I

(Legislative acts)

DIRECTIVES

COUNCIL DIRECTIVE (EU) 2021/514

of 22 March 2021

amending Directive 2011/16/EU on administrative cooperation in the field of taxation

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Articles 113 and 115 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Parliament (1),

Having regard to the opinion of the European Economic and Social Committee (2),

Acting in accordance with a special legislative procedure,

Whereas:

(1) In order to accommodate new initiatives of the Union in the field of tax transparency, Council Directive 2011/16/EU (3) has been the subject of a series of amendments over recent years. Those changes mainly introduced reporting obligations, followed by a communication to other Member States, related to financial accounts, advance cross-border rulings and advance pricing arrangements, country-by-country reports and reportable cross-border arrangements. Those amendments thus extended the scope of the automatic exchange of information. The tax authorities of Member States now have a broader set of cooperation tools at their disposal, to detect and tackle forms of tax fraud, tax evasion and tax avoidance.

(2) In recent years, the Commission has been monitoring the application, and, in 2019, completed an evaluation, of Directive 2011/16/EU. While significant improvements have been made in the field of automatic exchange of information, there is still a need to improve provisions that relate to all forms of exchanges of information and administrative cooperation.

(3) Pursuant to Article 5 of Directive 2011/16/EU, the requested authority is to communicate to the requesting authority any information it has in its possession, or that it obtains as a result of administrative enquiries, which is foreseeably relevant to the administration and enforcement of the domestic laws of Member States concerning the taxes falling within the scope of that Directive. To ensure the effectiveness of the exchanges of information and to prevent unjustified refusals of requests, as well as to provide legal certainty for both tax administrations and taxpayers, the internationally agreed standard of foreseeable relevance should be clearly delineated and codified.

(1) Not yet published in the Official Journal.
(2) Not yet published in the Official Journal.
There is sometimes a need for addressing requests for information that concern groups of taxpayers who cannot be identified individually and the foreseeable relevance of the requested information can rather only be described on the basis of a common set of characteristics. Considering this, tax administrations should continue using group requests for information under a clear legal framework.

It is important that Member States exchange information related to income derived from intellectual property, as this area of the economy is prone to profit shifting arrangements due to its highly mobile underlying assets. Therefore, royalties as defined in point (b) of Article 2 of Council Directive 2003/49/EC (*) should be included in the categories of income subject to mandatory automatic exchange of information in order to strengthen the fight against tax fraud, tax evasion and tax avoidance. Member States should make every possible and reasonable effort to include the tax identification number (TIN) of residents issued by the Member State of residence in the communication of the categories of income and capital subject to mandatory automatic exchange of information.

The digitalisation of the economy has been growing rapidly over recent years. This has given rise to an increasing number of complex situations linked to tax fraud, tax evasion and tax avoidance. The cross-border dimension of services offered through the use of platform operators has created a complex environment where it can be challenging to enforce tax rules and ensure tax compliance. There is a lack of tax compliance and the value of unreported income is significant. Tax administrations of Member States have insufficient information to correctly assess and control gross income earned in their country from commercial activities performed with the intermediation of digital platforms. This is particularly problematic where the income or taxable amount flows via digital platforms established in another jurisdiction.

Tax administrations frequently request information from platform operators. This causes platform operators significant administrative and compliance costs. At the same time, some Member States have imposed a unilateral reporting obligation, which creates an additional administrative burden for platform operators, as they have to comply with many national standards of reporting. It is therefore essential to introduce a standardised reporting requirement which would apply across the internal market.

Considering that most of the income or taxable amounts of the sellers on digital platforms flow cross-border, the reporting of information related to the relevant activity would bring additional positive results if that information were also communicated to the Member States that would be eligible for taxing the earned income. In particular, the automatic exchange of information between tax authorities is crucial in order to provide those tax authorities with the necessary information to enable them to assess income taxes and value added tax (VAT) due correctly.

To ensure the proper functioning of the internal market, the reporting rules should be both effective and simple. Recognising the difficulties in detecting taxable events that occur while performing a commercial activity which is facilitated through digital platforms and also taking account of the additional administrative burden that tax administrations would face in such cases, it is necessary to impose a reporting obligation on platform operators. The platform operators are better placed to collect and verify the necessary information on all sellers operating on and making use of a specific digital platform.

The reporting obligation should cover both cross-border and non-cross-border activities, in order to ensure the effectiveness of the reporting rules, the proper functioning of the internal market, a level playing field and the principle of non-discrimination. In addition, such an application of the reporting rules would reduce the administrative burden on the digital platforms.

Given the wide use of digital platforms in performing commercial activities, both by individuals and entities, it is crucial to ensure that the reporting obligation applies regardless of the legal nature of the seller. Nevertheless, an exception should be provided for governmental entities, which should not be subject to the reporting obligation.

(12) The reporting of income earned through such activities should provide tax administrations with comprehensive information necessary for correctly assessing the income tax due.

(13) For the sake of simplification and mitigation of compliance costs, it would be reasonable to require platform operators to report income earned by the sellers through the use of the digital platform in one single Member State.

(14) Given the nature and flexibility of digital platforms, the reporting obligation should also extend to those platform operators that perform commercial activity in the Union but are neither resident for tax purposes, nor incorporated or managed, or have a permanent establishment in a Member State (‘foreign platform operators’). This would ensure a level playing field among all digital platforms and prevent unfair competition. In order to facilitate achieving this objective, foreign platform operators should be required to register and report in one single Member State for the purpose of operating in the internal market. After revoking a registration of a foreign platform operator, Member States should ensure that such foreign platform operator is required to provide to the Member State concerned appropriate assurances, such as affidavits or security deposits, while re-registering in the Union.

(15) Nevertheless, it is appropriate to lay down measures that would reduce administrative burden on foreign platform operators and tax authorities of Member States, in cases where adequate arrangements exist, ensuring that equivalent information is exchanged between a non-Union jurisdiction and a Member State. In those cases, it would be appropriate to relieve platform operators that reported in a non-Union jurisdiction from an obligation to report in a Member State, to the extent that the information received by the Member State relates to the activities in the scope of this Directive and the information is equivalent to the information required under the reporting rules set out in this Directive. In order to foster administrative cooperation in this field with non-Union jurisdictions and recognising the need for flexibility in the negotiations of agreements between Member States and non-Union jurisdictions, this Directive should allow a qualified platform operator of a non-Union jurisdiction to solely report equivalent information on reportable sellers to the tax authorities of a non-Union jurisdiction, which, in turn, would send such information to the tax administrations of Member States. Wherever appropriate, this mechanism should be enabled in order to prevent equivalent information from being reported and transmitted more than once.

(16) In view of the fact that tax authorities worldwide are confronted with the challenges linked to the ever growing digital platform economy, the Organisation for Economic Cooperation and Development (OECD) has developed Model Rules for Reporting by Platform Operators with respect to Sellers in the Sharing and Gig Economy (‘Model Rules’). Given the prevalence of cross-border activities that are carried out by digital platforms as well as the sellers active on them, it can reasonably be expected that non-Union jurisdictions will have sufficient incentives to follow the leading example of the Union and implement the collection and mutual automatic exchange of information on reportable sellers according to the Model Rules. Although not identical to the scope of this Directive in terms of the sellers on which information must be reported and the digital platforms by which information must be reported, the Model Rules are expected to provide for the reporting of equivalent information in relation to relevant activities that are in scope of both this Directive and the Model Rules, which may be expanded further to cover additional relevant activities.

(17) In order to ensure uniform conditions for the implementation of this Directive, implementing powers should be conferred on the Commission. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council (¹). More specifically, the Commission should, by means of implementing acts, determine whether information required to be exchanged pursuant to an agreement between the competent authorities of a Member State and a non-Union jurisdiction is equivalent to that specified in this Directive. Given that the conclusion of agreements with non-Union jurisdictions on administrative cooperation in the area of taxation remains within the competence of Member States, the Commission’s action could also be triggered by a request from a Member State. This administrative procedure should, without altering the scope and conditions of this Directive, provide for legal certainty as regards the correlation of the obligations stemming from this Directive and any exchange of information agreements Member States may have with non-Union jurisdictions.

For this purpose, it is necessary that, following the request of a Member State, the determination of equivalence could also be made in advance of an envisaged conclusion of such an agreement. Where the exchange of such information is based on a multilateral instrument, the decision on equivalence should be taken in relation to the whole of the relevant framework covered by such an instrument. Nevertheless, it should still remain possible to take the decision on equivalence, where appropriate, concerning a bilateral instrument or the exchange relationship with an individual non-Union jurisdiction.

