

Unlocking Efficiency: Navigating the FASTER Directive for Streamlined Withholding Tax Relief

By Roelie van Seggern and Olivier Elsenburg

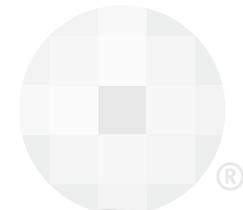
On June 19, 2023, the European Commission (EC) proposed the “Faster and Safer Relief of Excess Withholding Taxes” (FASTER) Directive.¹ This Directive aims to streamline and secure the process for claiming withholding tax (WHT) relief, enhancing efficiency, reducing fraud risks, protecting revenues, and minimizing administrative burdens for investors holding securities in European Union (EU) member states. This article explores the FASTER Directive, starting with its background and current status, followed by an analysis of its core articles and its impact on existing WHT relief systems, with a special focus on the Netherlands. The article concludes by assessing the Directive’s impact on the Netherlands and across the EU.²

To understand the significance of the FASTER Directive, it is essential to explore its background and the current state of WHT relief procedures in the EU.

I. Background

In the EU, investors often face double taxation on income from cross-border securities. Dividends and interest are taxed first in the source state and then in the investor’s residence state. To avoid double taxation, investors can claim refunds of excess WHT in the source state, facilitated by double tax treaties (DTTs) and domestic rules. However, these relief procedures are often complex, time-consuming, and prone to fraud, as seen in major tax scandals like cum/cum and cum/ex. The FASTER Directive aims to introduce a standardized system for WHT relief at source, supported by automatic information exchange between tax administrations, to enhance efficiency and transparency.

Furthermore, the Directive seeks to support the Capital Markets Union (CMU) by making the EU capital market more attractive through reducing costs and complexities in WHT relief procedures. It aims to ensure fair taxation and distribution of tax revenues among EU member states, preventing tax avoidance and ensuring investors pay their fair share.



ROELIE VAN SEGGERN is a Junior Associate in the Netherlands tax department of Simmons & Simmons LLP. **OLIVIER ELSENBURG** is a Supervising Associate in the Netherlands tax department of Simmons & Simmons LLP.

Overall, the EC has presented the FASTER Directive as an effort to improve the efficiency and fairness of WHT relief procedures within the EU, supporting the CMU, encouraging cross-border investments, and protecting tax revenues from fraud and abuse.

A. Status of the FASTER Directive

The FASTER Directive is based on Article 115 of the Treaty on the Functioning of the European Union (TFEU) and follows a special legislative procedure with the Council of the European Union acting as the sole legislator. Unanimity in the Council is required for the Council's approval of the Directive. On February 28, 2024, the European Parliament (EP) gave a non-binding opinion in favor of the proposal, suggesting a relief system at source as the default for all EU member states. The Council's Working Party on Tax Questions (Direct Taxation) evaluated the proposal, leading to a general agreement on May 14, 2024.³ Amendments made by the Council, particularly regarding the Directive's scope and the chapter covering the registration of certified financial intermediaries (CFIs), reporting obligations, and member states' WHT relief procedures (Chapter III of the Directive), require a second consultation with the EP. The revised text is expected to be formally adopted by the Council, published in the EU Official Journal, and enacted.⁴ EU member states are obliged to implement the FASTER Directive into national legislation by 31 December 2028, with the rules being applicable from 1 January 2030.⁵

II. The Core Articles of the FASTER Directive

The scope of the FASTER Directive is limited to cross-border dividends arising from publicly traded shares and, where applicable, interest from publicly traded bonds, paid to the registered owners.⁶ This article primarily focusses on dividend WHT and relating relief procedures for the following reasons. The majority of the in-scope investments are investments in shares, which is why the EC emphasizes this area within the Directive.⁷ The EC has indicated that fraud in procedures for reducing WHT on interest from publicly traded bonds does not occur. Furthermore, the Netherlands in principle does not levy WHT on interest.⁸ To better understand the Directive's application, it is important to consider the specific provisions outlined in Chapter III of the Directive.

