Council of the European Union

Brussels, 29 November 2024
(OR. en)

16389/24

Interinstitutional File:
2023/0187(CNS)

FISC 255
ECOFIN 1458

NOTE

From:	European Commission
To:	Delegations
Subject:	Proposal for a COUNCIL DIRECTIVE on Faster and Safer Relief of Excess Withholding Taxes - Updated legislative financial statement

Delegations will find attached the updated legislative financial statement concerning the Council Directive on Faster and Safer Relief of Excess Withholding Taxes (the initial legislative financial statement was circulated in doc. ST 10820/23).

LEGISLATIVE FINANCIAL STATEMENT

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

1.1. Title of the proposal/initiative

Faster and Safer Relief of Excess Withholding Taxes, so-called FASTER.

1.2. Policy area(s) concerned

Tax policy.

1.3. The proposal/initiative relates to:

A new action.

1.4. Objective(s)

1.4.1. General objective(s)

1) Facilitating cross-border investment in the EU by giving taxpayers proper and effective access to tax benefits arising from DTTs and internal law.

2) Preventing tax abuse in the field of WHT

3) Economic benefits

1.4.2. Specific objective(s)

1) Shorten time for relieving or refunding excess withholding tax

2) Ensuring financial intermediaries adhere to customer due diligence requirements and report thereon to tax administrations

3) Prevention of WHT abuse (Cum-Ex and Cum-Cum)

4) Equip Member States tax administrations with tools to deal with refund/relief at source procedures in a secure and timely manner

5) Effect of the proposal on the economy

1.4.3. Expected result(s) and impact

The defined time limits within the Proposal would ensure that WHT reclaims would be refunded more quickly or that any lower applicable WHT rate would apply at the time of the payment. The reporting obligations would ensure that information is reported to the tax authorities to allow for major transparency and that such information is effectively used to combat tax fraud, tax evasion and tax avoidance in WHT reclaim/relief systems in the EU while ensuring efficiency of the system. A secondary aim is to have a positive effect on economic indicators like GDP, wages and employment.

1.4.4. Indicators of performance

Specific objective	**Indicators**	**Measurement tools**
Shorten time for relieving/refunding excess tax withheld	Whether payment days for WHT reclaims are in line with pre-defined payment time-frames in the proposal and, where appropriate, late interest payment penalties are paid to investors for late refund payments	Annual data to be supplied to the Commission by source Member State
Ensuring certified financial intermediaries adhere to the customer due diligence requirements and reporting obligations	Monitoring activities of the Member State to ensure compliance of EU financial intermediaries (by the Member State where they are registered in the National Register) and non-EU financial intermediaries (by Member State where they are registered)	Annual report to be supplied by Member State with the National Register where the financial intermediary is registered.
Prevention of tax abuse	Annual assessment by the source Member State on the usefulness of data reported by intermediaries/WHT agents to actually detect and prevent tax abuse. The assessment will include the use and benefits (number of abuse cases and related amounts) of reported data for detecting and combatting WHT tax abuse (Cum/Ex and Cum/Cum).	Annual assessment to be supplied to the Commission by the source Member State.
Equip Member States tax administrations with tools to deal with refund/relief at source procedures in a secure manner	Accuracy and completeness of information reported by financial intermediaries/WHT agents to the source Member State tax administration Annual assessment by the source Member State of the enforceability of liability allocation rules at national level	Annual assessment to be supplied to the Commission by the source Member State.
Effect of the proposal on the EU economy	An assessment of the economic effects of the proposal on GDP,	An annual assessment to be performed by the Commission

	investment, wages and employment. This assessment will include the data source and methodology used in the JRC studies in Annex 4 of the impact assessment accompanying the proposal, including the CPIS security cross-border survey	

1.5. Grounds for the proposal/initiative

1.5.1. Requirement(s) to be met in the short- or long-term including a detailed timeline for roll-out of the implementation of the initiative