(18) For the reasons of preventing tax fraud, tax evasion and tax avoidance, it is appropriate that the reporting of commercial activity includes rental of immovable property, personal services, sale of goods and rental of any mode of transport. Activities carried out by a seller acting as an employee of the platform operator should not fall within the scope of such reporting.

(19) For reasons of reducing unnecessary compliance costs for sellers that engage in real estate renting, such as hotel chains or tour operators, there should be a threshold of a number of rentals per property listing above which the reporting obligation would not apply. Nevertheless, in order to avoid the risk of circumventing reporting obligations by intermediaries appearing on the digital platforms as a single seller while managing a large number of property units, appropriate safeguards should be introduced.

(20) The objective of preventing tax fraud, tax evasion and tax avoidance could be ensured by requiring platform operators to report income earned through digital platforms at an early stage, before the tax authorities of Member States carry out their yearly tax assessments. To facilitate the work of tax authorities of Member States, the reported information should be exchanged within one month following the reporting. In order to facilitate the automatic exchange of information and enhance the efficient use of resources, exchanges of information should be carried out electronically through the existing common communication network (CCN) developed by the Union.

(21) Where foreign platform operators report equivalent information on reportable sellers to the respective tax authorities of non-Union jurisdictions, the effective implementation of due diligence procedures and reporting requirements is expected to be assured by the tax authorities of those jurisdictions. However, in instances where this is not the case, foreign platform operators should be obliged to register and report in the Union, and Member States should enforce the registration, due diligence and reporting obligations of such foreign platform operators. Therefore, Member States should lay down rules on penalties applicable to infringements of national provisions adopted pursuant to this Directive and should take all measures necessary to ensure that they are implemented.

While the choice of penalties remains within the discretion of Member States, the penalties provided for should be effective, proportionate and dissuasive. Given that digital platforms often have a wide geographical reach, it is appropriate that Member States endeavour to act in a coordinated manner when aiming at enforcement of compliance with the registration and reporting requirements applicable to digital platforms operating from non-Union jurisdictions, including the prevention of digital platforms from being able to operate within the Union as a last resort. Within the limits of its competence, the Commission should facilitate the coordination of such Member States’ actions, thereby taking into account any future common measures towards digital platforms as well as differences in the potential measures available to Member States.

(22) It is necessary to strengthen the provisions of Directive 2011/16/EU regarding the presence of officials of one Member State in the territory of another Member State and the carrying out of simultaneous controls by two or more Member States in order to ensure the effective application of those provisions. Therefore, the responses to requests for the presence of officials of another Member State should be provided by the competent authority of the requested Member State within a specified timeframe. Where officials of one Member State are present in the territory of another Member State during an administrative enquiry, or participate in an administrative enquiry through the use of electronic means of communication, they should be subject to the procedural arrangements laid down by the requested Member State to directly interview individuals and examine records.
(23) A Member State that intends to carry out a simultaneous control should be required to communicate its intention to
the other Member States concerned. For reasons of efficiency and legal certainty, it is appropriate to provide that the
competent authority of each Member State concerned is obliged to respond within a specified timeframe.

(24) Multilateral controls carried out with the support of the Fiscalis 2020 programme established by Regulation
(EU) No 1286/2013 of the European Parliament and of the Council (6) have demonstrated the benefit of
coordinated controls of one or more taxpayers that are of common or complementary interest to the competent
authorities of two or more Member States. Such joint actions are currently conducted only on the basis of the
combined application of the existing provisions regarding the presence of officials of one Member State in the
territory of another Member State and simultaneous controls. However, in many cases that practice has shown that
further improvements are needed to ensure legal certainty.

(25) It is therefore appropriate that Directive 2011/16/EU is supplemented with a number of provisions that further
clarify the framework and the main principles that should apply when the competent authorities of Member States
choose to resort to the means of a joint audit. Joint audits should be an additional tool available for administrative
cooporation among Member States in the area of taxation, which would supplement the existing framework that
provides for the possibilities for the presence of officials of another Member State in administrative offices,
participation in administrative enquiries as well as simultaneous controls. Joint audits would take the form of
administrative enquiries conducted jointly by the competent authorities of two or more Member States, and be
linked to one or more persons of common or complementary interest to the competent authorities of those
Member States. Joint audits can play an important role in contributing to the better functioning of the internal
market. Joint audits should be structured to offer legal certainty to taxpayers through clear procedural rules,
including measures to mitigate the risk of double taxation.

(26) For the purpose of ensuring legal certainty, the provisions of Directive 2011/16/EU as regards joint audits should
also contain the main aspects of further details of that tool, such as the specified timeframe for response to a
request for a joint audit, the scope of rights and obligations of the officials participating in a joint audit and the
process leading to establishment of a final report of a joint audit. Those provisions on joint audits should not be
interpreted as prejudging any processes that would take place in a Member State in accordance with its national
law as a consequence or a follow-up to the joint audit, such as charging or assessing tax by a decision of tax authorities of
Member States, process of appeal or settlement relating thereto or remedies available to taxpayers arising from those
processes. In order to ensure legal certainty, the final report of a joint audit should reflect the findings on which the
competent authorities concerned agreed. Moreover, the competent authorities concerned could also agree that the
final report of a joint audit includes any issues where an agreement could not be reached. The mutually agreed
findings of the final report of a joint audit should be taken into account in the relevant instruments issued by the
competent authorities of the participating Member States following that joint audit.

(27) In order to ensure legal certainty, it is appropriate to provide that joint audits should be conducted in a pre-agreed
and coordinated manner, and in accordance with the laws and procedural requirements of the Member State where
the activities of a joint audit take place. Such requirements may also include an obligation to ensure that officials of
a Member State who took part in the joint audit in another Member State, also take part, if required, in any process
of complaint, review or appeal in that Member State.

(28) The rights and obligations of the officials who participate in the joint audit, when they are present in activities
performed in a different Member State, should be determined in accordance with the laws of the Member State
where the activities of the joint audit take place. At the same time, while complying with the laws of the Member
State where the activities of a joint audit take place, officials of another Member State should not exercise any
powers that would exceed the scope of the powers granted to them under the laws of their Member State.

programme to improve the operation of taxation systems in the European Union for the period 2014-2020 (Fiscalis 2020) and
While the objective of the provisions on joint audits is to provide a useful tool for administrative cooperation in the field of taxation, nothing in this Directive should be construed as being contrary to the established rules on cooperation of Member States in judicial matters.

It is important that, as a matter of principle, the information communicated under Directive 2011/16/EU is used for the assessment, administration and enforcement of taxes which are covered by the material scope of that Directive. While this was not precluded so far, uncertainties regarding the use of information have arisen due to unclear framework. Therefore, and considering the significance that VAT has for the functioning of the internal market, it is appropriate to clarify that information communicated between Member States may also be used for the assessment, administration and enforcement of VAT and other indirect taxes.

A Member State communicating information to another Member State for tax purposes should permit the use of that information for other purposes in so far as it is allowed under the national law of both Member States. A Member State can do this either by permitting the different use after a mandatory request of the other Member State or by communicating to all Member States a list of allowed other purposes.

In order to assist tax administrations participating in exchange of information under this Directive, practical arrangements, including where appropriate a joint data controller agreement, a data processor – data controller agreement or models thereof, should be drafted by Member States, assisted by the Commission. Only persons duly accredited by the Security Accreditation Authority of the Commission may have access to the information communicated pursuant to Directive 2011/16/EU and provided by electronic means using the CCN, and only in so far as it is necessary for the care, maintenance and development of the central directory on administrative cooperation in the field of taxation and of the CCN. The Commission is also responsible for ensuring the security of the central directory on administrative cooperation in the field of taxation and of the CCN.

In order to prevent data breaches and limit potential damage, it is of utmost importance to improve the security of all data, exchanged between the competent authorities of Member States in the framework of Directive 2011/16/EU. Therefore, it is appropriate to supplement that Directive with rules on the procedure to be followed by Member States and the Commission in the event of a data breach in a Member State as well as in the cases when the breach occurs to the CCN. Given the sensitive nature of the data that could be subject to a data breach, it would be appropriate to provide for measures such as requesting the suspension of the exchange of information with the Member State(s) where the data breach occurred, or suspending access to the CCN to one or more Member States until the data breach is remedied. Given the technical nature of the processes related to data exchange, Member States, assisted by the Commission, should agree on the practical arrangements necessary for the implementation of the procedures to be followed in case of a data breach and measures to be taken to prevent future data breaches.

In order to ensure uniform conditions for the implementation of Directive 2011/16/EU and in particular, for the automatic exchange of information between competent authorities, implementing powers should be conferred on the Commission to adopt a standard form, with a limited number of components, including the linguistic arrangements. Those powers should be exercised in accordance with Regulation (EU) No 182/2011.