The Directive's Chapter III, concerning CFI registration and reporting obligations, and member states' WHT relief procedures is not applicable to member states that apply WHT on interest at varying rates and to member states that need to engage in similar relief procedures or have in place a comprehensive relief at source system for dividend payments and have a market capitalization ratio (MCR) below 1.5%.⁹ These member states may use their established national systems, as the case may be. EU member states implementing Chapter III should establish a relief at source or a quick refund system or a combination thereof. In specific low-risk cases, these member states may limit the implementation to one system, provided an alternative system is in place for all other situations that are in scope of the Directive. Payments that are out of scope of the Directive are, for example, dividend payments in a purely domestic context (from listed companies to registered owners that are resident of the same (source) state), dividend payments from non-listed companies, and interest payments made by residents of a member state, whereas the respective member state has not opted to apply the Directive to interest payments. In these out-of-scope cases, relief of excess WHT under the domestic rules and regulations should remain available.¹⁰

A. Digital Tax Residence Certificate (Article 4)

The FASTER Directive proposes a common digital tax residence certificate (eTRC) to establish an investor's residence state for tax purposes, which is required in WHT relief procedures. The eTRCs will replace the current fragmented and paper-based systems with a uniform digital system, making WHT relief procedures more efficient. Residence states are in principle required to issue an eTRC within 14 business days unless exceptional circumstances justify a breach of the deadline. Initially, a one-business-day deadline was proposed. This was considered a major obstacle by member states.¹¹

Under the Directive, member states should introduce a fully automated eTRC issuance system that is accessible to taxpayers and other authorized parties (most notably, the financial intermediaries requesting the eTRC on behalf of their clients). The eTRC is valid for at least the calendar year in which the request is granted and can be used for purposes beyond the FASTER Directive, such as in WHT relief procedures for out-of-scope payments (for example, payments from non-publicly traded shares). To further combat abuse, the eTRCs shall be secured with an electronic seal.

B. Certified Financial Intermediaries (Articles 5, 6, 7, and 8)

Cross-border investments that are in scope of the FASTER Directive generally involve a payment chain of financial intermediaries. Often, in-scope securities payment chains include a custodial bank or another financial service provider (such as a broker), holding securities in its name for the benefit of an underlying investor. In these types of arrangements, the underlying investor is considered to be the registered owner of the securities. To avoid the risk of abuse, it is essential that the intermediary chain is traced and identified. This should allow the mapping of the flow of funds from the security issuer to the ultimate registered owner as well as the collection of information on the ultimate registered owner. Due to their position within the chain and their involvement in the relevant financial arrangement (*i.e.*, handling the payments of dividends and interest on securities between the issuer and the registered owner to whom payments are made), the financial intermediaries involved should have information available to them that the relevant tax administrations typically lack.

Under the FASTER Directive, ‘financial intermediaries’ will be central securities depositories, credit institutions, investment institutions, or certain third-country entities that have been authorized to provide services comparable to those intermediaries and fulfil certain other formal criteria.¹² For purposes of the FASTER Directive, CFIs are large institutions that handle payments of dividends and, where relevant, interest on securities issued by a resident in their jurisdiction, and central securities depositories that are the WHT agent for the same payments.¹³ Establishing national CFI registers is a crucial step in this process.

1. Establishment of National Registers of CFIs

The FASTER Directive obliges member states that levy a WHT on dividends arising from publicly traded shares to establish a national CFI register if those member states do not (yet) have a comprehensive relief at source system and an MCR below 1.5%.¹⁴ A CFI is either obliged to register itself as CFI with the national register of a member state or it may request the relevant member state to be registered as such.¹⁵ Member states establishing national CFI registers will have to appoint a competent authority that will be responsible for maintaining and updating the register. The Directive lays down rules on the information on CFIs that is to be included in the respective national registers.¹⁶

