



The Code of Conduct on WHT

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Savino Rua

DG TAXUD Unit D2 – Direct Tax Policy and Cooperation

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



European
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Thank you for your attention