

## PRESS RELEASE

**BETTER FINANCE Praises the Latest Proposal from the European Commission on Withholding Tax in Europe****BETTER FINANCE and DSW recommendations embraced by the EU**

**20 June 2023** | BETTER FINANCE supports the recent proposal put forth by the European Commission, aimed at simplifying the reimbursement of cross-border withholding taxes. Guillaume Prache, the Managing Director of BETTER FINANCE, expresses cautious optimism and states, *"This proposal, which was swiftly introduced following [a joint study](#) conducted by BETTER FINANCE and DSW - Germany's leading association for private investors and one of BETTER FINANCE's member organisations - addresses the concerns highlighted in our research and shows promise in reducing the occurrence of dividend double taxation. We are particularly pleased that the Commission is giving Member States the option to implement relief procedures that prevent double taxation from the beginning."*

*"However,"* Prache adds, *"the proposal stipulates that refund procedures must be conducted through the banking chain. This requirement poses a significant obstacle for individual investors if fees are imposed by intermediaries."* Currently, shareholders who go through intermediaries for the refund process can expect to pay around EUR 100 or more per refund request. Often, this amount exceeds the actual tax refundable, especially for private investors. BETTER FINANCE emphasises the need for an exemption from the requirement to use intermediaries in cases where the tax amounts are below EUR 5000.

In a comprehensive study titled *"Withholding taxes on dividends in the European Union: An uphill battle for individual shareholders"* BETTER FINANCE and DSW surveyed approximately 3,000 private investors across 22 EU countries. The study reveals that only about 30 percent of European investors who hold shares from foreign countries actively attempt to reclaim overpaid withholding tax on dividends. Out of this 30 percent, less than half are successful in their efforts (46 percent). An astonishing 90 percent of participants find the process of obtaining cross-border refunds burdensome.

Furthermore, more than a fifth of investors endure waiting times for refunds that exceed one year, while 12 percent experience delays of over two years. Interestingly, among the 70 percent of investors who choose not to reclaim their withholding tax, 59 percent consider the process excessively complex and time-consuming, while 17 percent cite high costs as a deterrent.

\*\*\*

Contact: Chief Communications Officer | Arnaud Houdmont | +32 (0)2 514 37 77 | [houdmont@betterfinance.eu](mailto:houdmont@betterfinance.eu)

- ➔ Joint BETTER FINANCE & DSW [Study](#) on "Withholding taxes on dividends in the European Union: An uphill battle for individual shareholders"