The European Data Protection Supervisor was consulted in accordance with Article 42 of Regulation (EU) 2018/1725 of the European Parliament and of the Council (7).

Any processing of personal data carried out within the framework of Directive 2011/16/EU should continue to comply with Regulation (EU) 2016/679 of the European Parliament and of the Council (*) and Regulation (EU) 2018/1725. Data processing is set out in Directive 2011/16/EU solely with the objective of serving a general public interest, namely the matters of taxation and the purposes of combating tax fraud, tax evasion and tax avoidance, safeguarding tax revenues and promoting fair taxation, which strengthen opportunities for social, political and economic inclusion in Member States. Therefore, in Directive 2011/16/EU, the references to the relevant Union law on data protection should be updated and extended to the rules introduced by this Directive. This is in particular important for the purpose of ensuring legal certainty for data controllers and data processors within the meaning of Regulations (EU) 2016/679 and (EU) No 2018/1725 while ensuring the protection of the rights of data subjects.

This Directive respects the fundamental rights and observes the principles recognised in particular by the Charter of Fundamental Rights of the European Union. In particular, this Directive seeks to ensure full respect for the right to the protection of personal data and the freedom to conduct business.

Since the objective of this Directive, namely efficient administrative cooperation between Member States under conditions compatible with the proper functioning of the internal market, cannot be sufficiently achieved by the Member States because the aim of this Directive to improve the cooperation between tax administrations requires uniform rules that can be effective in cross-border situations but can rather, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality as set out in that Article, this Directive does not go beyond what is necessary in order to achieve that objective.

Directive 2011/16/EU should therefore be amended accordingly.

HAS ADOPTED THIS DIRECTIVE:

Article 1

Directive 2011/16/EU is amended as follows:

(1) Article 3 is amended as follows:

(a) in point (9), first subparagraph, point (a) is replaced by the following:

‘(a) for the purposes of Article 8(1) and Articles 8a to 8ac, the systematic communication of predefined information to another Member State, without prior request, at pre-established regular intervals. For the purposes of Article 8(1), reference to available information relates to information in the tax files of the Member State communicating the information, which is retrievable in accordance with the procedures for gathering and processing information in that Member State;’;

(b) in point (9), first subparagraph, point (c) is replaced by the following:

‘(c) for the purposes of provisions of this Directive other than Article 8(1) and (3a) and Articles 8a to 8ac, the systematic communication of predefined information provided in points (a) and (b) of the first subparagraph of this point;’;

(c) in point (9), the second subparagraph is replaced by the following:

‘In the context of Articles 8(3a), 8(7a), 21(2) and Annex IV, any capitalised term shall have the meaning that it has under the corresponding definitions set out in Annex I. In the context of Article 25(3) and (4), any capitalised term shall have the meaning that it has under the corresponding definitions set out in Annex I or V. In the context of Article 8aa and Annex III, any capitalised term shall have the meaning that it has under the corresponding definitions set out in Annex III. In the context of Article 8ac and Annex V, any capitalised term shall have the meaning that it has under the corresponding definitions set out in Annex V;’.
(d) the following points are added:

26. “joint audit” means an administrative enquiry jointly conducted by the competent authorities of two or more Member States, and linked to one or more persons of common or complementary interest to the competent authorities of those Member States;

27. “data breach” means a breach of security leading to destruction, loss, alteration or any incident of inappropriate or unauthorised access, disclosure or use of information, including but not limited to personal data transmitted, stored or otherwise processed, as the result of deliberate unlawful acts, negligence or accidents. A data breach may concern the confidentiality, availability and integrity of data;”.

(2) the following Article is inserted:

‘Article 5a

Foreseeable relevance

1. For the purposes of a request referred to in Article 5, the requested information is foreseeable relevant where, at the time the request is made, the requesting authority considers that, in accordance with its national law, there is a reasonable possibility that the requested information will be relevant to the tax affairs of one or several taxpayers, whether identified by name or otherwise, and be justified for the purposes of the investigation.

2. With the aim to demonstrate the foreseeable relevance of the requested information, the requesting authority shall provide at least the following information to the requested authority:

(a) the tax purpose for which the information is sought; and

(b) a specification of the information required for the administration or enforcement of its national law.

3. Where a request referred to in Article 5 relates to a group of taxpayers who cannot be identified individually the requesting authority shall provide at least the following information to the requested authority:

(a) a detailed description of the group;

(b) an explanation of the applicable law and of the facts based on which there is reason to believe that the taxpayers in the group have not complied with the applicable law;

(c) an explanation how the requested information would assist in determining compliance by the taxpayers in the group; and

(d) where relevant facts and circumstances related to the involvement of a third party that actively contributed to the potential non-compliance of the taxpayers in the group with the applicable law.’;

(3) in Article 6, paragraph 2 is replaced by the following:

‘2. The request referred to in Article 5 may contain a reasoned request for an administrative enquiry. If the requested authority takes the view that no administrative enquiry is necessary, it shall immediately inform the requesting authority of the reasons thereof.’;

(4) in Article 7, paragraph 1 is replaced by the following:

‘1. The requested authority shall provide the information referred to in Article 5 as quickly as possible, and no later than three months from the date of receipt of the request. However, where the requested authority is unable to respond to the request by the relevant time limit, it shall inform the requesting authority immediately and in any event within three months of the receipt of the request, of the reasons for its failure to do so, and the date by which it considers it might be able to respond. The time limit shall not be longer than six months from the date of receipt of the request.

However, where the requested authority is already in possession of that information, the information shall be transmitted within two months of that date.’;

(5) in Article 7, paragraph 5 is deleted;
(6) Article 8 is amended as follows:

(a) paragraphs 1 and 2 are replaced by the following:

‘1. The competent authority of each Member State shall, by automatic exchange, communicate to the competent authority of any other Member State all information that is available concerning residents of that other Member State, on the following specific categories of income and capital as they are to be understood under the national legislation of the Member State which communicates the information:

(a) income from employment;
(b) director’s fees;
(c) life insurance products not covered by other Union legal instruments on exchange of information and other similar measures;
(d) pensions;
(e) ownership of and income from immovable property;
(f) royalties.

For taxable periods starting on or after 1 January 2024, Member States shall endeavour to include the Tax Identification Number (TIN) of residents issued by the Member State of residence in the communication of the information referred to in the first subparagraph.

Member States shall inform the Commission annually of at least two categories of income and capital listed in the first subparagraph with regard to which they communicate information concerning residents of another Member State.

2. Before 1 January 2024, Member States shall inform the Commission of at least four categories listed in the first subparagraph of paragraph 1 in respect of which the competent authority of each Member State shall, by automatic exchange, communicate to the competent authority of any other Member State information concerning residents of that other Member State. Such information shall concern taxable periods starting on or after 1 January 2025;’;

(b) in paragraph 3, the second subparagraph is deleted;

(7) Article 8a is amended as follows:

(a) in paragraph 5, point (a) is replaced by the following:

‘(a) in respect of information exchanged pursuant to paragraph 1 – without delay after the advance cross-border rulings or advance pricing arrangements have been issued, amended or renewed and at the latest three months following the end of the half of the calendar year during which the advance cross-border rulings or advance pricing arrangements were issued, amended or renewed;’;

(b) in paragraph 6, point (b) is replaced by the following:

‘(b) a summary of the advance cross-border ruling or advance pricing arrangement, including a description of the relevant business activities or transactions or series of transactions and any other information that could assist the competent authority in assessing a potential tax risk, without leading to the disclosure of a commercial, industrial or professional secret or of a commercial process, or of information whose disclosure would be contrary to public policy;’;

(8) the following Article is inserted:

‘Article 8ac

Scope and conditions of mandatory automatic exchange of information reported by Platform Operators

1. Each Member State shall take the necessary measures to require Reporting Platform Operators to carry out the due diligence procedures and fulfil reporting requirements laid down in Sections II and III of Annex V. Each Member State shall also ensure the effective implementation of, and compliance with, such measures in accordance with Section IV of Annex V.'
2. Pursuant to the applicable due diligence procedures and reporting requirements contained in Sections II and III of Annex V, the competent authority of a Member State where the reporting in accordance with paragraph 1 took place shall, by means of automatic exchange, and within the time limit laid down in paragraph 3, communicate to the competent authority of the Member State in which the Reportable Seller is resident as determined pursuant to paragraph D of Section II of Annex V and, where the Reportable Seller provides immovable property rental services, in any case to the competent authority of the Member State in which the immovable property is located, the following information regarding each Reportable Seller:

