



DAC7: Current FAQ and information on the reporting procedure

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1 Background

The Platform Tax Transparency Act (PStTG) implements the so-called DAC7 Directive and determines comprehensive reporting obligations for digital platforms. The purpose of the reporting obligations is to create cross-border tax transparency and thus serves to ensure uniform taxation of supplies via digital platforms (see KMLZ VAT Newsletter 31 | 2022, 08 | 2023, 01 | 2024 and 18 | 2024).

In practice, both the application of the law and the technical set-up of the interface raise numerous questions. The tax authorities are addressing these uncertainties by means of extensive technical documentation and the regular publication of questions arising in connection with the application of the PStTG (FAQ). A few days ago, the German Federal Central Tax Office (BZSt) published updated FAQ and new information on the reporting procedure.

2 Questions concerning the application of the PStTG (FAQ)

The BZSt has added numerous application questions to the FAQ. Inter alia, the new version deals with questions on currency conversion and the choice of exchange rate (recital 2.22 and 2.23), the concept of personal supplies of services in the marketing of digital content (recital 2.24), the allocation of remuneration values when several entities act as a single provider (recital 2.27), on the concept of a platform when using software solutions with a backend function (recital 2.29), as well as detailed questions on due diligence procedures regarding the identification of providers subject to reporting obligations (recitals 2.30.1 - 2.30.6) and the correction of data records that have already been transmitted (recitals 2.31.1 - 2.31.5).



Dr. Matthias Oldiges
Lawyer

+49 (0) 211 54 095-366
matthias.oldiges@kmlz.de

3 Information on the reporting procedure

The information published by the BZSt on the reporting procedure can be summarised as follows:

- Changes are being made to the mass data interface. These changes affect the DIP-XML scheme, as well as the Rest-API and the official dataset. Reports in accordance with the new requirements also require an adapted enveloped signature. Users who have already been activated must also comply with the new requirements as from 1 January 2026. Until then, applying the new standards is optional.
- The EU Commission has recognised the automatic data exchange with the United Kingdom, New Zealand and Canada as being equivalent. Platform operators from these countries therefore do not have to file reports with the BZSt if the other requirements of sec. 7 of the PStTG are met (“qualified platform operator”, sec. 3 para. 4 no. 2 of the PStTG).
- The BZSt also draws attention to the transitional provision in sec. 5 para. 2 of the Introductory Act to the German Fiscal Code (*EGAO*), according to which platform operators are temporarily not required to collect and report the business identification number of the providers until an automatic enquiry procedure is available for this purpose. Instead, the provider’s tax number is sufficient. The other regulations pursuant to sec. 6 para. 4 no. 2 of the PStTG remain unchanged.

4 Conclusion

The BZSt is endeavouring to clarify questions concerning application and updates the FAQ at regular intervals for this purpose. In this way, the BZSt is making a valuable contribution to legal certainty. At the same time, however, the content of the FAQs falls short of practical expectations. In many cases, the BZSt is limiting itself to a mere subsumption of the law and leaving numerous practical questions unanswered. For example, it is still unclear how to interpret the criterion of “generally accepted standards” in the context of determining the value of service bundles (sec. 15 para. 4 sentence 2 half sentence 1 of the PStTG). Statements on currency conversion are questionable in dogmatic terms: According to the BZSt, the annual average value of the reporting year of the respective currency, according to the ECB, should be used as the conversion rate (recital 2.23). However, such a requirement cannot be inferred from the PStTG, so that the respective daily exchange rate, at the time of the self-billing invoice or payment, should also be permissible.

Finally, it is incomprehensible that the BZSt is continuing to reject collective corrections (recital 2.31.2). As platform operators are obliged to “immediately” correct incorrect or incomplete reports in accordance with sec. 13 para. 2 sentence 2 of the PStTG, correction obligations continue to arise, for example in the case of retour-intensive business models. In view of the lack of a legal definition of the concept of immediacy in the PStTG, it would have been desirable for the tax authorities to signal that they would allow collective corrections - for example on a quarterly basis - by interpreting this legal term accordingly when applying the law. Other Member States are more business-friendly and allow such collective corrections.

Reporting platform operators must take into account the announced technical adjustments to the data set and the electronic interface. Experience has shown that timely implementation is necessary in order to be able to react adequately to technical problems. In this context, the timely information and the transitional arrangements should be emphasised positively. The technical hurdles, in implementing the interface, remain high. Platform operators need a reliable interface in order to fulfil their reporting obligations. The [DAC7 Reporting Tool](#) developed by KMLZ offers a convenient solution for creating and transmitting reports.