

# The adoption of the Directive on Administrative Co-operation in the field of taxation (DAC) and OECD equivalent frameworks into Irish legislation

## Part 38-03-37\*

(\*This manual was previously Part 38-03-36 but is retitled due to a numbering conflict)

This document should be read in conjunction with

[Council Directive 2011/16/EU of 15 February on administrative cooperation in the field of taxation and repealing Directive 77/799/EEC,](#)

as amended by the following Directives:

[Council Directive 2014/107/EU of 9 December 2014,](#)  
[Council Directive \(EU\) 2015/2376 of 8 December 2015,](#)  
[Council Directive \(EU\) 2016/881 of 25 May 2016,](#)  
[Council Directive \(EU\) 2016/2258 of 6 December 2016,](#)  
[Council Directive \(EU\) 2018/822 of 25 May 2018,](#)  
[Council Directive \(EU\) 2020/876 of 24 June 2020,](#) and  
[Council Directive \(EU\) 2021/514 of 22 March 2021.](#)

[CRS \(Common Reporting Standard\),](#)  
[FATCA \(The Foreign Account Tax Compliance Act\),](#)  
[Chapter 5 of the final report on Action 5 of the OECD/G20 BEPS project,](#)  
[Transfer Pricing Documentation and Country-by-Country Reporting Action 13](#)  
[Final Report,](#)  
[The OECD Model Reporting Rules for Digital Platforms \(MRDP\), and](#)  
[Crypto Asset Reporting Framework and 2023 update to the Common Reporting](#)  
[Standard](#)

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## Introduction

This Tax and Duty Manual ('TDM') provides a road map to the Irish transposition of the Council Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation (the "DAC") and the subsequent amendments to the DAC. It also sets out the OECD equivalent frameworks and their implementation into Irish legislation.

The DAC applies to exchanges with other Member States, while other frameworks may apply more widely.

## 1 International Frameworks for exchange of information

International frameworks for exchange of information are an essential part of global tax co-operation. These frameworks allow countries to share relevant tax information with each other, which helps in identifying and addressing potential tax avoidance or evasion schemes.

To create a legal basis for information exchange between countries, the framework relies on various legal instruments such as the DAC, the Convention on Mutual Administrative Assistance in tax matters and Double Taxation Agreements (DTA's).

### 1.1 European Union Directives on administrative cooperation in the field of taxation

[Council Directive 2011/16/EU](#) (the "DAC"), which was first agreed in 2011, directs the tax administrations of all EU Member States to exchange certain information with each other. The DAC established the legal framework and structure for a secure platform for this cross-border co-operation. [Section 2](#) sets out each amendment to the DAC.

### 1.2 OECD

The Convention on Mutual Administrative Assistance in Tax Matters ("the Convention")<sup>1</sup> is a global initiative designed to promote transparency among jurisdictions through the sharing of financial information. There are a number of OECD frameworks which operate under this convention for AEOI, such as the Common Reporting Standard (CRS). Each of these frameworks are set out in [section 2](#).

### 1.3 US

AEOI between Ireland and the US is primarily related to the Foreign Account Tax Compliance Act (FATCA). FATCA requires foreign financial institutions to report information about financial accounts held by US taxpayers directly to the Internal Revenue Service (IRS). This information is exchanged under the provisions of Article 27 of the Ireland/US Double Taxation Agreement (DTA). More detail on this framework is set out in [section 2](#).

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<sup>1</sup> As referred to in section 826(1C) TCA 1997

## 2 Summary of Ireland's implementation of the DAC and the other equivalent frameworks<sup>2</sup>

### 2.1 The DAC - Automatic exchange of certain tax related information

[The DAC](#) provides for the legal framework and structure for the secure automatic exchange of certain tax related information annually between Member States. The first Automatic Exchange of Information ("AEOI") took place under the DAC on 30 June 2015. Data held by the tax authority relating to the following categories of income and capital are covered by the DAC and may be subject to AEOI:

- income from employment,
- directors' fees,
- certain life insurance products,
- pensions,
- ownership of and income from immovable property, and
- royalties (as included by DAC7 with effect from 1 January 2025).

The DAC also provides for Exchange of Information on Request ("EOIR"). Under EOIR, foreign tax authorities can, where certain conditions are met, request information from Revenue where that information is foreseeably relevant to a tax liability in that foreign tax authority's jurisdiction. In addition, the DAC provides for Spontaneous Exchange of Information and other forms of administrative cooperation between Member States.

The DAC was transposed domestically in December 2012 with effect from 1 January 2013 by way of [S.I. No. 549/2012](#).

[Tax and Duty Manual Part 35-01-01a](#) provides detailed guidance on the exchange of information provisions in Ireland and this guidance covers all AEOI, not just AEOI under the DAC.

### 2.2 Automatic exchange of financial account information

#### 2.2.1 Common Reporting Standard

The OECD introduced the [Common Reporting Standard \("CRS"\)](#) in 2014, which provides a global framework for automatic exchange of financial account information between tax authorities. Under CRS, participating jurisdictions exchange the financial account information of non-resident account holders with the jurisdiction of tax residence of the account holder. The financial account information for exchange is reported to Revenue each year by Irish financial Institutions.