(a) the name, registered office address, TIN and, where relevant, individual identification number allocated pursuant to the first subparagraph of paragraph 4, of the Reporting Platform Operator, as well as the business name(s) of the Platform(s) in respect of which the Reporting Platform Operator is reporting;

(b) the first and last name of the Reportable Seller who is an individual, and legal name of the Reportable Seller that is an Entity;

(c) the Primary Address;

(d) any TIN of the Reportable Seller, including each Member State of issuance, or, in the absence of a TIN, the place of birth of the Reportable Seller who is an individual;

(e) the business registration number of the Reportable Seller that is an Entity;

(f) the VAT identification number of the Reportable Seller, where available;

(g) the date of birth of the Reportable Seller who is an individual;

(h) the Financial Account Identifier to which the Consideration is paid or credited, insofar as it is available to the Reporting Platform Operator and the competent authority of the Member State where the Reportable Seller is resident in the meaning of paragraph D of Section II of Annex V has not notified the competent authorities of all other Member States that it does not intend to use the Financial Account Identifier for this purpose;

(i) where different from the name of the Reportable Seller, in addition to the Financial Account Identifier, the name of the holder of the financial account to which the Consideration is paid or credited, to the extent available to the Reporting Platform Operator, as well as any other financial identification information available to the Reporting Platform Operator with respect to that account holder;

(j) each Member State in which the Reportable Seller is resident determined pursuant to paragraph D of Section II of Annex V;

(k) the total Consideration paid or credited during each quarter of the Reportable Period and the number of Relevant Activities in respect of which it was paid or credited;

(l) any fees, commissions or taxes withheld or charged by the Reporting Platform during each quarter of the Reportable Period.

Where the Reportable Seller provides immovable property rental services, the following additional information shall be communicated:

(a) the address of each Property Listing, determined on the basis of the procedures set out in paragraph E of Section II of Annex V and respective land registration number or its equivalent under the national law of the Member State where it is located, where available;

(b) the total Consideration paid or credited during each quarter of the Reportable Period and number of Relevant Activities provided with respect to each Property Listing;

(c) where available, the number of days each Property Listing was rented during the Reportable Period and the type of each Property Listing.

3. The communication pursuant to paragraph 2 of this Article shall take place using the standard computerised format referred to in Article 20(4) within two months following the end of the Reportable Period to which the reporting requirements applicable to the Reporting Platform Operator relate. The first information shall be communicated for Reportable Periods as from 1 January 2023.
4. For the purpose of complying with the reporting requirements pursuant to paragraph 1 of this Article, each Member State shall lay down the necessary rules to require a Reporting Platform Operator within the meaning of point (b) of subparagraph A(4) of Section I of Annex V to register within the Union. The competent authority of the Member State of registration shall allocate an individual identification number to such Reporting Platform Operator.

Member States shall lay down rules pursuant to which a Reporting Platform Operator may choose to register with the competent authority of a single Member State in accordance with the rules laid down in paragraph F of Section IV of Annex V. Member States shall take the necessary measures to require that a Reporting Platform Operator within the meaning of point (b) of subparagraph A(4) of Section I of Annex V, whose registration has been revoked in accordance with subparagraph F(7) of Section IV of Annex V, can only be permitted to re-register on the condition that it provides to the authorities of a Member State concerned appropriate assurances as regards its commitment to comply with the reporting requirements within the Union, including any outstanding unfulfilled reporting requirements.

The Commission shall, by means of implementing acts, lay down the practical arrangements necessary for the registration and identification of Reporting Platform Operators. Those implementing acts shall be adopted in accordance with the procedure referred to in Article 26(2).

5. Where a Platform Operator is deemed to be an Excluded Platform Operator, the competent authority of the Member State where the demonstration in accordance with subparagraph A(3) of Section I of Annex V was provided to, shall notify the competent authorities of all other Member States accordingly, including any subsequent changes.

6. The Commission shall, by 31 December 2022, establish a central register where information to be notified in accordance with paragraph 5 of this Article and communicated in accordance with subparagraph F(2) of Section IV of Annex V shall be recorded. That central register shall be available to the competent authorities of all Member States.

7. The Commission shall, by means of implementing acts, following a reasoned request by a Member State or on its own initiative, determine whether the information that is required to be automatically exchanged pursuant to an agreement between competent authorities of the Member State concerned and a non-Union jurisdiction is, within the meaning of subparagraph A(7) of Section I of Annex V, equivalent to that specified in paragraph B of Section III of Annex V. Those implementing acts shall be adopted in accordance with the procedure referred to in Article 26(2).

A Member State requesting the measure referred to in the first subparagraph shall send a reasoned request to the Commission.

If the Commission considers that it does not have all the information necessary for the appraisal of the request, it shall contact the Member State concerned within two months of receipt of the request and specify what additional information is required. Once the Commission has all the information it considers necessary, it shall, within one month, notify the requesting Member State and it shall submit the relevant information to the Committee referred to in Article 26(2).

When acting on its own initiative, the Commission shall adopt an implementing act as referred to in the first subparagraph only after a Member State has concluded a competent authority agreement with a non-Union jurisdiction that requires the automatic exchange of information on sellers deriving income from activities facilitated by Platforms.

When determining whether information is equivalent within the meaning of the first subparagraph in relation to a Relevant Activity, the Commission shall take into due account the extent to which the regime on which such information is based corresponds to that set out in Annex V, in particular with regard to:

(i) the definitions of Reporting Platform Operator, Reportable Seller, Relevant Activity;

(ii) the procedures applicable for the purpose of identifying Reportable Sellers;

(iii) the reporting requirements; and
(iv) the rules and administrative procedures that non-Union jurisdictions are to have in place to ensure effective implementation of, and compliance with, the due diligence procedures and reporting requirements set out in that regime.

The same procedure shall apply for determining that the information is no longer equivalent.

(9) Article 8b is amended as follows:
(a) paragraph 1 is replaced by the following:
‘1. Member States shall provide the Commission on an annual basis with statistics on the volume of automatic exchanges under Articles 8(1), 8(3a), 8aa and 8ac and with information on the administrative and other relevant costs and benefits relating to exchanges that have taken place and any potential changes, for both tax administrations and third parties.’;
(b) paragraph 2 is deleted;

(10) Article 11 is amended as follows:
(a) paragraph 1 is replaced by the following:
‘1. With a view to exchanging the information referred to in Article 1(1), the competent authority of a Member State may request the competent authority of another Member State that officials authorised by the former and in accordance with the procedural arrangements laid down by the latter:
(a) be present in the offices where the administrative authorities of the requested Member State carry out their duties;
(b) be present during administrative enquiries carried out in the territory of the requested Member State;
(c) participate in the administrative enquiries carried out by the requested Member State through the use of electronic means of communication, where appropriate.

The requested authority shall respond to a request in accordance with the first subparagraph within 60 days of the receipt of the request, to confirm its agreement or communicate its reasoned refusal to the requesting authority.

Where the requested information is contained in documentation to which the officials of the requested authority have access, the officials of the requesting authority shall be given copies thereof.’;
(b) in paragraph 2, the first subparagraph is replaced by the following:
‘Where officials of the requesting authority are present during administrative enquiries, or participate in the administrative enquiries through the use of electronic means of communication, they may interview individuals and examine records subject to the procedural arrangements laid down by the requested Member State.’;

(11) in Article 12, paragraph 3 is replaced by the following:
‘3. The competent authority of each Member State concerned shall decide whether it wishes to take part in simultaneous controls. It shall confirm its agreement or communicate its reasoned refusal to the authority that proposed a simultaneous control within 60 days of receiving the proposal.’;

(12) the following Section is inserted:

‘SECTION IIa

Joint audits

Article 12a

Joint audits

1. The competent authority of one or more Member States may request the competent authority of another Member State (or other Member States) to conduct a joint audit. The requested competent authorities shall respond to the request for a joint audit within 60 days of the receipt of the request. The requested competent authorities may reject a request for a joint audit by the competent authority of a Member State on justified grounds.'
2. Joint audits shall be conducted in a pre-agreed and coordinated manner, including linguistic arrangements, by the competent authorities of the requesting and the requested Member States, and in accordance with the laws and procedural requirements of the Member State where the activities of a joint audit take place. In each Member State where the activities of a joint audit take place, the competent authority of that Member State shall appoint a representative with responsibility for supervising and coordinating the joint audit in that Member State.

The rights and obligations of the officials of Member States who participate in the joint audit, when they are present in activities performed in a different Member State, shall be determined in accordance with the laws of the Member State where the activities of the joint audit take place. While complying with the laws of the Member State where the activities of the joint audit take place, officials of another Member State shall not exercise any powers that would exceed the scope of the powers granted to them under the laws of their Member State.