The Commission will need to undertake the following measures for the implementation of the initiative: (1) provide technical support for implementation of the system to issue the eTRC; (2) provide the framework for the system of reporting and request forms by financial intermediaries to Member States; and (3) creation and maintenance of the European Certified Financial Intermediary Portal.
The eTRC will be issued with an electronic seal and be in conformity with Regulation (EU) No 910/2014 of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market (eIDAS Regulation). At a later stage, Member States will consider introducing a verification process through verifiable credentials if the technical requirements of the EU are met. It is expected that the eTRC and the verification process will be in place within 18 months after the Directive has been adopted.
The Commission will be required to offer the service of a registry of trusted issuers' public keys (assuming public keys need to be changed periodically) for the implementation of the eTRC by Member States.
Further, the Commission will support a Technical Committee regarding possible changes of a technical basis of the digital tax residence certificate or new technical developments.
Financial intermediaries that come within the scope of the Proposal will be required to report to Member States for dividend paid on publicly traded shares and/or interests paid on publicly traded bonds. The information to be reported is laid down in the Proposal. The Commission is empowered to adopt implementing acts concerning the content of the information to be reported. Further, through an implementing act, the Commission will lay down the standardised computerised forms based on xml or an equivalent format, including the linguistic arrangements, for the reporting of the information. The Commission will also specify requirements for the communication channels/protocols for the reporting systems that would be required for financial intermediaries to exchange information with the Member State tax authorities within the scope of the Proposal.

The Commission shall create and maintain the European Certified Financial Intermediary Portal. The Commission shall adopt the technical specifications for the operation of the European Certified Financial Intermediary via implementing act.

European Securities and Market Authority (ESMA) is entrusted with the task of publishing the market capitalisation ratio of each Member State on an annual basis.

1.5.2. Added value of Union involvement (it may result from different factors, e.g. coordination gains, legal certainty, greater effectiveness or complementarities). For the purposes of this point 'added value of Union involvement' is the value resulting from Union intervention which is additional to the value that would have been otherwise created by Member States alone

In order to streamline the excess WHT relief/ refund process and ensure quicker WHT refund payments, it is preferable to avoid a patchwork of requirements, unilaterally implemented by different Member States using different procedures.

By providing a standard reporting system common across the EU, all Member States will have full transparency of the dividend and interest payment chain. which is not currently the case. The data obtained will help identify and prevent WHT relief/refund abuse (Cum/Ex and Cum/Cum).

A solution at EU level that would digitalise and harmonise key features of WHT relief procedures while respecting the principle of proportionality would be expected to result in a lower administrative burden and hence time and costs savings for tax administrations, investors and financial intermediaries.

1.5.3. Lessons learned from similar experiences in the past

The initiative is a new mechanism at EU level. Only a very limited number of Member States have introduced to date quick refund systems, and these have encountered problems in their implementation.

Currently, the reporting of information by financial intermediaries is limited and is usually only reported by the securities issuer/WHT agent in the financial chain and not by other financial intermediaries. The initiative would provide for full transparency of dividend and interest payments in the financial chain to identify and prevent WHT relief/refund abuse.

1.5.4. Compatibility with the Multiannual Financial Framework and possible synergies with other appropriate instruments

This Directive reflects one of the actions laid down in the ´Action Plan for fair and simple taxation supporting the recovery strategy´ and the ´Capital Market Union Action Plan 2.0´.

Ensuring fair taxation requires preventing tax abuse. The Proposal will use similar procedures, arrangements and IT tools already established or under development under the DAC.

1.5.5. Assessment of the different available financing options, including scope for redeployment

The Commission will assist Member States with the implementation of the eTRC, including on-going technical support. In addition, ongoing support to Member States by the Commission is needed for implementing and monitoring the framework for the reporting arrangements for financial intermediaries and for the European Certified Financial Intermediaries Portal. Relevant costs will be financed by the EU budget.

Otherwise, it will be for Member States to implement the measures envisaged.

ESMA's needs to ensure this task (1 Temporary Agent from 2027 on) which will be funded by reprogramming to reduce the Fiscalis Programme budget line and equivalently increase the budget line for ESMA by the Union’s share of ESMA’s costs (taking into account the standard 40% Union and 60% national Competent Authority funding mechanisms for the European Supervisory Authorities). The above reference to the post 2027 period is done for illustrative purposes and will not prejudge the post 2027 Financial Framework (MFF) proposal.

1.6. Duration and financial impact of the proposal/initiative

☐ **limited duration**

☐ in effect from [DD/MM]YYYY to [DD/MM]YYYY

☐ Financial impact from YYYY to YYYY for commitment appropriations and from YYYY to YYYY for payment appropriations.

