BRITACOM

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Shared Progress in Taxpayer Service for a Better Business Environment

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Session 6
Business and Industry Tax Dialogue

Tax Treaty Withholding Tax Relief

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CONTENT

1.Tax Treaty Withholding Tax (WHT) Relief Today

•Different Taxing Rule

- Rates, Taxable Base (Gross vs Net)

•Different Procedures

- Direct Application vs Refund
- Different Forms
- Different Timing: for Application, for Refund, etc.
- Different Management (Digital vs Non-Digital)

•No Assessment of the Efficacy of the Relief

2.Reasons for a Special Focus

- Current Unsatisfactory Situation
- Increasing Focus on Source WHT (STTR - UN Model Tax Convention)
- Desirability to Improve Attractiveness of Foreign Investment

Avoid Abuse

3.Revisiting Tax Treaty WHT Relief

- Income Covered
  - Services and Investment Income
- Taxable Base
  - Provide Election for Net Taxation
- Procedures
  - Establish Conditions for Direct Application
  - Ensure Digitalized Refund Process
  - Establish Common Application Forms

Introduce Peering System on Effectiveness of the Relief (Refund Timing, etc.)

D.Consider EU Directive (2025/50) on Faster and Safer Relief on Excess Withholding Taxes

Thank you