

The EU FASTER Directive

How Technology Ensures Progress in Withholding Tax Management

The EU Council has taken a major step to improve the efficiency and security of cross-border investments. The FASTER Directive aims to accelerate and safeguard double taxation relief for investors. Coming into force in 2030, this initiative intends to strengthen EU capital markets and help prevent tax fraud.

What FASTER means for different stakeholders

Financial Industry (CFIs)

that plan to provide FASTER services, will need to invest heavily in digital transformation. Key reasons include:

- Enhanced reporting requirements
- Efficient information flow
- E-Filing standards
- Increased processing costs
- Potential sanctions

Tax Authorities

have a significant opportunity under FASTER to enhance market attractiveness and reduce tax fraud. Key steps include:

- Investments in data management
- Digital transformation
- Enhanced productivity
- Relief at source

Investors

will benefit from FASTER through simpler processes, though exceptions and opt-outs may complicate implementation.

- Banking-centric process
- Quicker applications
- Accelerated filing
- Swift refunds
- Opt-out risks

Technology Providers

play a pivotal role in the directive's ecosystem. For the FASTER implementation they need to provide:

- Comprehensive solutions
- Data utilization
- Gateway expansion

FASTER Product Suite

Enabling Compliance through technology

WITHHOLDING TAX PROCESSING

- **Standard Reclaim for FASTER-excluded claims**
- **Relief at source** in combination with FASTER Reporting
- **FASTER Quick Refund**
- **Document management platform**
- **Compliance, control and monitoring functionalities** for entitlement review in accordance with local reporting requirements

WITHHOLDING TAX DATA TRANSFER

- **Interfaces** enable financial institutions to e-file applications to tax authorities – compatible with RAQUEST or as standalone solution
- **Tax Data Flow (TDF) functionality** enables exchange, validation and storage of tax data between financial institutions
- **Access point for gathering data and exporting** it to other custody chain members where indirect reporting is required

WITHHOLDING TAX REPORTING

- **Reporting module** for banks and other market participants to generate, consolidate, validate, store and prepare relevant data and reports for tax EU FASTER reporting (direct and indirect, also for non-CFIs)
- **Dashboard** – one-stop view on FASTER and non-FASTER withholding tax services

ETRC

- **eTRC module** for financial intermediaries or BPOs for eTRC processing along the value chain including requesting, receiving and forwarding eTRC
- **eTRC portal** for tax authorities

FASTER Impact Assessment Service

The impact analysis helps financial institutions, custodians, and investment platforms assess their organizational, process, and technology readiness for the implementation of the EU FASTER Directive.

Identify gaps, risks, and key action areas in the following dimensions:

Compliance Readiness: CFI obligations, reporting, registration
→ Understanding regulations and implementing them within the organization

Process Maturity: Workflows for withholding tax relief, documentation, data quality
→ Identifying gaps in processes and systems

Technological Implementation: eTRC processing, interfaces, automation
→ Basis for IT and organizational decision-making

Governance & Control: Responsibilities, internal controls, and auditability
→ Prioritized actions for adaptation and transformation

1 FASTER eTRC

What is an eTRC?



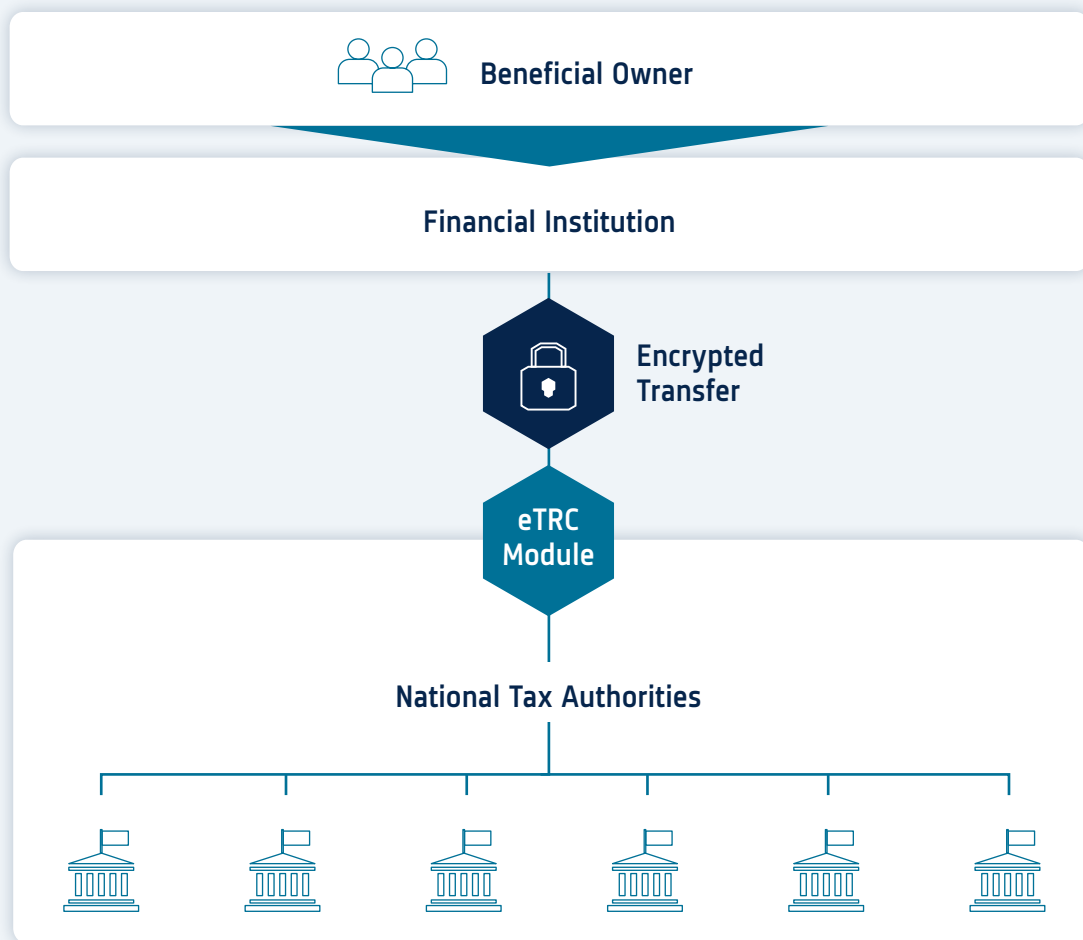
Member States shall provide for an automated process to issue electronic tax residence certificates (eTRC) to a person deemed resident in their jurisdiction for tax purposes.

