where there have been changes in the information previously submitted, as was suggested by KPMG in the feedback to the related public consultation – see E-News [Issue 225](#).

Reporting templates (GIR / CbyC Report)

In addition, the proposal replaces the reporting templates for CbyC reports in Annex III and the GIR in Annex VII with a reference to the [CbyC Reporting template](#) and [GIR template](#) that have already been adopted via European Commission implementing acts. Where future updates to the reporting templates are agreed at OECD level (e.g., as a result of the ongoing work and release of additional Administrative Guidance on Pillar Two), the Explanatory Memorandum confirms that the implementing acts will be amended to align with the global reporting standards.

DAC6 (EU Mandatory Disclosure Rules)

Under the EU Mandatory Disclosure Rules, EU-based intermediaries or – in some cases, taxpayers, are required to disclose to their tax authorities information on reportable cross-border arrangements within 30 days from a defined reporting trigger. To be reportable, an arrangement must be cross-border and contain one of the hallmarks covering a wide range of features that are considered to present an indication of a potential risk of tax avoidance, including – but not limited to:

- the use of confidentiality clauses or substantially standardized structures,
- deductible cross-border payments to associated companies where the recipient benefits from certain tax advantages (e.g., low corporate income tax rate, preferential tax regime, full tax exemption) or where the recipient is tax resident in a non-cooperative jurisdiction,
- arrangements designed to circumvent automatic exchange of information and beneficial ownership,
- transfer pricing arrangements involving the use of unilateral safe harbours and intragroup cross-border transfers of functions and/or risks and/or assets.

The current framework also includes the so-called Main Benefit Test (MBT), which certain hallmarks must meet to trigger a reporting obligation. The MBT is considered to be met where one of the main benefits that a person may reasonably expect to derive from the arrangement is the obtaining of a tax advantage.

The draft proposes the following amendments to the EU Mandatory Disclosure Rules under DAC6 to ensure proportionality and a more consistent application of the reporting framework:

Exclusion for groups in-scope of Pillar Two:

- The proposal introduces an exemption from the Mandatory Disclosure Rules for taxpayers subject to the Pillar Two rules by amending the definition of the term ‘cross-border arrangement’. As a result, a cross-border arrangement would not be considered to exist where each EU and non-EU based participant of the arrangement is part of a group that is subject to the Pillar Two rules.
- The carve-out would not apply where:
 - the group is headquartered in a jurisdiction which operates a qualified ‘Side-by-Side’ regime² (i.e., Income Inclusion Rules (IIR) and Undertaxed Profits Rule (UTPR) are turned off for that group); and
 - the participant is not subject to a Qualified Domestic Minimum Top-up Tax (QDMTT) or is granted a refund or direct or indirect financial benefit in relation to the QDMTT.

² Jurisdiction with a qualified Side-by-Side regime means a jurisdiction that is reported as having such status on the OECD Central Record. As at June 24, 2026, only the United States have a qualifying Side-by-Side regime.

ETC Comment:

According to the Preamble to the proposal, this carve-out recognizes that Pillar Two ensures that in-scope groups are subject to an effective tax rate of at least 15 percent and that in-scope groups are already subject to significant compliance burden (e.g., GIR filing).

The proposal does not provide further details in relation to cases where the disclosure obligation would lie with the intermediary. Based on the current operation of the rules, an intermediary is required to assess if an arrangement is reportable based on information available to them during the course of their engagement with their client, which may not allow them to assess the second prong of the test which refers to a refund or direct or indirect financial benefit granted in relation to a QDMTT.

Changes to the list of hallmarks and removal of reporting obligations for marketable arrangements

