

# FASTER Directive on Excess Withholding Taxes Published



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European Law Forum: Prevention • Investigation • Prosecution

**Thomas Wahl**

**News**

On 10 January 2025, [Council Directive \(EU\) 2025/50](#) on faster and safer relief of excess withholding taxes was published in the EU's Official Journal L, 2025/50. The new rules make withholding tax procedures in the EU more efficient, secure and simplified for investors, financial intermediaries and Member State tax administrations. The Directive is seen as a key initiative to ensure fair taxation and to prevent that refund procedures can be abused, as done in the Cum/Ex and Cum/Cum scandals that led to estimated tax losses of €150 billion between the years 2000 and 2020.

In order to strengthen Member States' ability to prevent and fight tax fraud and tax abuse, which is currently hampered by a general lack of reliable and timely information on investors, the Directive provides for a common framework for the relief of excess withholding taxes on cross-border investments in securities. This leads to convergence among the various relief procedures applied in the Member States while ensuring transparency and certainty with regard to the identity of investors for securities issuers, withholding tax agents, financial intermediaries and Member States. To that effect, the framework relies on automated procedures, such as the digitalisation of the tax residence certificate in terms of both procedure and form.

Overall, the new withholding tax framework will grant investors access to fast-track procedures, ensuring the tax rights they are entitled to and avoiding double taxation. Tax authorities will have full visibility of the financial chain through new, standardised reporting obligations. These will enable the tax authorities to check whether investors are eligible for reduced rates and to ensure that a withholding tax refund is correctly granted.

Member states will have to transpose the Directive into national legislation by 31 December 2028, and national rules will have to become applicable from 1 January 2030.

## **AUTHOR**

**Thomas Wahl**

Senior Researcher  
Max Planck Institute for the  
Study of Crime, Security and  
Law

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Published in  
2024, Vol. 19(4) [eu crim](#)  
ISSN: 1862-6947  
<https://eu crim.eu>

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The project is co-financed by the [Union Anti-Fraud Programme \(UAFP\)](#), managed by the [European Anti-Fraud Office \(OLAF\)](#).



Co-funded by  
the European Union