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Global Tax Alert

Sweden extends MDR reporting deadlines for six months

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The Swedish Parliament adopted, on 3 June 2020, final legislation 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 Swedish Mandatory Disclosure Rules (MDR) legislation is broadly aligned to the requirements of the Directive. The key highlights of the Swedish legislation were summarized in an earlier Tax Alert.²

The Parliament decided to let the Swedish Government decide when the Swedish legislation should enter into force, in light of the COVID-19 pandemic.

On 18 June 2020, the Government issued regulations, where it stated that the legislation would enter into force on 1 July 2020 and the reporting deadlines should be in line with the DAC6.

On 24 June 2020, the Council of the European Union announced amendments to the EU Directive 2011/16 allowing Member States an option to defer for up to six months the time limits for the first filing and exchange of information on cross-border arrangements under Directive 2018/822 (DAC6 or Directive) due

to the COVID-19 pandemic. The amendments also provide the possibility of one further extension for a maximum additional three months, by unanimous decision of the Council, depending on the evolution of the pandemic.³

On 30 June 2020, the Swedish Government issued a new regulation, deferring the reporting deadlines as follows:

- ▶ Reports should be made by 28 February 2021 for "historical" cross-border arrangements (i.e., arrangements that became reportable because the first step was implemented between 25 June 2018 and 30 June 2020).
- ▶ With respect to arrangements targeted by DAC6 starting 1 July 2020, where a reportable cross-border arrangement is made available for implementation, or is ready for

implementation, or where the first step in its implementation has been made between 1 July 2020 and 31 December 2020, the period of 30 days for filing information shall begin by 1 January 2021, meaning the latest date to report these arrangements is 31 January 2021.

- ▶ The date for the first exchange of information on reportable cross-border arrangements is to occur by 30 April 2021.

The Swedish Tax Agency has issued some information about MDR on their website but the guidance does not go beyond what has been stated in the legislative history. Further guidance is expected.

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, [Sweden issues final proposal on Mandatory Disclosure Rules to Parliament](#), dated 26 February 2020.
3. See EY Global Tax Alert, [Council of the EU adopts amendments for deferral of MDR filing deadlines](#), dated 24 June 2020.

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