

Ireland enacts final MDR legislation

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Executive summary

On 22 December 2019, the *2019 Finance Act* (the Act) was signed into law by the President of Ireland, implementing the European Union (EU) Directive on the mandatory disclosure and exchange of cross-border tax arrangements (referred to as DAC6 or the Directive). Under DAC6, taxpayers and intermediaries are required to report cross-border reportable arrangements from 1 July 2020. However, reports will retrospectively cover arrangements where the first step is implemented between 25 June 2018 and 1 July 2020.¹

The Irish legislation entered into force on 22 December 2019 and will be effective from 1 July 2020.

The final Ireland Mandatory Disclosure Rules (MDR) legislation is broadly aligned to the requirements of the Directive.

The final legislation contains no changes to the draft legislation as published last October.²

Next Steps

Guidance Notes containing more extensive interpretation of the Directive and its hallmarks are expected to be published by Irish Revenue. Following their release, Guidance Notes should be used to update any assumptions made in the interim and prepare for live reporting beginning July 2020.

Determining if there is a reportable cross-border arrangement raises complex technical and procedural issues for taxpayers and intermediaries. Taxpayers and intermediaries who have operations in Ireland should review their policies and strategies for logging and reporting tax arrangements so that they are fully prepared for meeting these obligations.

Endnotes

1. See EY Global Tax Alert, [EU publishes Directive on new mandatory transparency rules for intermediaries and taxpayers](#), dated 5 June 2018.
2. See EY Global Tax Alert, [Ireland publishes draft proposal on Mandatory Disclosure Rules](#), dated 5 November 2019.

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