

## **Statement of intent between the Danish government and Airbnb on the reporting of hosts' rental income**

The sharing economy has expanded markedly in recent years, and this trend is likely to continue going forward. Short-term housing rental through digital platforms and holiday home rental agencies are examples of a growing sharing economy. The Danish government wants to ensure a well-functioning market for short-term rental of permanent residences and holiday homes.

The Danish government expresses its support to the positive approach that Airbnb is taking when it comes to the sustainable development of the sharing economy. This includes reaping the full economic potential of sharing economy activities while, at the same time, ensuring correct taxation so that hosts pay their fair share of taxes.

The Danish tax authorities will develop a digital income reporting solution (an API) – compliant with the terms of the General Data Protection Regulation (GDPR) – which Airbnb is committed to use to report the rental income earned by hosts on Airbnb. The digital reporting solution is expected to become operational at the beginning of 2021.

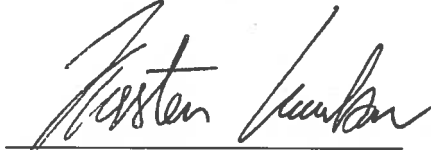
In the interim period – i.e., before the new tax free allowances are made contingent on the digital income reporting solution being used – and although there is no respective legal obligation (including from 2021 and onwards), Airbnb is committed to reporting the rental income of hosts on Airbnb for the years 2019 (in part) and 2020 through a secure information sharing method, compliant with the terms of the GDPR. Airbnb's commitment to sharing data in the interim period has been a requirement in order for a political majority in Parliament to pass the legislative drafts into law. For 2019 Airbnb will make reasonable efforts to roll out data sharing to new users as soon as possible (expected in the course of the second quarter of 2019) and to share data relating to all guest arrivals from July 1, 2019 for both existing and new users. Due to its legal obligations, especially regarding transparency and notification requirements to its users, and necessary changes to the Airbnb platform, it is impossible for Airbnb to share data relating to earlier periods. Data regarding the years 2019 and 2020 will be shared with the Ministry of Taxation in the respective following calendar year.

Airbnb welcomes the new legislation that implements the political agreement reached between the Danish Government and a majority in Parliament on improving the conditions for growth and correct payment of taxes in the sharing economy. The new legislation makes it significantly more economically attractive for hosts to use sharing economy platforms that report the hosts' rental income to the Danish tax authorities. Thus, hosts using platforms that report income to the Danish tax authorities will be allowed to rent out their homes for a higher number of days per year than today and benefit from an increased tax free allowance. Once the political agreement is implemented into Danish law, Airbnb is committed to report hosts' rental income data to the Danish tax authorities as outlined above.

In order to provide for correct tax assessments, the Danish tax authorities need information on individual income earned through sharing economy platforms. By making it attractive for both platforms and platform hosts to agree to third party reporting, it is more likely that the Danish tax authorities will receive the required data. The Danish tax authorities will carry out general enforcement measures and will specifically target platforms that do not report hosts' rental income. In the interim period the Danish tax authorities will make reasonable efforts to secure a level playing field for all relevant players as of 2019.

The Danish tax authorities and Airbnb will clarify the necessary technical details in order to secure a reporting scheme compliant with the terms of the GDPR and will enter into a respective data processing agreement before data gets shared.

Copenhagen, November 21, 2018



---

Karsten Lauritzen  
Minister of Taxation  
Denmark

Ireland, November 21, 2018

DocuSigned by:  
*Aisling Hassell*  
EC2A1274F20A469...

---

Aisling Hassell  
Director  
Airbnb Ireland UC