– **X unlimited duration**

Implementation with a start-up period from YYYY to YYYY,

followed by full-scale operation.

1.7. Management mode(s) planned

– **X Direct management** by the Commission

X by its departments, including by its staff in the Union delegations;

☐ by the executive agencies

– ☐ **Shared management** with the Member States

– ☒ **Indirect management** by entrusting budget implementation tasks to:

☐ third countries or the bodies they have designated;

☐ international organisations and their agencies (to be specified);

☐ the EIB and the European Investment Fund;

☒ bodies referred to in Articles 70 and 71 of the Financial Regulation;

☐ public law bodies;

☐ bodies governed by private law with a public service mission to the extent that they are provided with adequate financial guarantees;

☐ bodies governed by the private law of a Member State that are entrusted with the implementation of a public-private partnership and that are provided with adequate financial guarantees;

☐ persons entrusted with the implementation of specific actions in the CFSP pursuant to Title V of the TEU, and identified in the relevant basic act.

2. MANAGEMENT MEASURES

2.1. Monitoring and reporting rules

The Commission will ensure that arrangements are in place to monitor and evaluate the functioning of the intervention and evaluate it against the main policy objectives.

Member States will submit data on an annual basis to the Commission with the information outlined in the above Table on indicators of performance which will be used to monitor compliance with the Directive. As monitoring data is available, and if deemed appropriate, the Commission will assess revising some its features in accordance with the technical support for the eTRC and the implementing act for the reporting system.

An evaluation will take place five years after the implementation of the Directive which will allow the Commission to review the results of the policy with respect to its objectives as well as the overall impacts in terms of improving the WHT refund/relief systems in the EU and also for preventing WHT tax abuse. An earlier specific evaluation process will take place after 3 years of application of the Directive to assess the impact that the scope of the Directive and the reporting obligations are having on the functioning of the single market.

2.2. Management and control system(s)

2.2.1. Justification of the management mode(s), the funding implementation mechanism(s), the payment modalities and the control strategy proposed

The implementation of the initiative will rely on the competent authorities (tax administrations) of the Member States. They will be responsible for financing their own national systems, including the implementation of the eTRC, the setting up of national systems to receive reporting and requests from financial intermediaries and the national registers.

The Commission will finance the technical assistance for the eTRC, the establishment at EU level of the frameworks for the reporting systems and the request forms and the setting up and maintenance of the European Certified Financial Intermediaries Portal.

The Commission will finance 1 FTE in ESMA as of 2027 in order to ensure the tasks on performing the market capitalisation ratio statistics on an annual basis.

2.2.2. Information concerning the risks identified and the internal control system(s) set up to mitigate them

With regard to ensuring that WHT reclaims are refunded/relieved within the time limits, Member States will be required to report to the Commission on an annual basis statistics on how many excess WHT reclaims were refunded/relieved within the time limits and how many beyond the time limits. For the latter, a justification should be provided. Further, Member States will be required to make late interest payments to the taxpayer for refunds beyond the time limits without justification.

With regard to compliance of their certified financial intermediaries in the national registers, Member States will provide an annual report to the Commission on the audits and activities they have undertaken to ensure the compliance of their financial intermediaries with their obligations of the Directive, including reporting obligations. Further, financial intermediaries shall be held liable for the breach of their obligations under this Directive if their conduct has resulted in a loss of tax revenue.

Member States will be required to provide an annual report to the Commission on the use of data reported under the Directive to detect and combat excess WHT relief/refund abuse.

The main elements of the control strategy are:

Procurement procedures and contracts implementation

The procurement procedures and the verification of financial transactions deriving from the implementation of the contracts will be carried out in line with the Financial Regulation. The acceptance process for deliverables follows strictly the TAXUD TEMPO methodology: deliverables are reviewed, amended if necessary and finally explicitly accepted (or rejected). No invoice can be paid without an "acceptance letter".

Ex-ante verification of commitments

The budgetary and legal commitments are verified by the different actors in the operational and financial units. Consequently, 100% of the committed amounts are subject to an ex-ante verification. This procedure gives a high level of assurance as to the legality and regularity of transactions.