3. Without prejudice to paragraph 2, a Member State where the activities of the joint audit take place shall take the necessary measures to:

(a) permit that officials of other Member States who participate in the activities of the joint audit interview individuals and examine records together with the officials of the Member State where the activities of the joint audit take place, subject to the procedural arrangements laid down by the Member State where those activities take place;

(b) ensure that evidence collected during the activities of the joint audit can be assessed, including on its admissibility, under the same legal conditions as in the case of an audit carried out in that Member State where only the officials of that Member State take part, including in the course of any process of complaint, review or appeal; and

(c) ensure that the person(s) subject to a joint audit or affected by it enjoy the same rights and have the same obligations as in the case of an audit where only the officers of that Member State take part, including in the course of any process of complaint, review or appeal.

4. Where competent authorities of two or more Member States conduct a joint audit, they shall endeavour to agree on the facts and circumstances relevant to the joint audit and endeavour to reach an agreement on the tax position of the audited person(s) based on the results of the joint audit. The findings of the joint audit shall be incorporated in a final report. Issues on which the competent authorities agree shall be reflected in the final report and be taken into account in the relevant instruments issued by the competent authorities of the participating Member States following that joint audit.

Subject to the first subparagraph, the actions by the competent authorities of a Member State or any of its officers following a joint audit and any further processes taking place in that Member State, such as a decision of tax authorities, process of appeal or settlement relating thereto, shall take place in accordance with the national law of that Member State.

5. The audited person(s) shall be informed of the outcome of the joint audit, including a copy of the final report within 60 days of the issuance of the final report.

(13) Article 16 is amended as follows:

(a) in paragraph 1, the first subparagraph is replaced by the following:

‘1. Information communicated between Member States in any form pursuant to this Directive shall be covered by the obligation of official secrecy and enjoy the protection extended to similar information under the national law of the Member State which received it. Such information may be used for the assessment, administration and enforcement of the national law of Member States concerning the taxes referred to in Article 2 as well as VAT and other indirect taxes.;

(b) paragraph 2 is replaced by the following:

‘2. With the permission of the competent authority of the Member State communicating information pursuant to this Directive, and only in so far as this is allowed under the national law of the Member State of the competent authority receiving the information, information and documents received pursuant to this Directive may be used for other purposes than those referred to in paragraph 1. Such permission shall be granted if the information can be used for similar purposes in the Member State of the competent authority communicating the information.

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The competent authority of each Member State may communicate to the competent authorities of all other Member States a list of purposes for which, in accordance with its national law, information and documents may be used, other than those referred to in paragraph 1. The competent authority that receives information and documents may use the received information and documents without the permission referred to in the first subparagraph of this paragraph for any of the purposes listed by the communicating Member State.

(14) Article 20 is amended as follows:

(a) in paragraph 2, the first subparagraph is replaced by the following:

‘2. The standard form referred to in paragraph 1 shall include at least the following information to be provided by the requesting authority:

(a) the identity of the person under examination or investigation and, in the case of group requests as referred to in Article 5a(3), detailed description of the group;

(b) the tax purpose for which the information is sought.’;

(b) paragraphs 3 and 4 are replaced by the following:

‘3. Spontaneous information and its acknowledgement pursuant to Articles 9 and 10 respectively, requests for administrative notifications pursuant to Article 13, feedback information pursuant to Article 14 and communications pursuant to Article 16(2) and (3) and Article 24(2) shall be sent using the standard forms adopted by the Commission in accordance with the procedure referred to in Article 26(2).

4. The automatic exchange of information pursuant to Articles 8 and 8ac shall be carried out using a standard computerised format aimed at facilitating such automatic exchange, adopted by the Commission in accordance with the procedure referred to in Article 26(2).’;

(15) in Article 21, the following paragraph is added:

‘7. The Commission shall develop and provide technical and logistical support for a secure central interface on administrative cooperation in the field of taxation where Member States communicate with the use of standard forms pursuant to Article 20(1) and (3). The competent authorities of all Member States shall have access to that interface. For the purpose of collecting statistics, the Commission shall have access to information about the exchanges recorded to the interface and which can be extracted automatically. The Commission shall have only access to anonymous and aggregated data. The access by the Commission shall be without prejudice to the obligation of Member States to provide statistics on exchanges of information in accordance with Article 23(4).

The Commission shall, by means of implementing acts, lay down the necessary practical arrangements. Those implementing acts shall be adopted in accordance with the procedure referred to in Article 26(2).’;

(16) in Article 22, paragraph 1a is replaced by the following:

‘1a. For the purposes of the implementation and enforcement of the laws of Member States giving effect to this Directive and to ensure the functioning of the administrative cooperation it establishes, Member States shall provide by law for access by tax authorities to the mechanisms, procedures, documents and information referred to in Articles 13, 30, 31, 32a and 40 of Directive (EU) 2015/849 of the European Parliament and of the Council (*) .


(17) in Article 23a, paragraph 2 is replaced by the following:

‘2. Information communicated to the Commission by a Member State under Article 23, as well as any report or document produced by the Commission using such information, may be transmitted to other Member States. Such transmitted information shall be covered by the obligation of official secrecy and enjoy the protection extended to similar information under the national law of the Member State which received it.
Reports and documents produced by the Commission, referred to in the first subparagraph, may be used by Member States only for analytical purposes, and shall not be published or made available to any other person or body without the express agreement of the Commission.

Notwithstanding the first and second subparagraphs, the Commission may publish annually anonymised summaries of the statistical data that Member States communicate to it in accordance with Article 23(4).

(18) Article 25 is replaced by the following:

‘Article 25

Data protection

1. All exchange of information pursuant to this Directive shall be subject to Regulation (EU) 2016/679 of the European Parliament and of the Council (**). However, Member States shall, for the purposes of the correct application of this Directive, restrict the scope of the obligations and rights provided for in Article 13, Article 14(1) and Article 15, of Regulation (EU) 2016/679, to the extent required in order to safeguard the interests referred to in point (e) of Article 23(1) of that Regulation.

2. Regulation (EU) 2018/1725 of the European Parliament and of the Council (***) shall apply to any processing of personal data under this Directive by the Union institutions, bodies, offices and agencies. However, for the purposes of the correct application of this Directive, the scope of the obligations and rights provided for in Article 15, Article 16(1), and Articles 17 to 21, of Regulation (EU) 2018/1725, shall be restricted to the extent required in order to safeguard the interests referred to in point (c) of Article 25(1) of that Regulation.

3. Reporting Financial Institutions, intermediaries, Reporting Platform Operators and the competent authorities of Member States shall be considered to be data controllers when, acting alone or jointly, they determine the purposes and means of the processing of personal data within the meaning of Regulation (EU) 2016/679.

4. Notwithstanding paragraph 1, each Member State shall ensure each Reporting Financial Institution or intermediary or Reporting Platform Operator, as the case may be, which is under its jurisdiction:

(a) informs each individual concerned that information relating to that individual will be collected and transferred in accordance with this Directive; and

(b) provides to each individual concerned all information that the individual is entitled to from the data controller in sufficient time for that individual to exercise his/her data protection rights and, in any case, before the information is reported.

Notwithstanding point (b) of the first subparagraph, each Member State shall lay down rules obliging Reporting Platform Operators to inform Reportable Sellers of the reported Consideration.

5. Information processed in accordance with this Directive shall be retained for no longer than is necessary to achieve the purposes of this Directive, and in any case in accordance with each data controller’s domestic rules on statute of limitations.

6. A Member State where a data breach occurred, shall report the data breach and any subsequent remedial action to the Commission without delay. The Commission shall inform all Member States without delay of the data breach that has been reported to it or of which it is aware and any remedial action.

Each Member State may suspend the exchange of information to the Member State(s) where the data breach occurred by giving notice in writing to the Commission and the Member State(s) concerned. Such suspension shall have immediate effect.

Notwithstanding the first subparagraph, each Member State shall lay down rules obliging Reporting Platform Operators to inform Reportable Sellers of the reported Consideration.

The Member State(s) where the data breach occurred shall investigate, contain and remedy the data breach and shall, by giving notice in writing to the Commission, request the suspension of the CCN access for the purposes of this Directive, if the data breach cannot be contained immediately and appropriately. Upon such request, the Commission shall suspend the CCN access of such Member State(s) for the purposes of this Directive.
Upon reporting by the Member State where the data breach occurred of remedying the data breach, the Commission shall resume the CCN access of the Member State(s) concerned for the purposes of this Directive. In case one or more Member States request the Commission to jointly verify whether the remediation of the data breach was successful, the Commission shall resume the CCN access of such Member State(s) for the purposes of this Directive upon such verification.

