

Information Document regarding DAC 6

Dear client,

Below you will find basic information about DAC 6. This is only a general summary for the purpose of informing Expobank CZ a.s. clients.

1. What is DAC 6?

DAC 6 is the shortened term for the Council Directive 2018/822/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation, and repealing Directive 77/799/EEC. This directive was incorporated into Czech legislation as an amendment to Act No. 163/2014 Coll., on international cooperation in tax administration.

2. What is the purpose of DAC 6?

Amendment to Act No. 163/2014 Coll. introduces an obligation to report certain tax arrangements to the tax authorities. National tax authorities shall automatically exchange the obtained information.

3. What is a cross-border arrangement?

A cross-border arrangement means an arrangement concerning, either more than one EU member state, or an EU member state and a third country where at least one of the following conditions are met:

- Not all of the participants in the arrangement are residents for tax purposes in the same jurisdiction;
- One or more of the participants in the arrangement is simultaneously resident for tax purposes in more than one jurisdiction;
- One or more of the participants carries on business in another jurisdiction, through a permanent establishment situated in that jurisdiction, which is affected by the arrangement;
- One or more of the participants carries out an activity in another jurisdiction without being resident for tax purposes or creating a permanent establishment in that jurisdiction;
- The arrangement has a possible impact on the automatic exchange of information or the identification of beneficial ownership.

Reportable cross-border arrangement means any "cross-border arrangement" that contains at least one of the hallmarks.

4. What is a hallmark?

Hallmarks are characteristics or features of a cross-border arrangement that generally present an indication of a potential risk of tax avoidance. These hallmarks are listed in the annex to the abovementioned Act. Selected hallmarks should only be considered if they meet the main benefit test. The main benefit test is met if obtaining a tax advantage is the main benefit or one of the main benefits that can reasonably be expected to arise from the arrangement in the light of all the relevant facts and circumstances.

5. What data will the bank collect?

- Identification of the intermediary of this arrangement, the relevant taxpayer of this arrangement, or associated entities without legal competence,
- Details of the hallmark of this arrangement,
- Summary of the arrangement contents,
- Date on which the first step towards the arrangement implementation was or is to be taken
- Detailed information on the provisions of the legislation or international treaties, which the arrangement is based on,
- Disclosure amount,
- Relevant taxpayer's EU member state and any other EU member states that could be affected by this arrangement,
- Identification data of any other person or unit without legal personality, who/which could be affected by this arrangement and who/which is associated with the EU member state, as well as information about the EU member state they are associated with.

6. Whom will the data be transferred to?

To the specialized tax office.

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