The Code of Conduct on WHT

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Background (2009 – 2016)

• Starting from the *Commission 2009 Recommendation on withholding tax relief procedures* and the work done in other fora, this EG mapped existing state of play in withholding tax (WHT) across MS and identified 9 best practices.

• As committed in the CMU Action Plan of 2015 and in the recent June 2017 CMU Mid-term review, the Commission set up a Fiscalis tax project group tasked with drafting the *Code of Conduct on WHT* that will be published by end 2017.

• Joint TAXUD – FISMA project
Work in 2017

**Fiscalis Project Group March – June 2017**: composed of 13 national tax experts from UK, SK, DE, NL, ES, IT, LU, PT, SE, FR, EE, DK, IE + DG TAXUD and DG FISMA

2 October: discussion with all 28 MS in **TAXUD Expert Group IV** (fiscal attaches)

27 October: presentation at the **HLWP**

12 December: **publication**

14 December: presentation at Platform
Objective of the Code

The Code of Conduct is a non-binding instrument

A set of pragmatic approaches to improve the efficiency of current WHT procedures for reclaims/refunds of WHT

Some measures may be implemented quickly and cheaply, others take longer (eg. when it comes to IT systems)

The code is to apply to WHT procedures on cross-border passive income (mainly dividends, interests and royalties)
Structure of the Code

- **11 Sections** including introduction and follow-up (based on the best practices of the EG)

- Sections include:
  1. Description of the issue
  2. Problems it can tackle
  3. Possible ways to get there
Sections of the Code

Disclaimer and Introduction

- Entitlement to submit refund claims or apply for relief
- Efficient and user-friendly digital WHT procedures
- Efficient Internal IT system
- Effective reliefs and provision of refunds in a short period
- User-friendly forms
- User-friendly documentation requirements

Set up a single point of contact

Relief at source

Follow up and Monitoring
Monitoring mechanism in the Code

In the Follow-up section:

Roadmap mentions the scoreboard but it can be internal

Code to include a monitoring mechanism instead (sharing information, two meetings in 2018)

Possible regular revision of the Code
Work in 2018

30 January 2018: **Public hearing** - Simpler Withholding Tax Procedures for Europe

Review meetings at the Commission expert group on direct taxes (working party IV)
Public hearing - Simpler Withholding Tax Procedures for Europe – 30 January

Half-day event in Brussels

Keynote speaker: VP Dombrovskis

2 Panels:

A) **WHT procedures- history**
Why they do harm? Can the Code help?

B) **Implementation of the Code of Conduct on WHT**
How to ensure that the Code actually leads to change -
Actions and commitments needed to implement the Code
Useful links

Code of conduct:

Public hearing: https://ec.europa.eu/info/events/finance-180130-simpler-withholding-tax-procedures_en
Thank you for your attention