

MARKET NEWS

Austrian Tax Update

The Tax Amendment Act 2023 introduced changes to the calculation of withholding tax reclaims that have now been reflected in the officially published maintenance decree 2024.

About

The Tax Amendment Act 2023 introduced changes to the calculation of withholding tax reclaims that have now been reflected in the officially published maintenance decree 2024. One significant change under the new regime concerns the attribution of dividend income, with beneficial ownership of underlying shares at the end of the record date now required for income attribution.

The record date is defined as the first trading day when units are traded without entitlement to payment, while the date of actual delivery is considered the start of beneficial ownership. These new rules come into force for all income distributions with a record date from 1 July 2023 onwards. However, for distributions made prior to this date, the relevant date for determining WHT reclaim entitlement remains the day before the paying company's AGM.

The new regulation has implications for investors as it affects who is entitled to receive dividend payments for income tax purposes and the related process of claiming WHT refunds.



Client Impact

Required documents for Austrian withholding tax (KESt) refund include transaction lists and dividend statements with signatures/stamps from the custodian bank. Additional documents vary depending on different variants.

- Variant 1 requires a holding period of 50 days before and 45 days after record date and confirmation of bearing at least 70% of the potential decrease in value.
- Variant 2 requires a confirmation that no tax benefit has been received.
- Variant 3 has a limit of EUR 20,000 gross per distribution per Austrian corporation in a calendar year.

The required documents are subject to individual review based on evidence.

Disclaimer

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