Ex-ante verification of payments

100% of payments are verified ex-ante. The payment files are verified by different actors – financial and operational in line with the four eyes principle. Declarations of the Authorising Officers by Sub-Delegations (AOSD)

All the AOSD sign declarations supporting the Annual Activity Report for the year concerned. These declarations cover, amongst others, all the operations under the programme. The AOSD declare that the operations connected with the implementation of the budget have been executed in accordance with the principles of the sound financial management, that the management and control systems in place provided reasonable assurance concerning the legality and regularity of the transactions and that the risks associated to these operations have been properly identified, reported and that mitigating actions have been identified and implemented.

ESMA's internal control system will complement the above processes.

2.2.3. Estimation and justification of the cost-effectiveness of the controls (ratio of "control costs ÷ value of the related funds managed"), and assessment of the expected levels of risk of error (at payment & at closure)

The controls established enable DG TAXUD to have sufficient assurance of the quality and regularity of the expenditure and to reduce the risk of non-compliance. The overall costs linked to implementing controls– for all expenditures under Fiscalis programme – are limited to 1.6% of the total payments made. It is expected to remain at the same level for this initiative.

2.3. Measures to prevent fraud and irregularities

The European Anti-fraud Office (OLAF) may carry out investigations, including on the-spot checks and inspections, in accordance with the provisions and procedures laid down in Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom, EC) No 2185/964 with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union in connection with a grant agreement or a contract funded under this Regulation.

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL

3.1 Heading(s) of the multiannual financial framework and expenditure budget line(s) affected

Existing budget lines

In order of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number	Diff./Non-diff.[1]	from EFTA countries[2]	from candidate countries[3]	from third countries	within the meaning of Article 21(2)(b) of the Financial Regulation
1 - Single Market, Innovation and Digital	03 04 01 00 Improving the proper functioning of the taxation systems	Diff.	NO	NO	NO	NO
1 - Single Market, Innovation and Digital	03 10 04 European Securities and Market Authority	Diff.	NO	NO	NO	NO

1 Diff. = Differentiated appropriations / Non-diff. = Non-differentiated appropriations.
2 EFTA: European Free Trade Association.
3 Candidate countries and, where applicable, potential candidates from the Western Balkans.

3.2 Estimated financial impact of the proposal on appropriations

3.2.1 Summary of estimated impact on operational appropriations

☐ The proposal/initiative does not require the use of operational appropriations

☒ The proposal/initiative requires the use of operational appropriations, as explained below:

EUR million (to three decimal places)

Heading of multiannual financial framework	Number 1	Single Market, Innovation and Digital

DG: TAXUD			2024	2025	2026	2027[4]	**TOTAL**
• Operational appropriations							
Budget line[5] 03.04.01	Commitments	(1a)	0.400	0.200	1.230	1.780	**3.61**
	Payments	(2a)	0.150	0.400	0.200	1.23	**1.980**
Appropriations of an administrative nature financed from the envelope of specific programmes[6]							
Budget line		(3)					
TOTAL appropriations for DG TAXUD	Commitments	=1a+1b +3	0.400	0.200	1.230	1.780	**3.61**
	Payments	=2a+2b +3	0.150	0.400	0.200	1.23	**1.980**

4 Without prejudging the proposal for the next MFF and for illustrative purposes, the estimated running costs are EUR 450 000 annual.

5 According to the official budget nomenclature.

6 Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former 'BA' lines), indirect research, direct research.

EUR million (to three decimal places)

Heading of multiannual financial framework	Number	Heading 1 : Single Market, Innovation & Digital

ESMA: <03.10.04>			**2024**	**2025**	**2026**	**2027**	**TOTAL**
Title 1:	Commitments	(1)				0.074	**0.074**
	Payments	(2)				0.074	**0.074**
Title 2:	Commitments	(1a)				0.012	**0.012**
	Payments	(2a)				0.012	**0.012**
Title 3:	Commitments	(3a)					
	Payments	(3b)					
TOTAL appropriations for ESMA <03.10.04>	Commitments	=1+1a +3a				**0.086**	**0.086**
	Payments	=2+2a +3b				**0.086**	**0.086**

1. Staff costs

			2024	2025	2026	2027	**TOTAL**
TOTAL appropriations under HEADINGS 1 to 6	Commitments	=1a+1b +3	0.400	0.200	1.230	1.866	**3.696**
	Payments	=2a+2b +3	0.150	0.400	0.200	1.316	**2.006**

Heading of multiannual financial framework	**7**	'Administrative expenditure'

This section should be filled in using the 'budget data of an administrative nature' to be firstly introduced in the Annex to the Legislative Financial Statement (Annex V to the internal rules), which is uploaded to DECIDE for interservice consultation purposes.