Where a data breach occurs to the central directory or the CCN for the purposes of this Directive and where the exchanges of Member States through the CCN can potentially be affected, the Commission shall inform Member States of the data breach and any remedial actions taken without undue delay. Such remedial actions may include suspending access to the central directory or the CCN for the purposes of this Directive until the data breach is remedied.

7. Member States, assisted by the Commission, shall agree on the practical arrangements necessary for the implementation of this Article, including data breach management processes which are aligned with internationally recognised good practices and where appropriate a joint data controller agreement, a data processor – data controller agreement, or models thereof.


(19) Article 25a is replaced by the following:

‘Article 25a

Penalties

Member States shall lay down the rules on penalties applicable to infringements of national provisions adopted pursuant to this Directive and concerning Articles 8aa, 8ab and 8ac, and shall take all measures necessary to ensure that they are implemented. The penalties provided for shall be effective, proportionate and dissuasive.’;

(20) Annex V, the text of which is set out in the Annex to this Directive, is added.

Article 2

1. Member States shall adopt and publish, by 31 December 2022, the laws, regulations and administrative provisions necessary to comply with this Directive. They shall immediately inform the Commission thereof.

They shall apply those provisions from 1 January 2023.

When Member States adopt those provisions, they shall contain a reference to this Directive or shall be accompanied by such a reference on the occasion of their official publication. The methods of making such reference shall be laid down by Member States.

2. By way of derogation from paragraph 1 of this Article, Member States shall adopt and publish, by 31 December 2023, the laws, regulations and administrative provisions necessary to comply with point (1)(d) of Article 1 of this Directive as regards point (26) of Article 3 of Directive 2011/16/EU and with point (12) of Article 1 of this Directive as regards Section IIa of Directive 2011/16/EU. They shall immediately inform the Commission thereof.

They shall apply those provisions from 1 January 2024, at the latest.
When Member States adopt those provisions, they shall contain a reference to this Directive or shall be accompanied by such a reference on the occasion of their official publication. The methods of making such reference shall be laid down by Member States.

3. Member States shall communicate to the Commission the text of the main provisions of national law which they adopt in the field covered by this Directive.

Article 3

This Directive shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.

Article 4

This Directive is addressed to the Member States.

Done at Brussels, 22 March 2021.

For the Council

The President

M. do C. ANTUNES
ANNEX

‘ANNEX V

DUE DILIGENCE PROCEDURES, REPORTING REQUIREMENTS AND OTHER RULES FOR PLATFORM OPERATORS

This Annex lays down the due diligence procedures, reporting requirements and other rules that shall be applied by the Reporting Platform Operators in order to enable Member States to communicate, by automatic exchange, the information referred to in Article 8ac of this Directive.

This Annex also lays down the rules and administrative procedures that Member States shall have in place to ensure effective implementation of, and compliance with, the due diligence procedures and reporting requirements set out in it.

SECTION I

DEFINED TERMS

The following terms have the meaning set forth below:

A. Reporting Platform Operators

1. "Platform" means any software, including a website or a part thereof and applications, including mobile applications, accessible by users and allowing Sellers to be connected to other users for the purpose of carrying out a Relevant Activity, directly or indirectly, to such users. It also includes any arrangement for the collection and payment of a Consideration in respect of Relevant Activity.

   The term "Platform" does not include software that without any further intervention in carrying out a Relevant Activity exclusively allows any of the following:

   (a) processing of payments in relation to Relevant Activity;

   (b) users to list or advertise a Relevant Activity;

   (c) redirecting or transferring of users to a Platform.

2. "Platform Operator" means an Entity that contracts with Sellers to make available all or part of a Platform to such Sellers.

3. "Excluded Platform Operator" means a Platform Operator which has demonstrated upfront and on an annual basis to the satisfaction of the competent authority of the Member State to which, in accordance with the rules laid down in subparagraphs A(1) to A(3) of Section III, the Platform Operator otherwise would have had to report that Platform’s entire business model is such that it does not have Reportable Sellers.

4. "Reporting Platform Operator" means any Platform Operator, other than an Excluded Platform Operator, who is in any of the following situations:

   (a) it is resident for tax purposes in a Member State or, where such Platform Operator does not have a residence for tax purposes in a Member State, it fulfils any of the following conditions:

      (i) it is incorporated under the laws of a Member State;

      (ii) it has its place of management (including effective management) in a Member State;

      (iii) it has a permanent establishment in a Member State and is not a Qualified Non-Union Platform Operator;

   (b) it is neither resident for tax purposes, nor incorporated or managed in a Member State, nor has a permanent establishment in a Member State, but facilitates the carrying out of a Relevant Activity by Reportable Sellers or a Relevant Activity involving the rental of immovable property located in a Member State and is not a Qualified Non-Union Platform Operator.
5. "Qualified Non-Union Platform Operator" means a Platform Operator for which all Relevant Activities that it facilitates are also Qualified Relevant Activities and that is resident for tax purposes in a Qualified Non-Union Jurisdiction or, where such Platform Operator does not have a residence for tax purposes in a Qualified Non-Union Jurisdiction, it fulfils any of the following conditions:

(a) it is incorporated under the laws of a Qualified Non-Union Jurisdiction; or

(b) it has its place of management (including effective management) in a Qualified Non-Union Jurisdiction.

6. "Qualified Non-Union Jurisdiction" means a non-Union jurisdiction that has in effect an Effective Qualifying Competent Authority Agreement with the competent authorities of all Member States which are identified as reportable jurisdictions in a list published by the non-Union jurisdiction.

7. "Effective Qualifying Competent Authority Agreement" means an agreement between the competent authorities of a Member State and a non-Union jurisdiction that requires the automatic exchange of information equivalent to that specified in paragraph B of Section III of this Annex as confirmed by an implementing act in accordance with Article 8ac(7).

8. "Relevant Activity" means an activity carried out for Consideration and being any of the following:

(a) the rental of immovable property, including both residential and commercial property, as well as any other immovable property and parking spaces;

(b) a Personal Service;

(c) the sale of Goods;

(d) the rental of any mode of transport.

The term "Relevant Activity" does not include an activity carried out by a Seller acting as an employee of the Platform Operator or a related Entity of the Platform Operator.

9. "Qualified Relevant Activities" means any Relevant Activity covered by the automatic exchange pursuant to an Effective Qualifying Competent Authority Agreement.

10. "Consideration" means compensation in any form, net of any fees, commissions or taxes withheld or charged by the Reporting Platform Operator, that is paid or credited to a Seller in connection with the Relevant Activity, the amount of which is known or reasonably knowable by the Platform Operator.

11. "Personal Service" means a service involving time- or task-based work performed by one or more individuals, acting either independently or on behalf of an Entity, and which is carried out at the request of a user, either online or physically offline after having been facilitated via a Platform.

B. Reportable Sellers

1. "Seller" means a Platform user, either an individual or an Entity, that is registered at any moment during the Reportable Period on the Platform and carries out a Relevant Activity.

2. "Active Seller" means any Seller that either provides a Relevant Activity during the Reportable Period or is paid or credited Consideration in connection with a Relevant Activity during the Reportable Period.

3. "Reportable Seller" means any Active Seller, other than an Excluded Seller, that is resident in a Member State or that rented out immovable property located in a Member State.

4. "Excluded Seller" means any Seller

(a) that is a Governmental Entity;

(b) that is an Entity the stock of which is regularly traded on an established securities market or a related Entity of an Entity the stock of which is regularly traded on an established securities market;
(c) that is an Entity for which the Platform Operator facilitated more than 2,000 Relevant Activities by means of the rental of immovable property in respect of a Property Listing during the Reporting Period; or

(d) 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 did not exceed EUR 2,000 during the Reporting Period.

C. Other definitions

1. "Entity" means a legal person or a legal arrangement, such as a corporation, partnership, trust or foundation. An Entity is a related Entity of another Entity if either Entity controls the other Entity, or the two Entities are under common control. For this purpose control includes direct or indirect ownership of more than 50% of the vote and value in an Entity. In indirect participation, the fulfilment of the requirement for the holding of more than 50% of the right of ownership in the capital of the other Entity shall be determined by multiplying the rates of holding through the successive tiers. A person holding more than 50% of the voting rights shall be deemed to hold 100%.

2. "Governmental Entity" means the government of a Member State or other jurisdiction, any political subdivision of a Member State or other jurisdiction (which includes a state, province, county, or municipality), or any wholly owned agency or instrumentality of a Member State or other jurisdiction or of any one or more of the foregoing (each, a "Governmental Entity").