C. FASTER Common Reporting by CFIs (Article 9)

All CFIs included in national registers, regardless of their country of residence, are subject to reporting requirements *vis-à-vis* the authority maintaining the CFI register. CFIs are obliged to report the in-scope investments of their clients in EU member states through a standardized digital system. This includes information about the holding period of the underlying securities and information about financial arrangements related to the securities for which a tax reduction is requested. Each CFI shall report only on the part of the financial transaction that is visible for it: from whom it is directly receiving the dividend or interest, and to whom it is directly paying the dividend or interest. The final recipient of the full payment chain report will be the tax administration of the source state. CFIs failing to comply with the FASTER Directive's obligations will be deleted from the register.

The EC designed the FASTER Directive's reporting obligation for CFIs as a specific measure to tackle abusive tax practices by the use of WHT relief procedures across EU member states. The reported information will enable source states to identify final investors and their potential entitlement to reduced WHT rates, allowing them to combat the risk of double refunds and other abusive or even fraudulent tax practices.

D. FASTER Relief Systems (Articles 10, 11, 12, 13, and 15)

To ensure swift and secure relief of excess WHT provided for in applicable DTTs or domestic rules, the FASTER Directive obliges EU member states to set up either a relief at source system or a quick refund system, or a combination of both. These accelerated procedures should be available to EU and non-EU investors holding publicly traded shares or bonds in the EU through a CFI.¹⁷ Due to an assumed absent risk of abuse, member states are not obliged to implement a FASTER relief system for WHT on interest from publicly traded bonds. Furthermore, member states that already have a comprehensive relief at source system in place and an MCR below 1.5% may choose to maintain their own domestic relief system as opposed to adapting their existing relief at source system.¹⁸ As mentioned, these member states would not be obligated to apply the provisions relating to the national registration of CFIs and reporting obligations. In case the Directive's WHT relief procedures are not available to investors, the Directive stipulates that these investors should still have access to existing domestic relief procedures.

1. Relief at Source System

Under relief at source system, the appropriate WHT rate (*i.e.*, a reduced rate in accordance with the applicable domestic rules or DTTs) is applied at source at the moment of payment of the dividend or interest, as opposed to sometime after the moment of the payment with *de facto* retroactive effect.

2. Quick Refund System

The quick refund system is a system where a payment of dividend or interest is made, taking into account the general domestic WHT rate of the source state. A CFI should request a quick refund within two months following the month of the in-scope payment.¹⁹ The relevant member state is obliged to process the requested refund within 60 calendar days, starting from the end of the request deadline.²⁰ After the refund deadline has expired without the requested refund being awarded, the investor becomes entitled to (penalty) interest on its receivable from the relevant source state. This *de facto* penalty should motivate member states to indeed implement the “quick” element of relief procedures into their domestic systems.

3. Standard Refund System

In cases where the conditions for the applicability of the FASTER Directive relief procedures are not met, a standard refund process will need to be implemented.²¹ When a payment is made, the general domestic WHT rate is taken into account, followed by a refund request for excess WHT. This system allows a taxpayer to directly seek a refund from the relevant tax authority in the source state in case the quick relief procedure of Article 13 is not available. To mitigate the risk of abuse, the Directive lays down rules on information that will need to be provided to the relevant tax authority in standard refund procedures.

E. Abuse (Articles 9 and 10)

Financial arrangements have been widely used to shift (economic) ownership of a security or relevant investment risk in dividend-stripping schemes.²² Shifting the ownership from one party to another could allow taxpayers to obtain refunds of what was evidenced as excess tax, while there was no *bona fide* entitlement to such a refund. In other cases, higher amounts of refunds were claimed than an investor was entitled to. To combat such abuse, the Directive includes specific reporting requirements.

1. Reporting Requirements Combatting Abuse (Article 9)

Clear and complete information on financial arrangements, which encompass ordinarily legitimate securities transactions, such as *bona fide* repurchase agreements, securities lending, and derivative products, such as single stock futures, is necessary to obtain for tax administrations to combat tax abuse as described in the foregoing paragraph.