EUR million (to three decimal places)

		2024	2025	2026	2027	**TOTAL 2021 -2027 MFF**
DG: TAXUD						
• Human resources		**0.178**	**0.178**	**0.534**	**0.712**	**1.602**
• Other administrative expenditure		**0.004**	**0.002**	**0.006**	**0.005**	**0.017**
TOTAL DG TAXUD		**0.182**	**0.180**	**0.540**	**0.717**	**1.619**

TOTAL appropriations under HEADING 7 of the multiannual financial framework	(Total commitments = Total payments)	**0.182**	**0.180**	**0.540**	**0.717**	**1.619**

EUR million (to three decimal places)

		2024	2025	2026	2027	**TOTAL 2021 – 2027 MFF**
TOTAL appropriations under HEADINGS 1 to 7 of the multiannual financial framework	Commitments	0.582	0.380	1.770	2.583	**5.315**
	Payments	0.332	0.580	0.740	2.033	**3.625**

TOTAL appropriations under HEADINGS 1 to 7 of the multiannual financial framework (commitments + payments)		0.914	0.960	2.510	4.616	**8.940**

3.2.2. Estimated impact on operational appropriations

☐ The proposal/initiative does not require the use of operational appropriations

☒ The proposal/initiative requires the use of operational appropriations, as explained below:

Commitment appropriations in EUR million (to three decimal places)

Indicate objectives and outputs ⇩			2024		2025		2026		2027		2028		**2029**		**TOTAL**	
			OUTPUTS													
	Type[7]	Average cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	Total No	Total cost
SPECIFIC OBJECTIVE No 1[8]…																
Specifications				0.100				0.900		0.700		0.100				**1.800**
Development				0.300		0.200		0.150		0.900		0.760				**2.310**
Maintenance								0.100		0.100		0.100		0.100		**0.400**
Support						0.020		0.020		0.020		0.040		0.150		**0.250**
Training						0.020						0.020				**0.040**
ITSM (Infrastructure, hosting, licences, etc.),				0.020		0.060		0.060		0.060		0.160		0.200		**0.560**
Subtotal for specific objective No 1				**0.420**		**0.300**		**1.23**		**1.78**		**1.180**		0.450		**5.360**
SPECIFIC OBJECTIVE No 2 ...																
- Output																
Subtotal for specific objective No 2																

[7] Outputs are products and services to be supplied (e.g.: number of student exchanges financed, number of km of roads built, etc.).

[8] As described in point 1.4.2. 'Specific objective(s)…'

TOTALS		**0.420**		**0.300**		**1.23**		**1.78**		**1.180**		0.45		**5.360**

3.2.3 Summary of estimated impact on administrative appropriations

3.2.3.1. Summary

– ☐ The proposal/initiative does not require the use of appropriations of an administrative nature

– ☑ The proposal/initiative requires the use of appropriations of an administrative nature, as explained below:

EUR million (to three decimal places)

ESMA[9]	**2024**	**2025**	**2026**	**2027**	**TOTAL**
Temporary agents (AD Grades)				0.210	**0.210**
Temporary agents (AST grades)					
Contract staff					
Seconded National Experts					
TOTAL				**0.210**	**0.210**

Staff requirements (FTE):

ESMA	**2024**	**2025**	**2026**	**2027**	**TOTAL**

[9] Total Cost EU and NCA (including NCA share of employer's pension contributions)

Temporary agents (AD Grades)				1	**1**
Temporary agents (AST grades)					
Contract staff					
Seconded National Experts					

TOTAL				**1**	**1**

In the Commission:

☐ The proposal/initiative does not require the use of appropriations of an administrative nature

☒ The proposal/initiative requires the use of appropriations of an administrative nature, as explained below:

EUR million (to three decimal places)

	Year **2024**	Year **2025**	Year **2026**	Year **2027**	**TOTAL**
HEADING 7 of the multiannual financial framework					
Human resources	**0.178**	**0.178**	**0.534**	**0.712**	**1.602**
Other administrative expenditure	**0.004**	**0.002**	**0.006**	**0.005**	**0.017**
Subtotal HEADING 7 of the multiannual financial framework					
TOTAL	**0.182**	**0.180**	**0.540**	**0.717**	**1.619**

Outside HEADING 7[10] of the multiannual financial framework					
Human resources					
Other expenditure of an administrative nature					
Subtotal outside HEADING 7 of the multiannual financial framework					

10 Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former 'BA' lines), indirect research, direct research.

