

THE EU proposes automatic tax information exchange bet.

Published: January 13, 2026, 6:04 am

The EU has [already proposed](#) a serious extension of the EU Savings Tax Directive.

Now it is proposing a massive further development: automatic, spontaneous information exchange of income and gains tax data between member states.

The [proposed Directive](#) says this:

SECTION II

AUTOMATIC EXCHANGE OF INFORMATION

Article 8

Scope and conditions of automatic exchange of information

1. The competent authority of each Member States shall, by automatic exchange, forward information on specific categories of income and capital to the other Member States.

2. The Commission shall adopt, in accordance with the procedure referred to in Article 24(2), within two years of the entry into force of this Directive:

(a) the categories of income and capital to be covered

(b) the type of information to be exchanged;

(c) any specific condition or restriction within the categories referred to in point (a);

(d) the frequency of the exchanges;

(e) the practical arrangements for the exchange of information.

3. In addition to the categories of income and capital referred to in paragraph 2, the competent authority of each Member State shall, by automatic exchange, forward

information necessary for the correct assessment of taxes referred to in Article 2 to the competent authority of any other Member State concerned, in any of the following cases:

(a) where taxation is deemed to take place in the Member State of destination of the information, and the effectiveness of the control system may be facilitated by the information provided by the Member State of origin,

(b) where a Member State has grounds to believe that a failure of compliance with tax laws has been committed or is likely to have been committed in the other Member State,

(c) where there is a risk of inappropriate taxation in the other Member State,

(d) where tax has been or may be evaded or avoided for any reason in the other Member State, and especially where there is an artificial transfer of profits between enterprises in different Member States or where such transactions are carried out between enterprises in two Member States through a third country in order to obtain tax advantages.

And more besides.

And whilst Commissioner Kovacs, who is responsible for this amazing development [has said](#) he does not expect the savings tax or mutual assistance reforms to be adopted under his watch which ends in November he added:

"I think the new Commission can finalize the agreement within a year"

Optimistic? Maybe. But not if pressure is brought to bear by all the major states of the EU - the UK included.

So, what about it Downing Street? Is it time to play ball with the EU at last?