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<sup>2</sup> For more details of the legal basis of exchanges with partner jurisdictions, refer to Appendix 1 of [TDM 35-01-01a](#).

Legislation to implement the CRS in Ireland was introduced in Finance Act 2014 by inserting [Section 891F TCA 1997](#), and Returns of Certain Information by Reporting Financial Institutions Regulations 2015 ([S.I. No. 583 of 2015](#)). The legislation came into effect on 31 December 2015 and the first exchanges of CRS data took place in September 2017 in respect of 2016 data. Exchanges relating to subsequent years take place each September in respect of the preceding year.

[Tax and Duty Manual Part 38-03-24](#) provides guidance on the application of the CRS.

### 2.2.2 FATCA

[FATCA](#) is an agreement signed by Ireland and the United States (US) which provides for a bilateral and reciprocal exchange of information with the US in relation to accounts held in Irish financial institutions by US persons, and accounts held in US financial institutions by Irish tax residents. FATCA can be thought of as the US version of the OECD's CRS.

The FATCA Intergovernmental Agreement was implemented by [section 891E TCA 1997](#) and [S.I. No. 292 of 2014](#) (Financial Accounts Reporting (United States of America) Regulations 2014). S.I. No. 292 of 2014 was subsequently amended by [S.I. No. 501 of 2015](#) (Financial Accounts Reporting (United States of America) (Amendment) Regulations 2015) and [S.I. No. 19 of 2018](#) (Financial Accounts Reporting (United States of America) (Amendment) Regulations 2015).

The first exchange of information took place in 2015 and related to the reporting period 2014.

[Tax and Duty Manual Part 38-03-22](#) provides guidance on the implementation of FATCA.

### 2.2.3 DAC2

[DAC2](#) amended the DAC to provide for the automatic reporting by financial institutions of certain information in relation to financial accounts and investments held by non-resident account holders. This reported information is then automatically exchanged among Member States where the account holder is resident by 30 September each year.

DAC2 was transposed domestically by section 891G of the Taxes Consolidation Act 1997 ("TCA 1997"), [S.I. No. 619/2016](#) (amending [S.I. No. 549/2012](#)) and [S.I. No. 609/2015](#) (being Revenue regulations made under section 891G). The provisions apply with effect from 1 January 2016.

[Tax and Duty Manual Part 38-03-24](#) provides detailed guidance on the application of DAC2.

## 2.3 Automatic exchange of tax rulings and advance pricing agreements

### 2.3.1 OECD framework for exchange of cross-border rulings

The framework, agreed at OECD level as part of [Action 5 of the OECD/ G20 BEPS](#) project, provides for the compulsory spontaneous exchange of information on taxpayer-specific rulings including cross-border rulings related to preferential regimes, cross-border unilateral tax rulings, cross-border rulings that provide for a unilateral downward adjustment to a taxpayer's taxable profits, permanent establishment rulings and related-party conduit rulings.

[Tax and Duty Manual Part 35-00-01](#) provides detailed guidance on the Revenue arrangements for implementing the EOI requirements in respect of tax rulings.

### 2.3.2 DAC3

[DAC3](#) amended the DAC to provide for the AEOI by 31 March and 30 September each year for advance cross-border rulings and advance pricing arrangements ("APA") provided by tax administrations to companies and other entities.

DAC3 was transposed domestically by section 891GA TCA 1997 and [S.I. No. 619/2016](#) (amending [S.I. No. 549/2012](#)). The provisions apply from 1 January 2017.

[Tax and Duty Manual Part 35-00-01](#) provides detailed guidance on the Revenue arrangements for implementing the EOI requirements in respect of tax rulings.

## 2.4 Automatic exchange of country by country reports

### 2.4.1 OECD framework for Country by Country reporting

In October 2015, the OECD/G20 published the [Transfer Pricing Documentation and Country-by-Country Reporting Action 13 Final Report](#). This report recognised the importance of enhancing transparency for tax administrations by providing them with adequate information to conduct transfer pricing risk assessments. Country by Country ("CbC") Reporting requires large multinational enterprises ("MNE") to file a CbC Report that will provide a breakdown of the amount of revenue, profits, taxes and other indicators of economic activities for each tax jurisdiction in which the MNE group does business.

### 2.4.2 DAC4

[DAC4](#) amended the DAC to introduce exchanges of CbC reports. MNEs in the EU are required to file CbC reports when their total consolidated revenue is equal to or higher than €750 million in the preceding fiscal year.

DAC4 and the OECD framework, were transposed domestically by section 891H TCA 1997, [S.I. No. 619/2016](#) (amending [S.I. No. 549/2012](#)) and [S.I. No. 653/2016](#) (being Revenue regulations made under section 891H). CbC reporting requirements apply in Ireland for fiscal years beginning on or after 1 January 2016 and the first exchanges took place in 2017.

[Tax and Duty Manual Part 38-03-21](#) provides detailed guidance on CbC reporting.