- The proposal provides for the removal of the Category A hallmarks, that consist of the generic hallmarks A.1 (use of confidentiality clauses), A.2 (performance-based remuneration of the intermediary) and A.3 (standardized documentation and/or structure). According to the Preamble of the Directive proposal, the generic nature of hallmarks of category A has been proven to have little value in fighting tax fraud, evasion and avoidance but generate disproportionate levels of reporting. For that reason, the EC does not consider it necessary to continue to require reporting of arrangements triggered by such generic hallmarks.
- Alongside the removal of category A hallmarks, the draft also proposes removing the special quarterly reporting requirements for so-called marketable arrangements, i.e., cross-border arrangements that are designed, marketed, ready for implementation or made available for implementation without a need to be substantially customized.
- With respect to hallmark C.1.b.ii (payments to non-cooperative jurisdictions), the draft removes the reference to the list of third-country jurisdictions which have been assessed within the framework of the OECD as being non-cooperative. Instead, the hallmark will refer to payments to jurisdictions that are included on the EU list of non-cooperative jurisdictions that is updated twice a year by the EU Code of Conduct Group (Business Taxation).
- Finally, the draft proposes that, on the basis of a proposal from the Commission, the Council shall adopt an implementing act establishing the applicable criteria for the requirements for applying hallmark D2(a) and (b) which concern an arrangement involving a non-transparent legal or beneficial ownership chain with the use of persons, legal arrangement or structures: (a) that do not carry substantive economic activity supported by adequate staff, equipment, assets and premises, and (b) that are incorporated, managed, resident, controlled, established in any jurisdiction other than the jurisdiction of residence of one or more of the beneficial owners of the assets held by such persons, legal arrangements or structures.

ETC Comment:

Removal of category A hallmarks

The removal of category A hallmarks is welcomed and aligns with KPMG's previous suggestions to remove those hallmarks from Annex IV of DAC6 along with the requirement to disclose marketable arrangements on a quarterly basis – see E-News [Issue 225](#).

Implementing act in respect of Hallmark D2

According to the explanatory notes to the Directive proposal, Council implementing act would particularly aim at further clarifying and developing the substance criteria in Hallmark D2.

The DAC evaluation report (published on November 19, 2025) had indicated that the EC would assess the possibility of incorporating into the EU Mandatory Disclosure Rules principles and concepts from the Directive proposal to prevent the misuse of shell entities for tax purposes (Unshell).

The latter had proposed to require EU companies that were considered high risk to report on a series of substance indicators (i.e., own premises, own bank account and adequate management functions or employees). Companies failing to meet the substance indicators would be deemed to be 'shell' entities, potentially triggering tax consequences. The text of the proposal had been the subject of lengthy discussions in the Council working groups, but Member States were unable to reach a consensus on the initiative. The Commission's work program, published on October 21, 2025, confirmed that the Unshell proposal will be formally withdrawn within six months. It remains to be seen how Member States respond to the possibility of clarifying and harmonizing substance requirements in the context of the Mandatory Disclosure Rules.

Main Benefit Test (MBT)

The proposal does not introduce substantive changes to the legal scope or definition of the MBT. However, the Explanatory Memorandum indicates the European Commission's intention to provide clearer guidance on the MBT with a view to reducing "defensive reporting" of standard commercial transactions. However, the text of the proposal does not contain any further references to how such guidance would be introduced, potentially suggesting that this would be issued in the form of a Commission recommendation or answers to frequently asked questions.

A narrow application of the MBT would be welcomed and aligned with KPMG's previous suggestions with respect to the interpretation of the MBT. However, the EC did propose extending the MBT to all hallmarks, as was suggested by KPMG in the feedback to the related public consultation – see E-News [Issue 225](#).

Changes to the reporting deadline and definition of 'relevant taxpayer'

- The proposal provides for a revised filing deadline of 90 days (currently 30 days) after the first step of implementation of the reportable cross-border arrangement has been made.
- The additional starting points that are currently applied under the DAC6 rules (the day after the reportable cross-border arrangement is made available for implementation, or the day after the reportable cross-border arrangement is ready for implementation) will be removed.
- Similarly, the definition of the term 'relevant taxpayer' is updated and refers to any person who has implemented the first step of a reportable arrangement. A person to whom a reportable cross-border arrangement is made available for implementation, or who is ready to implement a reportable cross-border arrangement will no longer be considered a 'relevant taxpayer'.

ETC Comment:

According to the Preamble to the proposal, the changes aim at ensuring sufficient time for intermediaries to coordinate and at ensuring that only information that is effectively used by tax authorities is reported.

This proposal is welcomed and aligns with KPMG's previous suggestions to allow a more reasonable time frame within which to determine where the reporting obligation lies and to reduce uncertainty with respect to the interpretation of two of the triggering events when an arrangement is 'ready for implementation' or 'made available for implementation' – see E-News [Issue 225](#).

