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Answer given by Mr Hoekstra
on behalf of the European Commission
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The FASTER Directive (EU) 2025/50¹ resolves practical obstacles within the EU by standardising and making more efficient and fraud-proof withholding tax refund procedures, thereby attracting investment to and within the EU and reinforcing the Savings and Investments Union.

Member States will have an option to maintain their existing comprehensive relief-at-source system for dividends on publicly traded shares in place, provided their market capitalisation ratio is below 1.5%. In the light of this, the Commission currently does not envisage the introduction of a standardised or largely automated EU-wide ‘relief-at-source’ procedure before 2030.

Regarding further measures the Commission has recently proposed the Taxation Omnibus Directive² to abolish withholding taxes on cross-border payments of dividends, interest and royalties between EU companies. This measure will strengthen the Single Market, enhance the competitiveness of European businesses, and support the development of the Savings and Investments Union by improving the free movement of capital across the EU. In addition, the scope of the Parent-Subsidiary Directive will be extended to pension institutions, enabling them to benefit from withholding tax exemptions on dividends received from other Member States.

Finally, in 2025, the Commission issued a Recommendation on Savings and Investment Accounts³, which promotes tax simplification to boost investment accessibility.

¹ Council Directive (EU) 2025/50 of 10 December 2024 on faster and safer relief of excess withholding taxes, OJ L, 2025/50, 10.1.2025.

² Proposal for a Council Directive amending Directives 2003/49/EC, 2009/133/EC, 2011/96/EU, (EU) 2016/1164, (EU)2017/1852, (EU) 2025/50 as regards the simplification of the Union framework on direct taxation and supporting growth and competitiveness of the EU of 24.6.2026, COM/2026/560 final.

³ Commission Recommendation on Increasing the Availability of Savings and Investment Accounts with Simplified and Advantageous Tax Treatment of 30.9.2025, C/2025/6800 final.