3. "TIN" means a Taxpayer Identification Number, issued by a Member State, or functional equivalent in the absence of a Taxpayer Identification Number.

4. "VAT identification number" means the unique number that identifies a taxable person or a non-taxable legal entity that is registered for value added tax purposes.

5. "Primary Address" means the address that is the primary residence of a Seller who is an individual, as well as the address that is the registered office of a Seller that is an Entity.

6. "Reportable Period" means the calendar year in respect of which reporting is being completed pursuant to Section III.

7. "Property Listing" means all immovable property units located at the same street address, owned by the same owner and offered for rent on a Platform by the same Seller.

8. "Financial Account Identifier" means the unique identifying number or reference available to the Platform Operator of the bank account or other similar payment services account to which the Consideration is paid or credited.


SECTION II

DUE DILIGENCE PROCEDURES

The following procedures shall apply for the purpose of identifying Reportable Sellers.

A. Sellers not subject to review

For the purpose of determining whether a Seller that is an Entity qualifies as an Excluded Seller described in points (a) and (b) of subparagraph B(4) of Section I, a Reporting Platform Operator may rely on publicly available information or a confirmation from the Seller that is an Entity.

For the purpose of determining whether a Seller qualifies as an Excluded Seller described in points (c) and (d) of subparagraph B(4) of Section I, a Reporting Platform Operator may rely on its available records.

B. Collection of Seller information

1. The Reporting Platform Operator shall collect all of the following information for each Seller who is an individual and not an Excluded Seller:

   (a) the first and last name;

   (b) the Primary Address;

   (c) any TIN issued to that Seller, including each Member State of issuance, and in the absence of a TIN, the place of birth of that Seller;
(d) the VAT identification number of that Seller, where available;
(e) the date of birth.

2. The Reporting Platform Operator shall collect all of the following information for each Seller that is an Entity and not an Excluded Seller:
   (a) the legal name;
   (b) the Primary Address;
   (c) any TIN issued to that Seller, including each Member State of issuance;
   (d) the VAT identification number of that Seller, where available;
   (e) the business registration number;
   (f) the existence of any permanent establishment through which Relevant Activities are carried out in the Union, where available, indicating each respective Member State, where such a permanent establishment is located.

3. Notwithstanding subparagraphs B(1) and (2), the Reporting Platform Operator shall not be required to collect information referred to in points (b) to (e) of subparagraph B(1) and points (b) to (f) of subparagraph B(2) where it relies on direct confirmation of the identity and residence of the Seller through an identification service made available by a Member State or the Union to ascertain the identity and tax residence of the Seller.

4. Notwithstanding point (c) of subparagraph B(1) and points (c) and (e) of subparagraph B(2), the Reporting Platform Operator shall not be required to collect the TIN or the business registration number, as the case may be, in any of the following situations:
   (a) the Member State of residence of the Seller does not issue a TIN or business registration number to the Seller;
   (b) the Member State of residence of the Seller does not require the collection of the TIN issued to the Seller.

C. Verification of Seller information

1. The Reporting Platform Operator shall determine whether the information collected pursuant to paragraph A, subparagraph B(1), points (a) to (e) of subparagraph B(2) and paragraph E is reliable, using all information and documents available to the Reporting Platform Operator in its records, as well as any electronic interface made available by a Member State or the Union free of charge to ascertain the validity of the TIN and/or VAT identification number.

2. Notwithstanding subparagraph C(1), for the completion of the due diligence procedures pursuant to subparagraph F(2), the Reporting Platform Operator may determine whether the information collected pursuant to paragraph A, subparagraph B(1), points (a) to (e) of subparagraph B(2) and paragraph E is reliable, using information and documents available to the Reporting Platform Operator in its electronically searchable records.

3. In application of point (b) of subparagraph F(3) and notwithstanding subparagraphs C(1) and C(2), in instances where the Reporting Platform Operator has reason to know that any of the information items described in paragraph B or E may be inaccurate by virtue of information provided by the competent authority of a Member State in a request concerning a specific Seller, it shall request the Seller to correct information items that were found to be incorrect and to provide supporting documents, data or information, which is reliable and of independent source, such as:
   (a) valid government-issued identification document,
   (b) recent tax residency certificate.

D. Determination of Member State(s) of residence of Seller for the purposes of this Directive

1. A Reporting Platform Operator shall consider a Seller resident in the Member State of the Seller’s Primary Address. Where different from the Member State of the Seller’s Primary Address, a Reporting Platform Operator shall consider Seller resident also in the Member State of issuance of TIN. Where the Seller has provided information with respect to the existence of a permanent establishment pursuant to point (f) of subparagraph B(2), a Reporting Platform Operator shall consider a Seller resident also in the respective Member State as specified by the Seller.
2. Notwithstanding subparagraph D(1), a Reporting Platform Operator shall consider a Seller resident in each Member State confirmed by an electronic identification service made available by a Member State or the Union pursuant to subparagraph B(3).

E. Collection of information on rented immovable property

Where a Seller is engaged in Relevant Activity involving the rental of immovable property, the Reporting Platform Operator shall collect the address of each Property Listing and, where issued, respective land registration number or its equivalent under the national law of the Member State where it is located. Where a Reporting Platform Operator facilitated more than 2 000 Relevant Activities by means of the rental of a Property Listing for the same Seller that is an Entity, the Reporting Platform Operator shall collect supporting documents, data or information that the Property Listing is owned by the same owner.

F. Timing and validity of due diligence procedures

1. A Reporting Platform Operator shall complete the due diligence procedures set out in paragraphs A to E by 31 December of the Reportable Period.

2. Notwithstanding subparagraph F(1), for Sellers that were already registered on the Platform as of 1 January 2023 or as of the date on which an Entity becomes a Reporting Platform Operator, the due diligence procedures set out in paragraphs A to E are required to be completed by 31 December of the second Reportable Period for the Reporting Platform Operator.

3. Notwithstanding subparagraph F(1), a Reporting Platform Operator may rely on the due diligence procedures conducted in respect of previous Reportable Periods, provided that:

   (a) the Seller information required in subparagraphs B(1) and B(2) has been either collected and verified or confirmed within the last 36 months; and

   (b) the Reporting Platform Operator does not have reason to know that information collected pursuant to paragraphs A, B and E is or has become unreliable or incorrect.

G. Application of the due diligence procedures to Active Sellers only

A Reporting Platform Operator may elect to complete the due diligence procedures pursuant to paragraphs A to F in respect of Active Sellers only.

H. Completion of the due diligence procedures by third parties

1. A Reporting Platform Operator may rely on a third party service provider to fulfil the due diligence obligations laid down in this Section, but such obligations shall remain the responsibility of the Reporting Platform Operator.

2. Where a Platform Operator fulfils the due diligence obligations for a Reporting Platform Operator with respect to the same Platform pursuant to subparagraph H(1), such Platform Operator shall carry out the due diligence procedures pursuant to the rules laid down in this Section. The due diligence obligations shall remain the responsibility of the Reporting Platform Operator.

SECTION III

REPORTING REQUIREMENTS

A. Time and manner of reporting

1. A Reporting Platform Operator within the meaning of point (a) of subparagraph A(4) of Section I shall report to the competent authority of the Member State determined in accordance with point (a) of subparagraph A(4) of Section I the information set out in paragraph B of this Section with respect to the Reportable Period no later than 31 January of the year following the calendar year in which the Seller is identified as a Reportable Seller. Where there is more than one Reporting Platform Operator, any of those Reporting Platform Operators shall be exempt from reporting the information if it has proof, in accordance with national law, that the same information has been reported by another Reporting Platform Operator.
2. If a Reporting Platform Operator within the meaning of point (a) of subparagraph A(4) of Section I fulfils any of the conditions listed therein in more than one Member State, it shall elect one of those Member States in which it will fulfil the reporting requirements set out in this Section. Such Reporting Platform Operator shall report the information listed in paragraph B of this Section with respect to the Reportable Period to the competent authority of the Member State of election, as this is determined in accordance with paragraph E of Section IV, no later than 31 January of the year following the calendar year in which the Seller is identified as a Reportable Seller. Where there is more than one Reporting Platform Operator, any of those Reporting Platform Operators shall be exempt from reporting the information if it has proof, in accordance with national law, that the same information has been reported by another Reporting Platform Operator in another Member State.

3. A Reporting Platform Operator within the meaning of point (b) of subparagraph A(4) of Section I shall report the information set out in paragraph B of this Section with respect to the Reportable Period to the competent authority of the Member State of registration, as this is determined in accordance with subparagraph F(1) of Section IV, no later than 31 January of the year following the calendar year in which the Seller is identified as a Reportable Seller.