Updates to the information to be included in DAC6 disclosures:

- The draft clarifies that the disclosure of a reportable cross-border arrangement should include not only the identification of Member States but also the identification of third-country jurisdictions that are likely to be affected by the arrangements.

Legal professional privilege:

- Under the general rules of DAC6, the primary reporting obligation lies with the intermediary, i.e., the person that designs, markets, organizes or makes available for implementation or manages the implementation of a reportable cross-border arrangement. However, the Directive allows Member States to exempt intermediaries from the reporting obligation, where such a disclosure would be in breach of the legal professional privilege (LPP) applicable under national laws. Intermediaries that benefit from a waiver for legal professional privilege must notify the relevant taxpayer of their disclosure responsibility.
- The draft proposes amendments with respect to the scope of the LPP reporting exemption by requiring Member States to apply the LLP waiver only to lawyers and other professionals who, like lawyers, are legally authorized to ensure legal representation. Intermediaries without such legal authorization are not to be granted LPP reporting relief.
- In addition, the draft proposes amendments to the notification requirement for intermediaries that benefit from the LPP waiver:
 - Lawyer-intermediaries pursuing their professional activities under one of the professional titles referred to in Article 1(2)(a) of Directive 98/5³ are obliged to notify without delay their client (qualifying as intermediaries or relevant taxpayer) of their reporting obligations.
 - Other intermediaries that benefit from the LPP waiver will be required to notify without delay any other intermediary or, if there is no such intermediary, the relevant taxpayer of their reporting obligations.

ETC Comment:

Under the initial DAC6 rules, all intermediaries benefiting from the LPP reporting waiver were required to notify without delay, any other intermediary or, if there is no such intermediary, the relevant taxpayer of their reporting obligations.

Following the CJEU decision of December 8, 2022 in Case C-694/20 (see Euro Tax Flash [Issue 497](#)) and in the decision of July 29, 2024 in case C-623/22 (see Euro Tax Flash [Issue 544](#)), the EU Directive 2023/2226 (DAC8) introduced amendments to the notification requirement for intermediaries, based on which intermediaries that benefit from the LPP reporting waiver were only required to inform their clients (but not other intermediaries, who are not their clients) of their reporting obligation under DAC6.

The DAC recast proposal appears to provide a more nuanced approach with respect to the notification requirement for intermediaries benefiting from the LPP waiver. The assessment whether the notification needs to be made to other intermediaries or only to clients is based on whether intermediaries pursue activities under professional titles (e.g., Avocat, Advokat, Advocaat, Abogado, Barrister/Solicitor, Rechtsanwalt). As such, for example, tax advisors that benefit from LPP and that do not act under one of the listed professional titles would be required to inform other intermediaries of their reporting obligation.

It remains to be seen whether EU countries will be able to unanimously agree on those proposed changes. For example, Poland just recently updated the LPP and notification requirements under their local mandatory disclosure rules providing that legal counsel, attorneys, tax advisers and patent attorneys should be exempt from the obligation to report arrangements and therefore only be required to inform their clients of their reporting obligation under DAC6. This followed a Polish Supreme Court decision holding that obligation of tax advisors to report potentially aggressive tax schemes violates legal professional privilege – see E-News [Issue 199](#) and [Issue 230](#).

³ Directive 98/5/EC of the European Parliament and of the Council of February 16, 1998 to facilitate practice of the profession of lawyer on a permanent basis in a Member State other than that in which the qualification was obtained (as amended by Council Directive 2013/25/EU of May 13, 2013): <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:01998L0005-20130701>.

DAC7 (Reporting obligations on platform operators)

DAC7 introduced reporting and automatic exchange of information on income earned by sellers on digital platforms, applicable from 2023. The rules impact both EU Platform Operators, as well as non-EU entities, if facilitating either reportable commercial activities (referred to as Relevant Activities) of Reportable Sellers or rental of immovable property located in the EU. Relevant Activities comprise of personal services, the sale of goods, as well as the rental of any means of transport and the rental of immovable property.

The reporting obligations apply with respect to cross-border and local commercial activities. Platform Operators falling within the scope of DAC7 are required to collect and verify information from Sellers operating on their online platform, in line with certain due diligence procedures. Subsequently, certain items of information will be further reported to the Sellers and to the relevant tax authority. Such information includes, inter alia, an overview of amounts paid to Sellers from the Relevant Activities, platform fees and commissions incurred.