TOTAL	**0.182**	**0.180**	**0.540**	**0.717**	**1.619**

The appropriations required for human resources and other expenditure of an administrative nature will be met by appropriations from the DG that are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

3.2.3.1 Estimated requirements of human resources

☐ The proposal/initiative does not require the use of human resources.

☒ The proposal/initiative requires the use of human resources, as explained below:

		2024	2025	2026	2027	**Total**
• Establishment plan posts (officials and temporary staff)						
20 01 02 01 (Headquarters and Commission's Representation Offices)		1	1	3	4	**4**
20 01 02 03 (Delegations)						
01 01 01 01 (Indirect research)						
01 01 01 11 (Direct research)						
Other budget lines (specify)						
• External staff (in Full Time Equivalent unit: FTE)[11]						
20 02 01 (AC, END, INT from the 'global envelope')						
20 02 03 (AC, AL, END, INT and JPD in the delegations)						
XX 01 xx **yy zz** **12**	- at Headquarters					
	- in Delegations					
01 01 01 02 (AC, END, INT - Indirect research)						
01 01 01 12 (AC, END, INT - Direct research)						
Other budget lines (specify)						
TOTAL		**1**	**1**	**3**	**4**	**4**

[11] AC= Contract Staff; AL = Local Staff; END= Seconded National Expert; INT = agency staff; JPD= Junior Professionals in Delegations.

[12] Sub-ceiling for external staff covered by operational appropriations (former 'BA' lines).

Estimate to be expressed in full time equivalent units

XX is the policy area or budget title concerned.

The human resources required will be met by staff from the DG who are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

Description of tasks to be carried out:

Officials and temporary staff	Preparation of meetings and correspondence with Member States; work on forms, IT formats and the Central Directory; Commission of external contractors to do work on the IT system.
External staff	N/A

3.2.4 Compatibility with the current multiannual financial framework

– ☐ The proposal/initiative is compatible the current multiannual financial framework.

– ☑ The proposal/initiative will entail reprogramming of the relevant heading in the multiannual financial framework.

The initiative will be financed from within the foreseen budget for the Fiscalis programme. The ESMA budget line 03 10 04 will be increased to provide the additional appropriations identified in section 3.2.1. This required increase of the EU contribution to ESMA will be compensated by a corresponding reduction in the envelope of the Fiscalis programme (budget line 03.04.01).

– ☐ The proposal/initiative requires application of the flexibility instrument or revision of the multiannual financial framework[13].

Explain what is required, specifying the headings and budget lines concerned and the corresponding amounts. N/A

3.2.5. Third-party contributions

– ☐ The proposal/initiative does not provide for co-financing by third parties.

– ☑ The proposal/initiative provides for the co-financing estimated below:

EUR million (to three decimal places)

	2024	**2025**	**2026**	**2027**	**Total**
Estimate of costs covered by NCA Contributions				0.155	0.155
TOTAL appropriations co-financed (including employer's pension contributions)				**0.155**	**0.155**

[13] See Articles 12 and 13 of Council Regulation (EU, Euratom) No 2093/2020 of 17 December 2020 laying down the multiannual financial framework for the years 2021 to 2027.

3.2.4 Compatibility with the current multiannual financial framework

The proposal/initiative:

☒ can be fully financed through redeployment within the relevant heading of the Multiannual Financial Framework (MFF).

The initiative will be financed from within the foreseen budget for the Fiscalis programme. The required increase of the EU contribution to ESMA will be compensated by a corresponding reduction in the envelope of the Fiscalis programme (budget line 03.04.01).

☐ requires use of the unallocated margin under the relevant heading of the MFF and/or use of the special instruments as defined in the MFF Regulation.

☐ requires a revision of the MFF.