FASTER Directive Article 4

eTRC Requirements

- ▶ Electronic seal in accordance with Regulation (EU) No 910/2014 of the European Parliament and of the Council
- ▶ Human- and machine-readable format (PDF or similar formats for automated systems)
- ▶ Printable format
- ▶ Open text field for information pursuant to Article 4(g)

How the process operates



MODULE

2 FASTER Reporting

Certified Financial Intermediaries (CFIs) play a key role in ensuring transparency and compliance. Under the FASTER framework, registered intermediaries are required to report key data (as outlined in Annex II) to their national authority within two months of the payment date.

Reporting Categories

Reporting institution (Annex II A)	Beneficial Owner (Annex II B)	Issuer (Annex II C)
Payment information (Annex II D)	Financial arrangements (Annex II E and F)	ADRs (Annex II G)

3 FASTER Relief at Source & Quick Refund

The FASTER Directive introduces a streamlined process to eliminate excess withholding tax on cross-border investment income. It simplifies and speeds up tax relief on dividends from publicly traded shares, and on interest from publicly traded bonds paid to registered investors residing in another EU Member State.

Tax Relief Made Simple

Under the FASTER framework, Member States can empower Certified Financial Intermediaries to simplify tax relief for investors. These intermediaries may:

Request Relief at Source

Ensuring the correct withholding tax rate is applied directly at payment, by sharing required information; or

Request Quick Refund

Reclaiming any excess withholding tax on behalf of investors within two months after the payment date, once all necessary information has been provided.

4 FASTER Reclaim

The FASTER Directive introduces a harmonized EU approach to reclaim excess withholding tax on cross-border investment income. It defines the process for relieving undue withholding tax on dividends from publicly traded shares, and interest from publicly traded bonds paid to investors who are tax residents in another Member State.

Tax Relief Methods

To ensure fairness and efficiency, Member States must provide a standard refund system for cases not covered by the Relief at Source or Quick Refund mechanisms. This guarantees that all eligible investors have access to a reliable and transparent way to recover excess withholding tax.

RAQUEST combines Technology & Tax

Advocacy

Active engagement in industry-wide associations

Thought Leadership

Financial expertise combined with forward-looking insights

Modular Product Suite

Plug & play software for end-to-end processing

Seamless Implementation

Smooth integration into existing systems

How the financial industry could benefit from RAQUEST

- + **Flexibility** to choose between an **end-to-end solution** and **modular components** to fit the existing IT landscape
- + **Combining reporting functionalities** with proven withholding tax processing to leverage existing capabilities such as MiKaDiv
- + **Compliance control** and **monitoring functions** to reduce workload caused by tax authority inquiries
- + **Automatic gathering and tracking of feedback** from tax authorities
- + **Encrypted transfer** and **firewall security**
- + **Customer-centered support** and **knowledge exchange**



About RAQUEST

RAQUEST is a fintech company specializing in withholding tax management for financial institutions. As part of the Halvotec Group, RAQUEST has been providing innovative software solutions for the efficient processing of withholding taxes for over 15 years. RAQUEST enables financial institutions to meet regulatory requirements, increase efficiency, and reduce costs while maximizing investor returns.

The modular B2B software supports all common tax relief procedures, and processes data from upstream systems in a standardized and audit-proof manner. Its gateways support digital interfaces between tax authorities of EU member states and intermediaries in the payment chain.

RAQUEST has established itself as the market leader in withholding tax processing with a customer portfolio of renowned financial institutions.