The draft proposes the following amendments to the reporting obligations of platform operators under DAC7:

- *Clarifications on the term 'Platform Operator':* The draft clarifies that the term 'Platform Operator' means an Entity that operates the software of the Platform or part thereof and contracts with Sellers to make available all or part of a Platform to such Sellers, by (i) enabling such Sellers to be connected to other users for the provision of Relevant Activities⁴ or (ii) collecting Consideration from users. The proposal clarifies that so-called intermediary sellers can also qualify as Platform Operators where they are registered on a Platform as a Seller and make available the Platform to other Sellers. In addition, the draft excludes from the term 'Platform Operator' entities whose activities are limited to the processing of payments and that do not have independent knowledge of the underlying contractual arrangements, the Relevant Activities, or the consideration.
- *Amendments to exclusion criteria for Sellers of low-value goods:* Under the current framework, exclusions from the platform's reporting obligations are provided with regard to certain categories of sellers, including sellers for which the Platform Operator facilitated less than 30 Relevant Activities by means of the sale of goods and for which the total amount of consideration paid or credited does not exceed EUR 2,000 during the reportable period. The draft proposes to remove the activity threshold for sales of goods and increase the monetary threshold from EUR 2,000 to EUR 3,000. According to the Preamble to the proposal, this aims to reduce the reporting of information that is not necessarily used for taxation, and to continue to facilitate the circular economy.
- *Exclusion of certain SMEs:* The draft proposes to exclude Platform Operators where they facilitate the provision of Relevant Activities and receive in return over the previous calendar year aggregate consideration of less than EUR 50,000. The exclusion only applies where the respective Platform Operator notifies the tax administration of an EU Member State that it opts to be treated as excluded. According to the Preamble, this aims at limiting the compliance costs for small and medium enterprises that are considered Platform Operators.
- *Exclusion of related party sellers:* The draft further proposes to treat related entities of a Reporting Platform Operator as Excluded Sellers. As a result, information on those entities would not need to be reported by the Reporting Platform Operator. According to the Preamble to the proposal, transactions between related parties of a Reporting Platform Operator pose limited risk to tax transparency and should therefore be exempted from the reporting obligation.
- *Simplified reporting and due diligence obligations:* The draft provides that intermediary sellers (i.e., Reportable Sellers that qualify as Platform Operators) should be subject to limited reporting and due diligence obligations.
- *Common controls with respect to non-compliant third-country Platform Operators:* The proposal allows tax authorities to carry out simultaneous controls of Reporting Platform Operators that have no economic presence within the EU but facilitate the provision of Relevant Activities within the EU. The proposal notes that the findings of those controls may support the coordination of Member States' actions to ensure compliance, including by applying penalties with respect to non-compliant Reporting Platform Operators.
- *Activation of exchange relationships with non-EU countries:* in order to give full effect to the reporting relief for non-EU platform operators, the proposal requires Member States to take all necessary measures to activate without delay the exchange relationships under the Multilateral Competent Authority Agreement on Automatic Exchange of Information on Income Derived through Digital Platforms (DPI MCAA) with non-EU jurisdictions whose domestic legislation is determined as equivalent.

⁴ Including by providing Sellers with direct access to the Platform or by listing, offering or otherwise making available Relevant Activities on the Platform on behalf of Sellers;

ETC Comment:

To eliminate double reporting, DAC7 contains rules providing relief from the reporting obligations for non-EU platform operators. Non-EU platform operators can be completely exempt from DAC7-related registration and reporting in the EU where the non-EU jurisdiction has in effect an Effective Qualifying Competent Authority Agreement (EQCAA) with all Member States, which are identified as reportable jurisdictions in a list published by that non-EU jurisdiction. An EQCAA means an agreement that allows Member States to receive equivalent information from non-EU jurisdictions that apply similar reporting regimes (e.g., based on the OECD's Model Rules for Reporting by Platform Operators with respect to Sellers in the Sharing and Gig Economy). Determinations of equivalence – codified in a Commission Implementing Regulations, have been adopted for the United Kingdom, New Zealand, and Canada.