3.2.5 Third-party contributions

The proposal/initiative:

☒ does not provide for co-financing by third parties

☐ provides for the co-financing by third parties estimated below:

Appropriations in EUR million (to three decimal places)

	Year **N**[14]	Year **N+1**	Year **N+2**	Year **N+3**	Enter as many years as necessary to show the duration of the impact (see point 1.6)			Total
Specify the co-financing body								
TOTAL appropriations co-financed								

[14] Year N is the year in which implementation of the proposal/initiative starts. Please replace "N" by the expected first year of implementation (for instance: 2021). The same for the following years.

3.3 Estimated impact on revenue

☒ The proposal/initiative has no financial impact on revenue.

☐ The proposal/initiative has the following financial impact:

☐ on own resources

☐ on other revenue

please indicate, if the revenue is assigned to expenditure lines ☐

EUR million (to three decimal places)

Budget revenue line:	Appropriations available for the current financial year	Impact of the proposal/initiative[15]						
		Year **N**	Year **N+1**	Year **N+2**	Year **N+3**	Enter as many years as necessary to show the duration of the impact (see point 1.6)		
Article …….								

For assigned revenue, specify the budget expenditure line(s) affected.

Other remarks (e.g. method/formula used for calculating the impact on revenue or any other information).

[15] As regards traditional own resources (customs duties, sugar levies), the amounts indicated must be net amounts, i.e. gross amounts after deduction of 20 % for collection costs.

ANNEX 5
to the LEGISLATIVE FINANCIAL STATEMENT

Name of the proposal/initiative:

Commission Directive for a faster and safter relief for excess withholding taxes

Directive on Faster and Safer Relief of Excess Withholding Taxes
……
……
……

1. NUMBER and COST of HUMAN RESOURCES CONSIDERED NECESSARY

2. COST of OTHER ADMINISTRATIVE EXPENDITURE

3. TOTAL ADMINISTRATIVE COSTS

4. METHODS of CALCULATION USED for ESTIMATING COSTS

4.1. Human resources

4.2. Other administrative expenditure

This annex must accompany the legislative financial statement when the inter-services consultation is launched.
The data tables are used as a source for the tables contained in the legislative financial statement. They are strictly for internal use within the Commission.

1. Cost of human resources considered necessary

☐ The proposal/initiative does not require the use of human resources

☐ The proposal/initiative requires the use of human resources, as explained below:

EUR million (to three decimal places)

HEADING 7 of the multiannual financial framework		2024		2025		2026		2027		TOTAL	
		FTE	Appropriations	FTE	Appropriations	FTE	Appropriations	FTE	Appropriations	FTE	Appropriations
20 01 02 01 - Headquarters and Representation offices	AD	1	0.178	1	0.178	3	0.534	4	0.712	4	1.602
	AST										
20 01 02 03 - Union Delegations	AD										
	AST										
20 02 01 and 20 02 02 – External personnel – Headquarters and Representation offices	AC										
	END										
	INT										
20 02 03 – External personnel - Union Delegations	AC										
	AL										
	END										

	INT										
	JPD										
Other HR related budget lines (*specify*)											
Subtotal HR – HEADING 7											

The human resources required will be met by staff from the DG who are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

Outside HEADING 7 of the multiannual financial framework		**Year N[16]**		**Year N+1**		**Year N+2**		**Year N+3**		**Year N+4**		**Year N+5**		**Year N+7**		**TOTAL**	
		FTE	Appropriations	FTE	Appropriations	FTE	Appropriations	FTE	Appropriations	FTE	Appropriations	FTE	Appropriations	FTE	Appropriations	FTE	Appropriations
○ Establishment plan posts (officials and temporary staff)																	
01 01 01 01 Indirect Research[17] 01 01 01 11 Direct Research Other (please specify)	AD																
	AST																
○ External staff [18]																	

16 Year N is the year in which implementation of the proposal/initiative starts. Please replace "N" by the expected first year of implementation (for instance: 2021). The same for the following years.

17 Please choose the relevant budget line, or specify another if necessary; in case more budget lines are concerned, staff should be differentiated by each budget line concerned.

18 AC = Contract Staff; AL = Local Staff; END = Seconded National Expert; INT= agency staff; JPD= Junior Professionals in Delegations.

