

- European Commission  
DG TAXUD.D.2.  
Jozef II–straat 79  
1000 Brussel, België

REFERENCE: B/22/13441/GM/MV/MvR

DATE: 24 June 2022

SUBJECT: The EU's withholding tax initiative, a swift solution is necessary

Dear Sirs/ Madams,

The Federation of the Dutch Pension Funds appreciates the possibility to respond on your request. Tax barriers to cross–border investment such as inefficient withholding tax (WHT) procedures still persist. Dutch Pension Funds call for a swift implementation of solutions to lower the administrative costs of reimbursement procedures and unrecovered WHT, and to eliminate the risk of tax fraud and tax evasion.

### **Sharing of information by Tax Authorities is key**

We feel the administrative burden is increasing whilst Member States' Tax Authorities could share more information. Information sharing between Tax Authorities, regarding which entities qualify as a pension fund and therefore are entitled for reimbursement of taxes, could immediately decrease the administrative burden throughout the EU. We are of the opinion that a small effort of national Tax Authorities towards information sharing could result in an considerable reduction of administrative burdens and costs for tax payers. In our view, information sharing between Tax Authorities is an essential precondition for a much–needed relief–at–source approach. In our view sharing of information between Tax Authorities is the optimum solution.

### **Action is needed**

The EU has taken initiatives to address the issues regarding WHT procedures, such as establishing a code of conduct. In our experience, this positive step of a code of conduct has not resolved the issue since administrative burdens remain. So far, the lack of political will has blocked the implementation of

efficient and effective measures. This leads to heavy administrative burdens since some Member States implement all kinds of (administrative) barriers. We are of the opinion that a common and joint approach could eradicate these barriers.

**The suggested solution: an EU tax register**

It is necessary to avoid unnecessary administrative burdens and uncovered WHT through relief-at-source. In case the sharing of information between Tax Authorities lingers and/or the administrative barriers remain for a while, an EU wide 'Tax Register' should be considered. An 'EU Tax Register' could keep a record of 'recognized pension institutions' and other recognized institutions which should be exempt of double taxation. A single or annual review by Tax Authorities to determine if all qualifications of the 'recognized pension institution' are met, could replace all the reviews of every single tax reimbursement request. In our view an EU tax register is a solid solution that could be implemented quickly.

**Contact information**

If any questions remain, please contact mr. Matthies Verstegen ([verstegen@pensioenfederatie.nl](mailto:verstegen@pensioenfederatie.nl)), mr. Martin van Rossum ([rossum@pensioenfederatie.nl](mailto:rossum@pensioenfederatie.nl)) or mr. Gerard Metske ([metske@pensioenfederatie.nl](mailto:metske@pensioenfederatie.nl)).

Met vriendelijke groet, Kind regards,

Edith Maat  
Managing Director

P.S.: please note our response to the survey regarding the withholding tax initiative.