

Luxembourg Tax Alert / Regulatory News Alert DAC 2/FATCA and CRS: Extended deadlines for the exchange of tax information in the context of the COVID-19 crisis

5 June 2020

Context and objectives

On 4 June 2020, Luxembourg's Ministry of Finance confirmed that the proposal for a European Commission directive aimed at postponing certain deadlines for declaration and exchange of information in tax matters due to the COVID-19 pandemic has passed the final stages of approval, although this is yet to be formally published.

According to the plan in the proposal, the extensions are as follows:

- **DAC 2** : Member States will have the option to postpone the communication of information provided for in an EU directive introduced by DAC 2 with regard to data for the year 2019 for **three months**.
- **FACTA** : A postponement of **three months** has also been planned concerning the information to be provided within the framework of FATCA, which relates to US citizen accounts abroad.

The extension of the deadline regarding the DAC 6 directive is the object of [another tax alert](#).

Until these legislative adaptations can come into force, the sanctions for late transmission of information set out in the three aforementioned laws will not be applied. However, it should be underlined that the **postponement of tax reporting deadlines is only temporary**. All interested parties should undertake necessary efforts to comply in the additional time offered.

Next steps

As the text has been approved by the Coreper at EU level, it is now time for final sign off and publication which might take a matter of days before release in the **Official Journal of the European Union**.

On this basis, and following the notification to the Coordinating Body of the Multilateral Convention on Mutual Administrative Assistance in Tax Matters (MCAA) to temporarily modify the notification, the Luxembourg Government will introduce a **draft law** as soon as possible to make the corresponding necessary changes to the amended law of 18 December 2015 relating to the Common Reporting Standard (CRS) so that the extended delay could be enforced.



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Your contacts

Subject matter specialists

Eric Centi

Partner – Financial Services Tax

Tel : +352 45145 2162

ecenti@deloitte.lu

Bernard David

Partner – Tax Business Leader

Tel : +352 45145 2799

bdavid@deloitte.lu

Dany Teillant

Partner – Private Equity Tax Leader

Tel : +352 45145 2246

dteillant@deloitte.lu

Julien Lamotte

Partner – Financial Services Tax

Tel : +352 45145 3336

jlamotte@deloitte.lu

Nenad Ilic, CFA

Director – International Tax

Tel : +352 45145 2046

neilic@deloitte.lu

Regulatory Watch Kaleidoscope service

Simon Ramos

Partner – IM Advisory & Consulting Leader

Tel : +352 45145 2702

siramos@deloitte.lu

Jean-Philippe Peters

Partner – Risk Advisory

Tel : +352 45145 2276

jppeters@deloitte.lu

Benoit Sauvage

Director – RegWatch, Risk Advisory

Tel : +352 45145 4220

bsauvage@deloitte.lu

Marijana Vuksic

Manager – Risk Advisory

Tel : +352 45145 2311

mvuksic@deloitte.lu

Deloitte Luxembourg
20 Boulevard de Kockelscheuer
L-1821 Luxembourg
Grand Duchy of Luxembourg

Tel: +352 451 451

Fax: +352 451 452 401

www.deloitte.lu

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