4. Notwithstanding subparagraph A(3) of this Section, a Reporting Platform Operator within the meaning of point (b) of subparagraph A(4) of Section I shall not be required to provide the information set out in paragraph B of this Section with respect to Qualified Relevant Activities, covered by an Effective Qualifying Competent Authority Agreement, which already provides for the automatic exchange of equivalent information with a Member State on Reportable Sellers resident in that Member State.

5. A Reporting Platform Operator shall also provide the information set out in subparagraphs B(2) and B(3) to the Reportable Seller to which it relates, no later than 31 January of the year following the calendar year in which the Seller is identified as a Reportable Seller.

6. The information with respect to the Consideration paid or credited in a fiat currency shall be reported in the currency in which it was paid or credited. In case the Consideration was paid or credited in a form other than fiat currency, it shall be reported in the local currency, converted or valued in a manner that is consistently determined by the Reporting Platform Operator.

7. The information about the Consideration and other amounts shall be reported in respect of the quarter of the Reportable Period in which the Consideration was paid or credited.

B. Information to be reported

Each Reporting Platform Operator shall report the following information:

1. The name, registered office address, TIN and, where relevant, individual identification number allocated pursuant to subparagraph F(4) of Section IV of the Reporting Platform Operator, as well as the business name(s) of the Platform(s) in respect of which the Reporting Platform Operator is reporting.

2. With respect to each Reportable Seller that carried out Relevant Activity, other than immovable property rental:

   (a) the information items required to be collected pursuant to paragraph B of Section II;

   (b) the Financial Account Identifier, insofar as it is available to the Reporting Platform Operator and the competent authority of the Member State where the Reportable Seller is resident in the meaning of paragraph D of Section II has not published that it does not intend to use the Financial Account Identifier for this purpose;

   (c) where different from the name of the Reportable Seller, in addition to the Financial Account Identifier, the name of the holder of the financial account to which the Consideration is paid or credited, to the extent available to the Reporting Platform Operator, as well as any other financial identification information available to the Reporting Platform Operator with respect to that account holder;

   (d) each Member State in which the Reportable Seller is resident for the purposes of this Directive as determined pursuant to paragraph D of Section II;
(e) the total Consideration paid or credited during each quarter of the Reportable Period and the number of Relevant Activities in respect of which it was paid or credited;

(f) any fees, commissions or taxes withheld or charged by the Reporting Platform Operator during each quarter of the Reportable Period.

3. With respect to each Reportable Seller that carried out Relevant Activity involving immovable property rental:

(a) the information items required to be collected pursuant to paragraph B of Section II;

(b) the Financial Account Identifier, insofar as it is available to the Reporting Platform Operator and the competent authority of the Member State where the Reportable Seller is resident in the meaning of paragraph D of Section II has not published that it does not intend to use the Financial Account Identifier for this purpose;

(c) where different from the name of the Reportable Seller, in addition to the Financial Account Identifier, the name of the holder of the financial account to which the Consideration is paid or credited, to the extent available to the Reporting Platform Operator, as well as any other financial identification information available to the Reporting Platform Operator with respect to the account holder;

(d) each Member State in which the Reportable Seller is resident for the purposes of this Directive as determined pursuant to subparagraph D of Section II;

(e) the address of each Property Listing, determined on the basis of the procedures set out in paragraph E of Section II, and respective land registration number or its equivalent under the national law of the Member State where it is located, where available;

(f) the total Consideration paid or credited during each quarter of the Reportable Period and the number of Relevant Activities provided with respect to each Property Listing;

(g) any fees, commissions or taxes withheld or charged by the Reporting Platform Operator during each quarter of the Reportable Period;

(h) where available, the number of days each Property Listing was rented during the Reportable Period and the type of each Property Listing.

SECTION IV

EFFECTIVE IMPLEMENTATION

Pursuant to Article 8ac, Member States shall have rules and administrative procedures in place to ensure effective implementation of, and compliance with, the due diligence procedures and reporting requirements set out in Sections II and III of this Annex.

A. Rules to enforce the collection and verification requirements laid down in Section II

1. Member States shall take the necessary measures to require Reporting Platform Operators to enforce the collection and verification requirements under Section II in relation to their Sellers.

2. Where a Seller does not provide the information required under Section II after two reminders following the initial request by the Reporting Platform Operator, but not prior to the expiration of 60 days, the Reporting Platform Operator shall close the account of the Seller and prevent the Seller from re-registering on the Platform or withhold the payment of the Consideration to the Seller as long as the Seller does not provide the information requested.

B. Rules requiring Reporting Platform Operators to keep records of the steps undertaken and any information relied upon for the performance of the due diligence procedures and reporting requirements and adequate measures to obtain those records

1. Member States shall take the necessary measures to require Reporting Platform Operators to keep records of the steps undertaken and any information relied upon for the performance of the due diligence procedures and reporting requirements set out in Sections II and III. Such records shall remain available for a sufficiently long period of time and in any event for a period of not less than 5 years but not more than 10 years following the end of the Reportable Period to which they relate.
2. Member States shall take the necessary measures, including the possibility of addressing an order for reporting to Reporting Platform Operators, in order to ensure that all necessary information is reported to the competent authority so that the latter can comply with the obligation to communicate information in accordance with Article 8ac(2).

C. Administrative procedures to verify compliance of Reporting Platform Operators with the due diligence procedures and reporting requirements

Member States shall lay down administrative procedures to verify the compliance of Reporting Platform Operators with the due diligence procedures and reporting requirements set out in Sections II and III.

D. Administrative procedures to follow up with a Reporting Platform Operator where incomplete or inaccurate information is reported

Member States shall lay down procedures for following up with Reporting Platform Operators where the reported information is incomplete or inaccurate.

E. Administrative procedure for the election of a single Member State in which to report

If a Reporting Platform Operator within the meaning of point (a) of subparagraph A(4) of Section I fulfils any of the conditions listed therein in more than one Member State, it shall elect one of those Member States, to fulfil its reporting requirements pursuant to Section III. The Reporting Platform Operator shall notify all the competent authorities of those Member States of its election.

F. Administrative procedure for single registration of a Reporting Platform Operator

1. A Reporting Platform Operator within the meaning of point (b) of subparagraph A(4) of Section I of this Annex shall register with the competent authority of any Member State pursuant to Article 8ac(4) when it commences its activity as a Platform Operator.

2. The Reporting Platform Operator shall communicate to the Member State of its single registration the following information:

   (a) name;
   (b) postal address;
   (c) electronic addresses, including websites;
   (d) any TIN issued to the Reporting Platform Operator;
   (e) a statement with information about identification of that Reporting Platform Operator for VAT purposes within the Union, pursuant to Title XII, Chapter 6, Sections 2 and 3 of Council Directive 2006/112/EC (*);
   (f) Member States in which Reportable Sellers are residents within the meaning of paragraph D of Section II.

3. The Reporting Platform Operator shall notify the Member State of single registration of any changes in the information provided under subparagraph F(2).

4. The Member State of single registration shall allocate an individual identification number to the Reporting Platform Operator and shall notify it to the competent authorities of all Member States by electronic means.

5. The Member State of single registration shall request the Commission to delete a Reporting Platform Operator from the central register in the following cases:

   (a) the Platform Operator notifies that Member State that it no longer carries out any activity as a Platform Operator;
   (b) in the absence of a notification pursuant to point (a), there are grounds to assume that the activity of a Platform Operator has ceased;
   (c) the Platform Operator no longer meets the conditions laid down in point (b) of subparagraph A(4) of Section I;
   (d) the Member State revoked the registration with its competent authority pursuant to subparagraph F(7).
6. Each Member State shall forthwith notify the Commission of any Platform Operator within the meaning of point (b) of subparagraph A(4) of Section I that commences its activity as a Platform Operator while failing to register itself pursuant to this paragraph.

Where a Reporting Platform Operator does not comply with the obligation to register or where its registration has been revoked in accordance with subparagraph F(7) of this Section, Member States shall, without prejudice to Article 25a, take effective, proportionate and dissuasive measures to enforce compliance within their jurisdiction. The choice of such measures shall remain within the discretion of Member States. Member States shall also endeavour to coordinate their actions aimed at enforcing compliance, including the prevention of the Reporting Platform Operator from being able to operate within the Union as a last resort.

7. Where a Reporting Platform Operator does not comply with the obligation to report in accordance with subparagraph A(3) of Section III of this Annex after two reminders by the Member State of single registration, the Member State shall, without prejudice to Article 25a, take the necessary measures to revoke the registration of the Reporting Platform Operator made pursuant to Article 8ac(4). The registration shall be revoked not later than after the expiration of 90 days but not prior to the expiration of 30 days after the second reminder.