Reporting on information is only required by CFIs that may have been directly involved in the relevant financial arrangement. To combat abuse of WHT relief procedures (mainly in the form of cum/cum schemes), information about the holding period of the underlying securities, and about financial arrangements linked to the securities for which the taxpayer is requesting relief needs to be reported.

The first element seeks information on whether the underlying securities have been bought within two days before the ex-dividend date to prevent further abusive schemes for multiple reclaims of the same WHT (cum/ex). The second element seeks information on financial arrangements with underlying securities that have not been settled, expired, or otherwise terminated at the ex-dividend date to help tax administrations detect abuse (cum/cum).

As the above schemes have been observed only in relation to dividend payments, the reporting elements are not applicable in relation to interest paid on bonds.²³ The same approach is followed in case of low amounts of dividends paid. This, however, does not preclude EU member states from applying appropriate consequences where they identify abuse, even in relation to low-amounting dividend payments.

CFIs are obliged to verify the eligibility of investors who wish to claim relief by collecting a certificate of tax residence and a declaration that an investor is the beneficial owner of the payment according to the legislation of the source country. CFIs should also verify the applicable WHT rate and amount based on the investor’s specific circumstances and indicate if they are aware of any financial arrangement involving the underlying securities that has not been settled, expired, or otherwise terminated at the ex-dividend date. CFIs can be held liable for tax revenue losses that have been incurred due to an inadequate fulfilment of their obligations, to the extent that the domestic rules and regulations of a member state where the loss is incurred so provide.

2. No Application of Relief Systems in Cases Presenting an Elevated Risk of Tax Fraud and Abuse (Article 10)

EU member states may deny requests for relief in cases presenting an elevated risk of tax fraud and abuse. Such cases include cases where: (i) the dividend has been paid on a publicly traded share that the registered owner acquired in a transaction carried out within a period of five days before the ex-dividend date, (ii) the dividend payment on the underlying security for which relief is requested is linked to a financial arrangement that has not been settled, expired or otherwise terminated before the ex-dividend date, (iii) at least one of the financial intermediaries in the securities payment chain is not a CFI and no CFI has fulfilled its reporting obligations on the position of that financial intermediary for purposes of the Directive, (iv) an exemption of the WHT is claimed, (v) a reduced WHT rate not deriving from an applicable DTT is claimed and (vi) where the dividend payment exceeds a gross amount of at least EUR 100,000, per registered owner and per payment date. The amount of EUR 100,000 remains between brackets in the latest available Directive text and could be higher or lower (or remain the same) in the final Directive text. Under the Directive, the threshold should not apply to, among others, pension funds, as these institutions are already highly regulated and subject to supervision by the national competent authorities.

3. WHT Relief System of the Netherlands

The Netherlands currently has fairly effective processes in place for both a tax refund procedure and a reduction at source system. These procedures apply to residents of the EU as well as third countries. The Netherlands generally does not levy a WHT on interest payments.²⁴ Dutch dividend WHT is in principle due on (deemed) profit distributions made by in-scope Dutch resident entities at the domestic rate of 15%, unless a domestic withholding exemption applies, or when a reduced (or nil) rate is provided for under an applicable DTT. When a residence state has concluded a DTT with the Netherlands and the residence state's tax administration has issued a certificate of residence to a certain investor, the investor may apply for a (partial) exemption of Dutch dividend WHT with the Dutch tax authorities (DTA).²⁵ Pursuant to the Dutch anti-dividend stripping rules, an investor receiving dividend from held shares must be the beneficial owner of the dividend in order for them to be entitled to any exemption, reduction, refund, or credit of dividend WHT.

