

ATOZ ALERT

The FASTER Directive introducing new rules for withholding tax procedures formally approved at today's ECOFIN meeting

10 December 2024

Introduction

Today, the European and Financial Affairs Council (“**ECOFIN**”) approved Directive on Faster and Safer Relief of Excess Withholding Taxes (hereafter “**FASTER**”).

FASTER aims at creating:

- A common EU digital tax residence certificate; and
- A standardised withholding tax (“**WHT**”) relief procedure implying:
 - ✓ Standardised reporting obligations for financial intermediaries to provide national tax administrations with the necessary tools to check eligibility for the reduced rate and to detect potential abuse; and
 - ✓ A two fast-track procedure, assorted with new due diligence obligations, complementing the existing standard refund procedure to relieve excess WHT withheld by a Member State on dividend or interest income paid on publicly traded shares or bonds to non-resident investors.

On 14 May 2024, the Council already reached an agreement (general approach) on the compromise text providing for new rules for WHT procedures. Following the re-consultation with the European Parliament, FASTER has now been formally adopted by the Council and will soon be published in the EU's Official Journal.

Member States must now transpose the directive into national legislation by 31 December 2028, but the national rules will, in principle, become applicable only as from 1 January 2030.

For more information about the implications of FASTER, please read our previous ATOZ Alert: [The Council reached an agreement \(general approach\) on new rules for withholding tax procedures \(FASTER\)](#)

We will keep you informed of any further developments in the legislative process in Luxembourg.

Do you have further questions?



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