

Revenue Responses to IT and Tax Technical Queries raised at the TALC BEPS DAC7 Subgroup Meeting on 10 January 2024

DAC7 IT-related Queries

1. Key Extraction:

[Revenue presentation](#) on building the signature for the API calls.

2. Split Messages:

Revenue has received clarification from the EU and verified their understanding in the documentation on this. DAC7 Initial filings should use DPI401 (New Information) for all files in their initial filing.

However, the first file should have a DocTypeIndic of OECD1 while all subsequent files should use OECD0 (re-send).

Here is a quote from the document which should be of assistance:

“Structure of a Split Message

Both full messages and split messages are using the same XML Schema Definition. In order to reduce the complexity during the splitting and reconciliation mechanisms, the system splits the message on the AssumedPlatformOperator and ReportableSeller top-level elements. The association with their child elements cannot be split.

The split message must still contain the associated PlatformOperator top-level element, it will be sent with a DocTypeIndic element set to “OECD0”, except for the first one where “OECD1” must be used. This way, a message is always self-contained and requires no further information to be processed.”

3. Negative Consideration:

Revenue can accept negative values as the schema for DAC7 reporting does not restrict them.

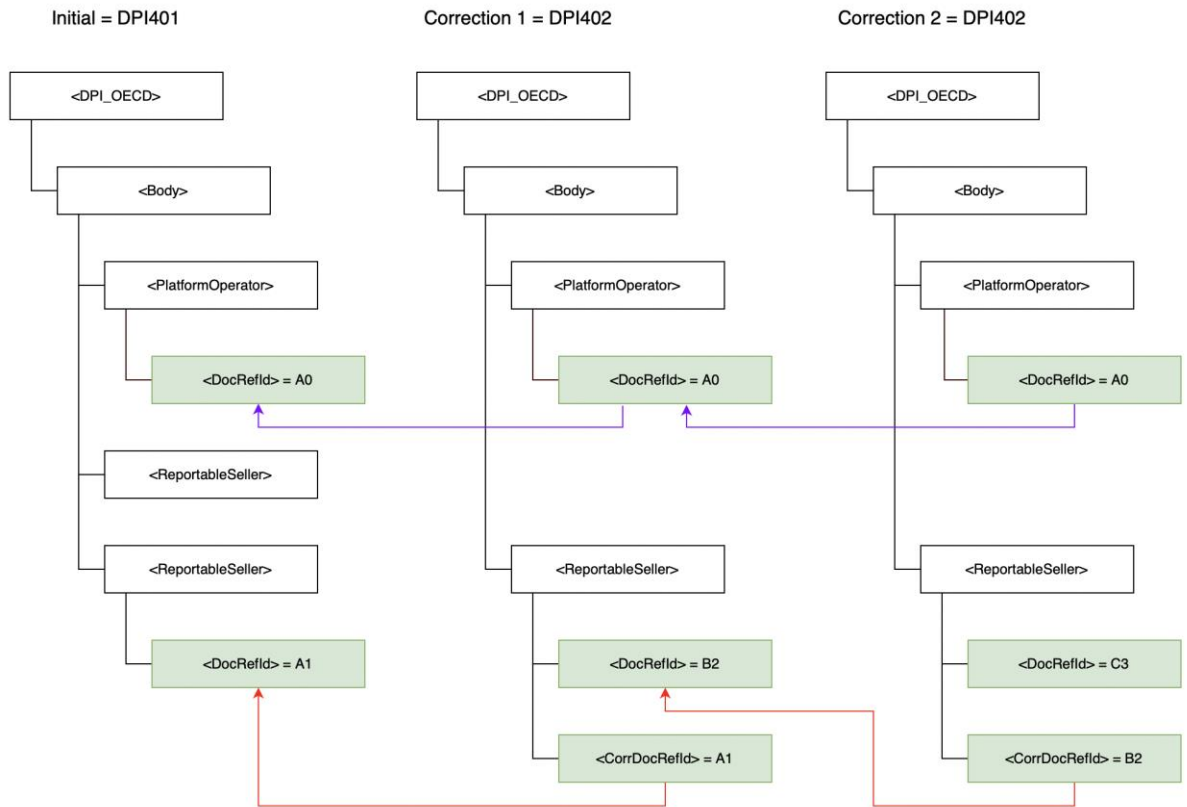
4. File Names:

The name of the file has no impact on its acceptance or processing for DAC7 reporting.

Revenue Responses to IT and Tax Technical Queries raised at the TALC BEPS DAC7 Subgroup Meeting on 10 January 2024

5. Correction Messages:

Corrections use DPI402 (Correction) and the DocRefId and CorrDocRefId follow the structure below:



Revenue Responses to IT and Tax Technical Queries raised at the TALC BEPS DAC7 Subgroup Meeting on 10 January 2024

DAC7 Tax Technical Queries

1. Electing to Carry Out Due Diligence on Sellers:

For DAC 7 [[Council Directive 514 of 2021](#)] purposes:

"Seller" means a Platform user, either an individual or an Entity, that is registered at any moment during the Reportable Period on the Platform and carries out a Relevant Activity.

"Active Seller" means any Seller that either provides a Relevant Activity during the Reportable Period or is paid or credited Consideration in connection with a Relevant Activity during the Reportable Period.

So, a Seller becomes an Active Seller when they

- provide a relevant activity,
- or are paid or credited consideration in connection with a relevant activity.

The Due Diligence Procedures are set out in Annex V, Section II.

Annex V, Section II(G) provides that a Reporting Platform Operator may elect to complete the due diligence in respect of Active Sellers only. There is no obligation placed on the Reporting Platform Operator to advise the competent authority that they have carried out the due diligence on Active Sellers only.

2. Excluded Platform Operator:

Annex V, Section I(A)(3) provides that

"Excluded Platform Operator" means a Platform Operator which has demonstrated upfront and on an annual basis to the satisfaction of the competent authority of the Member State to which, in accordance with the rules laid down in subparagraphs A(1) to A(3) of Section III, the Platform Operator otherwise would have had to report that Platform's entire business model is such that it does not have Reportable Sellers.

Accordingly, an Excluded Platform Operator has to register and also advise the competent authority annually that it continues to an Excluded Platform Operator. This can be done by filing a nil return as an EPO on an annual basis.

3. Notification to Sellers of Information Reported under DAC 7:

Annex V, Section III(A)(5) provides that

Revenue Responses to IT and Tax Technical Queries raised at the TALC BEPS DAC7 Subgroup Meeting on 10 January 2024

“A Reporting Platform Operator shall also provide the information set out in subparagraphs B(2) and B(3) to the Reportable Seller to which it relates, no later than 31 January of the year following the calendar year in which the Seller is identified as a Reportable Seller.”

Therefore, the Reportable Seller is to be provided with a copy of the information reported under DAC7 no later than the 31st of January. If the DAC7 return is filed before the 31st of January, the Reportable Seller can be advised of the information reported after the return is filed as long as the Reportable Seller is advised of the information reported before the 31st of January.

Where a Platform Operator is aware that there is likely to be a correction to the sellers' data, they are still obliged to provide the information initially reported by the 31st of January rather than wait until an amended return is filed. The information provided to the seller can subsequently be updated in line with the correction filed.