The WHT relief system that is currently in place in the Netherlands is partly paper-based and can be made more efficient. To apply for a (partial) exemption of

Dutch dividend WHT, a form in duplicate needs to be completed by the taxpayer for each dividend payment that the taxpayer receives from its investment in the Netherlands. Copies of the completed and signed forms need to be then sent to the tax administration in the investor's country of residence. This tax administration should date and sign the copies, keeping one for their own administration and returning one to the taxpayer. Subsequently, the taxpayer will need to submit that copy with the DTA at the moment of the collection of its dividend. When provided with the form and accompanied by the certificate of tax residence, the CFI actually paying the dividend is allowed to withhold WHT at the applicable percentage. For the DTA to approve an application for an exemption or reduction of dividend WHT, the investor making such request must meet the conditions laid down in the applicable DTT (in addition to meeting certain formal criteria).

The issuance of certificates of tax residence, required for WHT relief procedures, may currently take the DTA up to 8 weeks. The certificates are requested *via* email and are issued as a hard copy document.

III. Impact of the Directive on the Netherlands and Across the EU

The Directive mandates its relief procedures for dividends from publicly traded shares but allows optional application to WHT on interest from publicly traded bonds. The Dutch government does not plan to extend the Directive's procedures to such interest payments at the moment of implementation, considering the nature of the Dutch conditional withholding tax 2021 (*Wet bronbelasting 2021*), being an anti-abuse measure aimed at intercompany conduit payments to recipients resident of non-cooperative or low taxing jurisdictions that control the payor, as well as the Directive's scope.

In addition to EU measures (such as the Directive), the Netherlands is unilaterally committed to combating dividend stripping. Pursuant to the Dutch anti-dividend stripping rules, an investor receiving dividend from held shares must be the beneficial owner of the dividend for them to be entitled to any exemption, reduction, refund, or credit of dividend WHT, such recipient should be considered the beneficial owner of such dividends. The recipient will not be considered the beneficial owner of dividends, if, in connection with such dividends, the recipient has paid a consideration as part of a series of transactions in respect of which it is likely (i) that the dividends have in whole or in part accumulated, directly

or indirectly, to a person or legal entity that would (ii.a) as opposed to the recipient paying the consideration, not be entitled to an exemption from dividend WHT or (ii.b) in comparison to the recipient paying the consideration, to a lesser extent be entitled to a reduction or refund of dividend WHT and (iii) that such person or legal entity has, directly or indirectly, retained or acquired an interest in the shares comparable to the interest it had in such shares prior to the series of transactions being initiated.

From 1 January 2024, a number of measures have been implemented to strengthen the approach to dividend stripping, whereby a study on alternative measures was announced for the spring of 2025. As the FASTER Directive primarily concerns procedures for reducing excess WHT and does not affect the substantive legal provisions of the member states, the Directive is not expected to affect the existing Dutch measures against dividend stripping or the mentioned study.²⁶ Furthermore, considering that the Directive will not nearly cover all Dutch-sourced dividends, the need remains to have anti-dividend stripping legislation in place.

Upon implementation of the Directive, improvements are anticipated in the Dutch WHT relief systems. The Dutch dividend WHT relief systems will remain available to EU as well as non-EU investors, investing in securities in the Netherlands (similar to the current systems). Due to the Directive's proposed deadlines to request relief and to process a refund, the Dutch WHT relief procedures will be much more efficient in terms of time. Dutch relief could be granted within weeks as opposed to within years. Furthermore, relief of WHT for in-scope dividend payments will no longer have to be requested through a paper-based procedure but can be requested digitally. Also, the implementation of the Directive will entail a much more efficient procedure for the issuance of certificates of tax residence. Requests can be made and eTRCs will be issued by the DTA through a standardized system within 14 days as opposed to within eight weeks.

The Directive's implementation is expected to be particularly beneficial for Dutch pension funds. Dutch pension funds are investors that typically invest in publicly traded shares. According to the Dutch Federation of Pension Funds, the refund of dividend taxes from other EU countries takes an average of 1.5 years. Due to the lengthy and costly process, a number of pension funds do not reclaim (excess) WHT at all while they are entitled to these tax benefits. The Directive is expected to generate a direct benefit of EUR 33.5 million each year

for the five largest Dutch pension funds.²⁷ Another interesting element of the Directive is the equal treatment of direct and indirect investments by pension funds.