## 2.5 Tax authority access to beneficial ownership information – DAC5

[DAC5](#) amended the DAC to introduce a legal obligation on Member States to grant tax administrations access to beneficial ownership information as collected under the anti-money-laundering framework for the purposes of ensuring compliance with the DAC in order to assist with the identification of tax fraud and evasion.

DAC5 was transposed domestically by –

- [S.I. No. 630/2017](#) (amended [S.I. No. 549/2012](#)) which came into effect on 1 January 2018;
- [S.I. No. 387/2021](#) which came into effect on 21 July 2021 and which provides access to beneficial ownership information to verify DAC2 compliance;
- section 817REA TCA 1997 which came into effect on 1 January 2022 and which provides access to beneficial ownership information to verify DAC6 compliance; and
- section 891I(20) TCA 1997 and [S.I. 704/2022](#) which came into effect on 1 January 2023 and which provides access to beneficial ownership information to verify DAC7 compliance.

There is no OECD equivalent to DAC5.

## 2.6 Automatic exchange of reportable cross border arrangements – DAC6

[DAC6](#) amended the DAC to introduce the mandatory disclosure of certain cross-border arrangements which are developed across various jurisdictions and may move taxable profits towards more beneficial tax regimes or have the effect of reducing the taxpayer's overall tax liability. These disclosures are then automatically exchanged among Member States where the parties to the transaction are resident.

DAC6 was transposed domestically by Chapter 3A, Part 33 TCA 1997. [S.I. No. 626 of 2019](#) amended [S.I. No. 549/2012](#) (the DAC). The disclosure regime became effective in all Member States on 1 July 2020 however Ireland, along with many other Member States, exercised an option (see [section 2.7](#)) to defer the first disclosures to 2021.

[Tax and Duty Manual Part 33-03-03](#) provides detailed guidance on the mandatory disclosure of cross border arrangements.

The OECD equivalent framework to DAC6 is the [Model Mandatory Disclosure Regime \(MMDR\)](#). Ireland has not adopted<sup>3</sup> the MMDR.

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<sup>3</sup> Refer to the following for a list of countries that have adopted the MMDR  
<https://www.oecd.org/content/dam/oecd/en/topics/policy-issues/tax-transparency-and-international-co-operation/mdr-mcaa-signatories.pdf>

## 2.7 DAC COVID related extensions

[Council Directive \(EU\) 2020/876](#) addressed an urgent need to defer, as a once off measure, certain time limits for the filing and exchanging of information under the DAC due to the COVID-19 pandemic.

[S.I. No. 240 of 2020](#) amended [S.I. No. 549/2012](#) and transposed these time deferrals in July 2020.

## 2.8 Automatic exchange of information for sellers using digital platforms

### 2.8.1 OECD Model Reporting Rules for Digital Platforms

The [OECD Model Reporting Rules for Digital Platforms \(MRDP\)](#) were developed in response to calls for a global reporting framework in respect of activities being facilitated by digital platforms, in particular in the sharing and gig economy. Operators of digital platforms located in participating jurisdictions are required to collect information on the income realised by reportable sellers registered on their platform, and to report the information to tax authorities. This information is exchanged with the tax authorities of partner jurisdictions.

Legislation to implement the MRDP in Ireland is contained in:

- Section 891J of the Taxes Consolidation Act 1997, and
- Return of Certain Information by Reporting Platform Operators Regulations 2023 ([S.I. No. 674 of 2023](#)).

Revenue has published a [DAC7/MRDP Frequently Asked Questions \(FAQs\) document](#) which provides further guidance relating to MRDP.

### 2.8.2 DAC7

[DAC7](#) made a number of amendments to the DAC to introduce:

- a)reporting obligations for platform operators with respect to certain sellers along with the automatic exchange of that information,
- b)an expansion of the presence and participation of foreign tax officials in administrative enquiries,
- c)the concept of joint audits,
- d)an additional category of income (royalties) to be provided for in the DAC exchanges, and
- e)a definition of the term “foreseeable relevance” for the purpose of EOIR and new rules on exchange of information requests for groups of taxpayers who are not individually identified.

DAC7 as regards reporting by platform operators, was transposed domestically by section 891I TCA 1997 and [S.I. No. 705/2022](#) (being Revenue regulations made under section 891I). [S.I. No. 706/2022](#) amended [S.I. No. 549/2012](#). The first reporting was in respect of 2023 calendar year, which was due on or before 31 January 2024.

[Tax and Duty Manual Part 38-03-31](#) provides detailed guidance on the reporting obligations of platform operators.

Section 891K TCA 1997 transposed domestically the expansion of the presence and participation of foreign tax officials in administrative enquiries. Section 891K applies with effect from 1 January 2023.

[Tax and Duty Manual Part 38-03-32](#) provides detailed guidance on the presence and participation of foreign tax officials in administrative enquiries.

Section 891L transposed domestically the concept of joint audits. It applies to periods commencing on or after 1 January 2024.

[S.I. No. 706/2022](#) and [S.I. No. 673/2023](#) transposed domestically the remainder of DAC7.

## Appendix 1 – Schedule of material updates

June 2025      The TDM was updated to include the other international exchange frameworks which correspond to the DAC.