

DAC7: Exchange of information & multilateral audits

DAC7, timing & rationale

What

Introduction of:

- Reporting obligations of platforms;
- Exchange of information regarding royalties;
- Legal framework for **joint audits**.

When

- The provisions under **platform reporting obligations** **came into force on 1 January 2023** and effectively replace DAC7 light from that date.
- Whilst the provisions of DAC 7 relating to **joint audits** foresee an entry into force on 1 January 2024 at the latest, Belgium already implemented them at federal level with **effect from 1 January 2023**.

Why - Enhancement of administrative cooperation. Next steps in tax transparency.

Legal framework for joint audits

Joint audit:

What

- Coordinated audit using a **single audit team** with representatives from multiple countries;
- Joint gathering and sharing of information;
- Official authorities from other countries are **present on the territory of the audited taxpayer** and can **participate actively** in investigations by foreign officials;
- Belgian and foreign authorities must endeavour to agree on the facts and circumstances and must **strive** to reach consensus on the tax position of the controlled (legal) person.

Takeaways & heads-up

Main takeaways:

- Multilateral **controls will increase** significantly;
- It **can be beneficial for clients** to engage in joint audits:
 - One audit;
 - Transparency towards Tax Authorities, to a certain extent
 - Joint positions;
- Experience TCDR network .



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