Despite these benefits, the Dutch government has raised some concerns. The Dutch government has raised questions about the impact of the Directive on the DTA's operational capacity, as well as the potential for broadening the Directive's scope beyond the examples given in the FASTER Directive text. Imposing the administrative burden of the Directive's reporting obligations on CFIs (as opposed to on member states and their tax administrations) is therefore a welcomed proposal—from a governmental and tax authority point of view, that is.

The proposal, although receiving strong support from member states, financial intermediaries, and investors, does appear to fall short in addressing certain critical areas. Notably, it lacks measures to harmonize the definition of 'residency' across member states and of the concept of beneficial ownership, despite introducing a common digital eTRC. These omissions could undermine the effectiveness of the Directive, leaving significant inconsistencies unaddressed and leaving investors and CFIs confused due to remaining variations in WHT relief procedures across member states. The Dutch government has expressed its preference to limit deviations during implementation to ensure uniform procedures across the EU.

Moreover, the applicability of the Directive is confined to dividend payments from publicly traded shares and interest from publicly traded bonds. Consequently, investors in financial products outside these categories will continue to navigate the current fragmented WHT relief procedures.

Furthermore, the Directive is expected to have a big impact on national tax administrations of member states, tasked with maintaining CFI registers and having their existing systems transformed.

IV. Conclusion and Closing Remarks

The FASTER Directive is presented by the EC as a significant step forward in the EU's efforts to streamline WHT relief procedures, aiming to enhance the efficiency, security, and fairness of cross-border investment taxation. By introducing standardized systems for WHT relief at source and quick refund mechanisms, alongside reporting requirements to combat tax fraud and abuse.

The Directive's scope is limited to cross-border dividends from publicly traded shares and, where applicable, interest from publicly traded bonds. To make WHT

relief procedures more efficient and secure, the Directive mandates the use of eTRCs to establish the investor's residence for tax purposes, replacing the current fragmented and paper-based system with a digital one.

CFIs play a crucial role in the Directive, as they will be responsible for reporting the in-scope investments of their clients through a standardized digital system. This includes information about the holding period of the underlying securities and financial arrangements related to the securities for which the WHT relief is requested. These measures are designed to combat abusive tax practices, such as cum/cum and cum/ex schemes, by ensuring transparency and traceability in the payment chain.

The FASTER Directive obliges EU member states to set up either a relief at source system or a quick refund system, or a combination of both. These accelerated procedures should be available to EU and non-EU investors holding publicly traded shares or bonds in the EU through a CFI. Under the Directive, member states are obliged to process quick refund requests and allow relief of WHT within 60 calendar days, after which deadline the investor becomes entitled to (penalty) interest on its receivable. This measure should motivate member states to implement efficient relief procedures.

Although the current WHT relief procedures in place in the Netherlands may not be as burdensome and lengthy as those of certain other member states, the Directive is expected to have an impact on the Netherlands, nonetheless. WHT relief procedures and the issuance of certificates of residence will be digitalized and will be much more efficient in terms of deadlines. Dutch pension funds, which have historically faced challenges in reclaiming cross-border WHT, stand to benefit considerably. The Directive's streamlined and efficient relief procedures are anticipated to facilitate a higher volume of WHT reclaims by, in any event, pension funds, but also by other investors, marking a pivotal change in the landscape of cross-border investment taxation.

However, it is feared that the success of the FASTER Directive may be undermined by the (harmonized) implementation thereof by EU member states and the capacity of national tax administrations to implement new systems as required under the Directive. As the equity finance practice navigates the implications of the FASTER Directive, close attention must be paid to the expected further refinement of the Directive text and the practical challenges of implementing its provisions uniformly across the EU.

ENDNOTES

¹ European Commission, Proposal for a Council Directive on Faster and Safer Relief of Excess Withholding Taxes of 19 June 2023, COM (2023) 324 final, 2023/0187 (CNS).

