
Press release

AFME reacts to the Council agreement on the EU's Directive on Faster and Safer Relief of Excess Withholding Taxes

14 May 2024

Following the general approach reached today by the Council on the EU's Directive on Faster and Safer Relief of Excess Withholding Taxes ('FASTER'), **Adam Farkas, CEO of the Association for Financial Markets in Europe (AFME)**, commented:

"AFME strongly welcomes the aim to simplify and digitise withholding tax procedures within the EU. The FASTER Directive has been negotiated with remarkable speed, an encouraging sign that Member States recognise the urgency of addressing current inefficiencies in withholding tax reclaim processes.

"Subject to formal adoption of the agreed text, AFME welcomes the creation of a common EU digital tax residence certificate as an important step to facilitate investors' access to the new fast-track procedures relating to withholding tax. On several other operational aspects of the Directive, however, we would have liked to see a greater focus on simplification and harmonisation, for example through a common definition of beneficial ownership, which would enhance FASTER's contribution to the Capital Markets Union.

"The effectiveness of the new measures will depend on their implementation. It is crucial that this is accompanied by sufficient support and guidance for certified financial intermediaries, and we look forward to continuing our dialogue with policymakers during this phase of the process.

"Member States and the Commission must remain vigilant to ensure that the new rules are workable on the ground and do not cause excessive administrative burden, which would run counter to the spirit of this Directive. Further steps to unlock cross-border investments should continue to be explored, informed by consultation of industry representatives".

– Ends –

AFME Contacts

Rebecca O'Neill

rebecca.oneill@afme.eu

+44 (0) 7386 658 525

Notes:

1. AFME (Association for Financial Markets in Europe) promotes fair, orderly, and efficient European wholesale capital markets and provides leadership in advancing the interests of all market participants. AFME represents a broad array of European and global participants in the wholesale financial markets.

Association for Financial Markets in Europe

London Office: Level 10, 20 Churchill Place, London E14 5HJ, United Kingdom T: +44 (0)20 3828 2700

Brussels Office: Rue de la Loi 82, 1040 Brussels, Belgium T: +32 (0)2 883 5540

Frankfurt Office: c/o SPACES – Regus, First Floor Reception, Große Gallusstraße 16-18, 60312, Frankfurt am Main, Germany

T: +49 (0)69 710 456 660

www.afme.eu

Its members comprise pan-EU and global banks as well as key regional banks, brokers, law firms, investors and other financial market participants. AFME participates in a global alliance with the Securities Industry and Financial Markets Association (SIFMA) in the US, and the Asia Securities Industry and Financial Markets Association (ASIFMA) through the GFMA (Global Financial Markets Association). For more information please visit the AFME website: www.afme.eu

2. Follow us on Twitter [@AFME_EU](https://twitter.com/AFME_EU)