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Answer given by Mr Hoekstra
on behalf of the European Commission
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Member States have the competence to design their tax systems in the area of direct taxation. They set the rules and conclude Tax Conventions to eliminate double taxation with other Member States, including for investment income. However, Member States must exercise this competence in compliance with EU law, in particular with the fundamental freedoms enshrined in the EU Treaties.

Based on available information, the Commission has no indications that the Belgian withholding tax refund system would be contrary to EU law.

The Commission is committed to promote tax fairness, tax certainty, and to encourage simplification of tax procedures. The aim is to mitigate the risk of double taxation while ensuring an appropriate balance to fight tax abuse and tax evasion.

In this context, the Commission has proposed the FASTER Directive (Framework for a Faster and Safer Relief of Excess Withholding Taxes)¹, adopted by the Council in December 2024. This initiative seeks to make withholding tax procedures across the EU more efficient and secure for investors who invest on a cross-border basis in the internal market. The Commission is currently working closely with Member States on the implementation of the FASTER Directive which supports the savings and investments union agenda.

¹ Council Directive (EU) 2025/50 of 10 December 2024 on faster and safer relief of excess withholding taxes.