

## *Call for evidence*

# *EU Directive on Administrative Cooperation in the Field of Direct Taxation*

9 February 2026

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The Association for Financial Markets in Europe (AFME) welcomes the opportunity to respond to the Commission's call for evidence for an impact assessment of the EU Directive on Administrative Cooperation in the Field of Direct Taxation ('DAC').

AFME represents a broad array of European and global participants in the wholesale financial markets. Its members comprise pan-EU and global banks as well as key regional banks, brokers, law firms, investors and other financial market participants. We advocate stable, competitive, sustainable European financial markets that support economic growth and benefit society. AFME is the European member of the Global Financial Markets Association (GFMA) a global alliance with the Securities Industry and Financial Markets Association (SIFMA) in the US, and the Asia Securities Industry and Financial Markets Association (ASIFMA) in Asia. AFME is registered on the EU Transparency Register, registration number 65110063986-76.

We welcome the initiative to simplify and clarify reporting obligations under the Directive on Administrative Cooperation (DAC) and to potentially consolidate various provisions into a single Directive for greater clarity. We support initiatives to improve the efficient collection of data required for compliance with tax law and the exchange of information between Tax Administrations within the EU. In our view, there is room for simplification and greater harmonisation in order to reduce compliance costs for businesses and deliver better targeted information for tax authorities.

We note that the Commission's evaluation indicates that vast majority of the costs of DAC are borne by business (€604m compared to €42m for tax authorities). These costs are substantial and should be minimised.

We welcome the Commission's focus on DAC6, where we think there is potential to simplify the rules and to minimise compliance costs. We believe that DAC6 should be reviewed to ensure it is appropriately targeted at abusive arrangements. To ensure better targeted The Commission should publish a regularly updated 'whitelist' of arrangements that are considered non-abusive and do not require reporting. Consideration should also be given to the introduction of a de-minimis threshold to remove reporting requirements for immaterial arrangements

DAC 6 needs to be considered in conjunction with other transparency initiatives, such as the OECD's Pillar II rules and the new EU public country-by-country reporting requirements, to minimise costs and avoid duplication. Transactions reported under other regimes (e.g. DAC 3) should not also be reported under DAC 6.

The DAC has led to the routine exchange of substantial amounts of information between tax authorities, but there is little public information as to how this information is used. In particular, it appears that MS tax authorities rarely amend tax laws in response to information received under DAC 6. It would be helpful to have greater transparency around the use of this data, so that the effectiveness of the DAC can be better assessed.

There is no consistent approach to DAC among Member States, leading to additional costs as companies have to interpret the rules and establish procedures and controls in each MS. It would be helpful if the Commission could provide guidance to promote consistent interpretation and application, and establish a coherent framework for penalties to maintain a level playing field across Member States, to ensure consistency, proportionality and certainty in enforcement.

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We would welcome the opportunity to discuss these issues further with the Commission.

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