² This article is based on the latest text of the FASTER Directive as agreed upon by the Council of the European Union on May 14, 2024. This text remains subject to (renewed) approval of the European Parliament.

³ Council of the European Union, press release, Taxation: Council agrees on new rules for withholding tax procedures (FASTER), May 14, 2024 (www.consilium.europa.eu/en/press/press-releases/2024/05/14/taxation-council-agrees-on-new-rules-for-withholding-tax-procedures-faster/).

⁴ Council of the European Union, Council Directive on Faster and Safer Relief of Excess Withholding Taxes—General approach, 9786/24, May 14, 2024 (data.consilium.europa.eu/doc/document/ST-9925-2024-INIT/en/pdf).

⁵ Article 22 of the FASTER Directive.

⁶ Articles 1 and 2 of the FASTER Directive.

⁷ Dutch State Secretary of Finance, Report of the written consultation on the BNC file Directive Proposal for Faster and Safer Relief of Excess Withholding Taxes (FASTER), November 2, 2023 (www.ndfr.nl/content/p1-737635).

⁸ Unless in case of intercompany conduit interest payments to non-cooperative or low taxing jurisdictions or in cases of abuse.

⁹ According to the EC, such comprehensive relief at source systems allowing for the appropriate tax rate applied at the moment of payment in an efficient manner is the equivalent of the Directive's relief at source system and a low market capitalisation implies low volumes of dividend distributions and, according to the EC, therefore a lower risk of tax abuse.

¹⁰ Article 2 of the FASTER Directive.

¹¹ The Netherlands considered this a significant deviation from the current process it has in place, where certificates of tax residence are issued within six to eight weeks following a request thereto.

¹² Article 3(4) of the FASTER Directive.

¹³ Articles 3(4) and 6 of the FASTER Directive.

¹⁴ Articles 5, 6, and 7 of the FASTER Directive.

¹⁵ Articles 6(1) and 7 of the FASTER Directive.

¹⁶ Article 5(3)(4) of the FASTER Directive.

¹⁷ Articles 12 and 13 of the FASTER Directive.

¹⁸ P. Baert, European Parliament Members' Research Service, Legislative Train, Faster and Safer Tax Excess Relief (FASTER), "An Economy that Works for People", June 20, 2024 (www.europarl.europa.eu/legislative-train/package-tax-action-plan/file-withholding-tax-relief#:~:text=To%20address%20these%20issues%2C%20

the,digital%20residency%20certificate%20for%20investors).

¹⁹ When an in-scope payment would for example be made on May 4, 2030, the request should be filed with the relevant member state no later than 31 July 2030.

²⁰ Resulting in a refund that is processed by the relevant member state ultimately on September 29, 2030, in case of in scope payments made on May 4, 2030, for example. Initially, a deadline of 25 calendar days was proposed.

²¹ Article 15 of the FASTER Directive.

²² Such as cum/cum and cum/ex.

²³ See Heading E of Annex II of the FASTER Directive for the reporting elements in case of dividend payments.

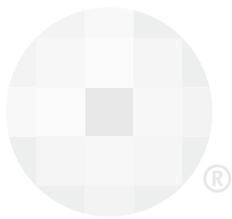
²⁴ Unless in case of intercompany conduit interest payments to recipients resident of non-cooperative or low taxing jurisdictions.

²⁵ In-scope investments mainly concern portfolio investments. There is no reduced WHT rate available in case of received portfolio dividends.

²⁶ Dutch Minister of Finance, Report of the written consultation of the meeting of the Eurogroup and ECOFIN Council of May 13 and 14, 2024.

²⁷ M. Noordhuis, Financieel Dagblad, 'Pension funds: more returns as withholding tax refund becomes faster and easier' (*Pensioenfondsen: meer rendement nu teruggave bronbelasting sneller en makkelijker wordt*), May 19, 2024.

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