External staff from operational appropriations (former 'BA' lines).	- at Headquarters	AC																
		END																
		INT																
	- in Union delegations	AC																
		AL																
		END																
		INT																
		JPD																
01 01 01 02 Indirect Research 01 01 01 12 Direct research Other (please specify)[19]		AC																
		END																
		INT																
Other budget lines HR related (*specify*)																		
Subtotal HR – Outside HEADING 7																		
Total HR (all MFF Headings)																		

The human resources required will be met by staff from the DG who are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

19 Please choose the relevant budget line, or specify another if necessary; in case more budget lines are concerned, staff should be differentiated by each budget line concerned.

2. Cost of other administrative expenditure

xThe proposal/initiative does not require the use of administrative appropriations

☐ The proposal/initiative requires the use of administrative appropriations, as explained below:

EUR million (to three decimal places)

HEADING 7 of the multiannual financial framework	**2024**	**2025**	**2026**	**2027**	**Total**
At headquarters or within EU territory:					
20 02 06 01 - Mission and representation expenses	0.004	0.002	0.006	0.005	**0.017**
20 02 06 02 - Conference and meeting costs					
20 02 06 03 - Committees[20]					
20 02 06 04 Studies and consultations					
20 04 – IT expenditure (corporate)[21]					
Other budget lines non-HR related (*specify where necessary*)					
In Union delegations					
20 02 07 01 - Missions, conferences and representation expenses					

20 Specify the type of committee and the group to which it belongs.

21 The opinion of DG DIGIT – IT Investments Team is required (see the Guidelines on Financing of IT, C(2020)6126 final of 10.9.2020, page 7).

20 02 07 02 - Further training of staff					
20 03 05 – Infrastructure and logistics					
Other budget lines non-HR related (*specify where necessary*)					
Subtotal Other - HEADING 7 of the multiannual financial framework					

EUR million (to three decimal places)

Outside HEADING 7 of the multiannual financial framework	**2024research no need**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**Total**
Expenditure on technical and administrative assistance (not including external staff) from operational appropriations (former 'BA' lines):								
- at Headquarters								
- in Union delegations								
Other management expenditure for research								
Policy IT expenditure on operational programmes[22]								
Corporate IT expenditure on operational programmes[23]								

22 The opinion of DG DIGIT – IT Investments Team is required (see the Guidelines on Financing of IT, C(2020)6126 final of 10.9.2020, page 7).

Other budget lines non-HR related (*specify where necessary*)								
Sub-total Other – Outside HEADING 7 of the multiannual financial framework								
Total Other admin expenditure (all MFF Headings)								

23 This item includes local administrative systems and contributions to the co-financing of corporate IT systems (see the Guidelines on Financing of IT, C(2020)6126 final of 10.9.2020).

3. Total administrative costs (all Headings MFF)

EUR million (to three decimal places)

Summary	2024	2025	2026	2027	Total
Heading 7 - Human Resources	0.178	0.178	0.534	0.712	**1.602**
Heading 7 – Other administrative expenditure	0.004	0.002	0.006	0.005	**0.017**
Sub-total Heading 7					
Outside Heading 7 – Human Resources					
Outside Heading 7 – Other administrative expenditure					
Sub-total Other Headings					
TOTAL HEADING 7 and Outside HEADING 7	0.182	0.180	0.540	0.717	**1.619**

The administrative appropriations required will be met by the appropriations which are already assigned to management of the action and/or which have been redeployed, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of existing budgetary constraints.

4. Methods of calculation used to estimate costs

4.1. Human resources

This part sets out the method of calculation used to estimate the human resources considered necessary (workload assumptions, including specific jobs (Sysper 2 work profiles), staff categories and the corresponding average costs)

HEADING 7 of the multiannual financial framework
NB: The average costs for each category of staff at Headquarters are available on BUDGpedia: https://myintracomm.ec.europa.eu/corp/budget/financial-rules/budget-implementation/Pages/financial-statement.aspx
O Officials and temporary staff Total average cost to be used for the financial statements for officials: 178.000 €/year. Job profile: A policy officer will be needed acting as IT developer, AD grade.
O External staff

Outside HEADING 7 of the multiannual financial framework
O Only posts financed from the research budget
O External staff

4.2. Other administrative expenditure

Give details of the method of calculation used for each budget line

and in particular the underlying assumptions (e.g. number of meetings per year, average costs, etc.)

HEADING 7 of the multiannual financial framework
It is foreseen a limited number of missions related to this project

Outside HEADING 7 of the multiannual financial framework