

Faster and Safer Relief of Excess Withholding Taxes

2023/0187(CNS) - 22/10/2024 - Committee final report tabled for plenary, reconsultation

The Committee on Economic and Monetary Affairs adopted, following a special legislative procedure (consultation), the report by Herbert DORFMANN (EPP, IT) on the draft Council directive on Faster and Safer Relief of Excess Withholding Taxes.

The committee recommended that Parliament should approve the Commission proposal without amendments.

According to the agreed text by the Council, the directive will introduce a **common EU digital tax residence certificate** (eTRC) and **two fast-track procedures** complementing the existing standard refund procedure for withholding taxes, as proposed by the Commission. However, the deadlines for the issuance of the eTRC and the quick refund system have been prolonged.

A key change is the exemption provided to Member States who already have a comprehensive relief-at-source system in place and who have a relatively small financial market, i.e. when their market capitalisation ratio is below a threshold of 1.5%.

The Directive further introduces a reporting obligation for financial intermediaries, who will have to register in national registers established pursuant to this Directive in order to be able to request the fast-track procedures. In order to simplify the procedure, a European Certified Financial Intermediary Portal will be created.

Lastly, the Council agreement extends the original deadline for the entry into force of 1 January 2027, as foreseen by the Commission's proposal, to 1 January 2030.