

Tell me what your plan is

Mandatory Disclosure Rules in EU & Poland

Adrian Branny
Partner, SCHNEIDER GROUP
Minsk, May 30, 2019

Agenda

1. EU Mandatory Disclosure Rules (MDR)
What you should know?
2. Polish implementation with real life examples

Base Erosion and Profit Shifting



Photograph: Clodagh Kilcoyne/Reuters; source: www.theguardian.com

EU Mandatory Disclosure Rules

Main goals

New regulations in the EU law:

- Strengthen tax transparency
- Fight aggressive tax planning
- Early warning for tax authorities on new ideas
- More effective tax audits

See:

Council of the European Union (EU) Directive 2018/822 of 25 May 2018 <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32018L0822&from=EN>

EU Mandatory Disclosure Rules

Reportable cross-border arrangement

Arrangement concerning > one EU State or EU State & third country where e.g.:

- Participants are tax residents in > 1 jurisdiction
- Min. one participant has double tax residence
- Min. one participant engages foreign PE
- Min. one participant has activity in another jurisdiction without residency / PE there

Reportable if some conditions (**hallmarks**) are met e.g. recipient is exempt or subject to 0% / almost 0% tax and one of the main benefits is a tax advantage

EU Mandatory Disclosure Rules

Who needs to report?

- All **intermediaries** involved in cross-boarder arrangement (e.g. accountants, advisers, lawyers, banks, etc.)
- **Exemption** applies only if you have a proof that other intermediary delivered relevant report

EU Mandatory Disclosure Rules

Impact

Tax authorities in the EU Member State

- know the investor's plans before implementation
- exchange that info within **EU states** automatically
- exchange that info with **non-EU states** based on Double Tax Treaties

EU Mandatory Disclosure Rules

Timetable

Jun 2018:

- Directive comes into force

Dec 2019:

- Local implementation by EU States done

July 2020:

- Local legislation comes into force with retrospective effect as of 25.06.2018)

July 2020:

- First reporting deadline

Polish implementation

Much wider scope

- Domestic tax arrangements are reportable too, including VAT
- 24 hallmarks vs. only 15 in Directive
- Effective, proportionate and dissuasive penalties (in Poland: up to EUR 2.5m / EUR 5m)



Adrian Branny

Partner

BrannyA@schneider-group.com

The exclusive right to the content of this presentation including the rights of translation, reproduction, transmittal, distribution and usage of the presentation and parts of it, in any way, as well as the rights to the company's logo and name SCHNEIDER GROUP, in existing and future publications in printed or electronic form, and the ability to confer rights to a third party belong to SCHNEIDER GROUP.

The reproduction, alteration, transmittal or any distribution or usage of this presentation or parts of it, as well as of the company's logo or name SCHNEIDER GROUP in any way, need the written permission of SCHNEIDER GROUP in advance and shall be accompanied with the link to the SCHNEIDER GROUP website and reference to the copyright permission. © SCHNEIDER GROUP www.schneider-group.com

armenia
belarus
germany
kazakhstan
poland
russia
ukraine
uzbekistan

market entry | accounting | ERP | import | legal | tax

www.schneider-group.com