

Overview

BACKGROUND

On **10 December 2024**, the EU adopted **Directive 2025/50 FASTER** (*Faster and Safer Relief of Excess Withholding Taxes*). This new framework tackles long-standing challenges in cross-border investment,

where reclaiming excess withholding tax (WHT) has been **slow, costly** and **inconsistent**. In addition, it aims at fighting tax fraud and facilitate cross-border investments.

FASTER KEY DATES



EY TECHNOLOGY-DRIVEN APPROACH

EY Technology Accelerator

- Documentation validation tool
- Reconciliation tool
- Reporting production and filing tool

EY Industry Vendor Insights

- Help you navigate existing offering in the market leveraging on our network (market scan, demo facilitation)
- Support the selection of vendors (RFP, selection)
- Implement solutions as preferred integrator

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EY | Building a better working world

EY s'engage à bâtir un monde meilleur, en créant de la valeur sur le long terme pour nos clients et nos collaborateurs aussi bien que pour la société et la planète dans leur ensemble, tout en renforçant la confiance dans les marchés financiers.

En s'appuyant sur le traitement des données, l'IA et les nouvelles technologies, les équipes EY contribuent à créer la confiance nécessaire à nos clients pour façonner un futur à l'épreuve des défis les plus pressants d'aujourd'hui et demain.

À travers tout un éventail de services allant de l'audit au consulting en passant par la fiscalité, la stratégie et les transactions, les équipes d'EY sont en mesure de déployer leur expertise dans plus de 150 pays et territoires. Une connaissance approfondie du secteur, un réseau international et pluridisciplinaire ainsi qu'un écosystème de partenaires aussi vaste que diversifié sont autant d'atouts qui permettront à EY de participer à la construction d'un monde plus équilibré.

Ensemble pour créer un futur riche d'opportunités.

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FASTER Directive



Shape the future
with confidence

Overview

FASTER PILLARS

1

eTRC

- **eTRC:** a common and digital tax residence certificate across Member States (MS)
- It will have to be collected and reviewed to confirm client's tax entitlements

2

RAS or FTP

- **Relief at Source or Fast track procedure:** electronic harmonized relief procedures across MS for publicly traded shares (and bonds if option chosen by MS)
- Obligation to request refund within 2 months to get quick refunds

3

CFI

- **Only Certified Financial Intermediary** will be able to execute fast track procedures
- CFI status comes with compliance obligations and due diligence obligations on client tax entitlements

4

Reporting

- **Reporting:** CFI will have to report tax information to the tax administration two months after payment date

FASTER BENEFITS ACROSS THE VALUE CHAIN

FINANCIAL INTERMEDIARIES

Intermediaries will access a **harmonized framework** across jurisdictions. The access to **simplified** and **faster processes**. For certified financial intermediaries, they will be able to offer **new services** to their clients.

MEMBER STATES

FASTER aims at making EU capital markets **more attractive to investors**, supporting **growth in GDP**. However, **tax revenues may slightly decline** as refund and relief processes become more efficient.

TAX ADMINISTRATIONS

Tax authorities will **upgrade systems and processes across various components**:

- **Electronic Tax Residence Certificates (eTRC)** issued and verified online.
- **Standardized reporting** from intermediaries across the EU.
- **Modernized IT infrastructure** for secure data exchange.

INVESTORS

Investors will gain **easier and faster access** to tax treaty benefits and **reduced withholding tax rates** on cross-border income. A **standardized EU procedure** will make tax relief **simpler, quicker, and more transparent**.

FASTER Challenges & Opportunities

Key Operational Changes for Certified Intermediaries (and other financial intermediaries)

Pillars	BEFORE FASTER	AFTER FASTER
eTRC	<ul style="list-style-type: none">▪ Tax Residence Certificates were mainly under paper form▪ Different formats of Tax Residence Certificate across all EU jurisdictions	<ul style="list-style-type: none">▪ Harmonized tax certificate format with the eTRC▪ Made available within 14 calendar days
Fast track procedure	<ul style="list-style-type: none">▪ Different relief and refund procedures per jurisdiction (either form-based or electronic)▪ Long refund processes	<ul style="list-style-type: none">▪ Possibility to reclaim within 2 months and obtain the refund 60 days after▪ Possibility to access harmonized and electronic relief & refund
CFI	<ul style="list-style-type: none">▪ Different systems and liable persons to provide reduce WHT rates across EU	<ul style="list-style-type: none">▪ Need for CFI to offer fast track procedures▪ Need to bear extra responsibilities as a CFI on WHT (incl. confirming owner's entitlement to specific reduced withholding tax rate, absence of financial arrangements)
Reporting	<ul style="list-style-type: none">▪ N/A	<ul style="list-style-type: none">▪ Need to report withholding payment data▪ Need to collect data on ongoing basis (continuous or monthly reporting)

Opportunities with FASTER

Premium services

CFI status enables to offer premium client services (fast track procedures)

Faster refunds

Refund made available within 60 days, improving client cash flow

EU-wide standardization

Simplified, harmonized procedures to access relief

Operating model reshuffle

Overall modernization of tax operations putting at stake the current tax service offerings from providers

Readiness Challenges

Compliance controls & liability

Align with FASTER requirements to maintain CFI status over time and limit tax liability risks

Diligence/KYC

Improve tax KYC and due diligence capabilities to check client eligibility (eTRC, entitlement, financial arrangements)

Service & Reactivity

Submit claims within 2 months post-payment to meet 60-day refund timeline

Data & Reporting

Ensure monthly, high-quality tax data reporting

How EY can help ?

EY Tax, Business and Technology capabilities are a key enabler for defining and delivering your FASTER model



EY can offer support across every stage – Advise, Implement, and Operate Efficiently

Now	2025 – 2029	01 January 2030	2030 and beyond
PRE-IMPLEMENTATION	IMPLEMENTATION	GO LIVE	BUSINESS AS USUAL
PMO, GOVERNANCE, STEER CO			
REGULATORY CHANGE TRACKING			
Mobilisation activities <ul style="list-style-type: none">▪ Awareness communication▪ Stakeholder engagement & business case▪ RAID▪ Rapid Assessment Methodology<ul style="list-style-type: none">▪ Group impact assessment▪ CFI determination▪ Service calibration▪ Initial data mapping – begin preliminary data mapping exercises to identify data and IT requirements.	<ul style="list-style-type: none">▪ Strategic decisions▪ Service calibration▪ Business requirements definition▪ Operational Model redesign▪ Technology solutions▪ Governance and controls▪ Pre go-live assurance▪ CFI Registration assistance▪ Risk Management design	<ul style="list-style-type: none">▪ Initiate compliance activities▪ Support and monitoring▪ MI/Performance metrics▪ Training programs▪ Communications & stakeholder managements	<ul style="list-style-type: none">▪ Reporting▪ Continuous improvement▪ Audit and assurance▪ Ongoing training and development▪ Feedback mechanisms