According to the OECD [overview](#) of activated bilateral exchange relationships, not all EU Member States have activated the exchange relationships with those three jurisdictions under the Multilateral Competent Authority Agreement on Automatic Exchange of Information on Income Derived through Digital Platforms (DPI MCAA).

ETC Comment:

According to the Preamble to the Directive proposal, the EU reporting rules for platform operators should be closely aligned with those simultaneously developed by the OECD in the context of the Model Rules for Digital Platforms. In this context, it should be taken into account that, on June 15, 2026, the OECD launched a consultation on proposed amendments to the Model Reporting Rules for Digital Platforms. The proposed amendments to the Model Rules are broadly aligned with the DAC recast proposal. For more details, please refer to E-News [Issue 231](#).

Other amendments

Amendments to the automatic exchange of information on different categories of income

Under the current framework, Directive 2011/16/EU (DAC) provides for automatic exchange of six categories of income and assets: employment income, pension income, director fees, income and ownership of immovable property, life insurance products, royalties (added through DAC7 and applicable from 2025) and non-custodial dividends (added through DAC8 and applicable from 2026).

The Omnibus proposes the following amendments:

- removal of the income and asset category of life insurance products;
- inclusion of the exchange of information on beneficial ownership for real estate.

As a result, six categories of income and assets would remain that need to be exchanged provided that the information is available to the tax authorities at national level.

ETC Comment:

According to the Explanatory Memorandum, the removal of the category of life insurance products is due to the limited number of Member States exchanging information under that category. In addition, the EC notes that there is a significant degree of duplication with the reporting under the mandatory exchange of financial information (DAC2).

With respect to the exchange of beneficial ownership information for real estate, the Explanatory Memorandum notes that this is in line with the [2025 agreement](#) at OECD level that the exchange of information on ownership and income from immovable property should include information on beneficial ownership.

In order to facilitate the exchange of information, the DAC recast would require that Member States provide access to the tax authorities to the interconnected register on real estate established under the EU Anti-Money Laundering legislation and to registers on pensions that are held on the national level.

Verification of Tax Identification Numbers (TIN)

- *Verification tool:* The Omnibus proposes a new digital tool to be developed by the EC aimed at enabling the automated verification of the correctness of TINs. The tool will confirm whether a reported TIN corresponds to the identified taxpayer, based on the information provided, or indicate where no match can be established. The detailed technical specifications will be set out in a Commission implementing act. The use of the tool will be mandatory for tax administrations.
- *Limited reporting of taxpayer's identification data:* The use will be optional for reporting entities. However, when the TIN number is verified using the verification tool, reporting entities would only need to report the name and the TIN of the taxpayer.

Next steps

Considering that the legal basis for the EC's proposal is Article 115 of the Treaty on the Functioning of the EU (TFEU), the Directive requires unanimous approval in the Council. In addition, the Council would only be allowed to adopt the text once the Parliament and any relevant Committees have given their (non-binding) opinions.

Where the Directive is approved in the Council, it would enter into force on the twentieth day following that of its publication in the Official Journal of the EU.

Different dates are proposed for the transposition and application of the various changes introduced, including:

- Local transposition by December 31, 2027, with the measures being applicable from January 1, 2028, including the amendments to the EU Mandatory Disclosure Rules and to the reporting rules for Platform Operators.
- Local transposition by December 31, 2029, with the measures being applicable from January 1, 2030, including the option to file a combined notification form for CbYC Reporting and Pillar Two purposes.

Furthermore, the previous DAC (Directive 2011/16/EU) including its various amendments (DAC1 to DAC9) will be repealed with effect from January 1, 2030, in light of this new consolidated Directive.

EU Tax Perspectives webinar on the Tax Omnibus and DAC recast proposal – replay now available

Against this backdrop, on June 29, 2026, a panel of KPMG tax specialists provided insights on the European Commission's proposals and explored their implications for multinational groups operating across the EU. The discussion covered:

- Unpack the Commission's proposals.
- Consider the wider EU tax policy context, including interactions with Pillar Two.
- Discuss practical considerations for multinational groups operating across the EU.
- Anticipate timing and next steps, including the legislative process ahead and the likelihood of securing Member State approval.

The webcast playback is now available. Please click on the [following link](#) to access it.

Should you have any queries, please do not hesitate to contact [KPMG's EU Tax Centre](#) or, as appropriate, your local KPMG tax advisor.

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