

# DAC6

## Hallmark Summary

### Category A\*

Generic Hallmarks related to characteristics seen in marketed tax avoidance schemes

- Taxpayer arrangement with confidentiality condition
- Intermediary charges with respect to the amount of tax saved
- Standardised documentation used

### Category B\*

Specific Hallmark related to tax structured arrangements

- Acquisition of Loss-making company
- Conversion of income into lower tax categories (e.g. capital, gifts)
- Circular transactions resulting in the round-tripping of funds

### Category C\*

Cross-border payments and transfers

- Deductible cross-border payment between associated persons:
  - To a recipient not resident for tax purposes in any jurisdiction
  - To a zero percent or near zero percent tax jurisdiction
  - To EU blacklisted countries
  - Which is tax exempt for the end recipient
  - Which benefits from a preferential tax regime
- Deductible payments between associated persons for depreciation claimed in more than one jurisdiction
- Double tax relief claimed in more than one jurisdiction
- Asset transfer is significantly different between jurisdictions

### Category D

Specific Hallmarks concerning Automatic Exchange of Information and beneficial ownership

- Arrangements which disguise the identity of the true beneficial owner and frustrate the fundamental principles of Automatic Exchange of Information reporting

### Category E

Specific Hallmarks concerning Transfer Pricing provisions

- Arrangements involving the use of unilateral transfer pricing safe harbour rules
- Use of Safe Harbour rules
- The Transfer of hard to value intangibles between affiliated entities

\* This specific test will be satisfied if it can be established that the main benefit or one of the main benefits, which having regard to all relevant facts and circumstances, a person may reasonably expect to derive from an arrangement is the obtaining of a tax advantage.