

Forvis Mazars contribution to the call for evidence on Tax Omnibus

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Forvis Mazars Group provides audit & assurance, tax, advisory and consulting services in over 100 countries and territories, including 26 European member states. We are dedicated to delivering an unmatched client experience to help our clients prepare for what's next.

Forvis Mazars welcomes the opportunity to submit comments further to the call for evidence on the Tax Omnibus launched by the European Commission on 16 February 2026. Our observations are set out in the following pages.

We hope the European Commission will find our comments constructive and welcome further opportunities to contribute technical and practical insights.

1. Preliminary observations

Forvis Mazars welcomes the opportunity to contribute to the European Commission's call for evidence on the Tax Omnibus. In our view, the Tax Omnibus should focus on reducing the procedural and administrative burden that currently limits effective access to existing EU tax reliefs based on the Parent-Subsidiary Directive (Council Directive 2011/96/EU) and Interest and Royalty Directive (Council Directive 2003/49/EC) and furthermore to the possibility to claim the interest deductions based on the ATAD interest limitation rule (Article 4 of the Council Directive (EU) 2016/1164).

To provide with an informative response, we have conducted research across a number of EU Member States through the Forvis Mazars network to identify the main practical obstacles encountered in the application of the above mentioned tax provisions. The countries included in the research are: Belgium, Croatia, Czech Republic, France, Greece, Hungary, Italy, the Netherlands, Poland and Spain.

We focused on the implementation of Parent Subsidiary Directive and the Interest and Royalties Directive in EU Member States legislations and the possibility to claim the withholding tax exemption of related payments by businesses. In addition, we analysed the possibility to claim the interest deduction based on the ATAD interest limitation rule.

2. Key obstacles

Further to the analysis of the input provided by our offices, we concluded that the main difficulty is not the implementation of the Parent Subsidiary Directive, the Interest and Royalties Directive, or the ATAD interest limitation rule as such, but the fragmented way in which they are applied in practice across the EU. Accordingly, businesses face repeated documentation requests, divergent interpretations of beneficial ownership and anti-abuse concepts, inconsistent administrative practices, lengthy refund or clearance procedures, and uncertainty as to what evidence will be considered sufficient by local tax authorities.

Our research indicates that these frictions generate significant cost and legal uncertainty for businesses operating cross-border.

Respondents report the following key obstacles:

- a. substantial annual compliance costs;
- b. lengthy processing times;
- c. extensive due diligence requirements;
- d. repeated requests for the same information; and
- e. overall burdensome document expectations.

In some cases, businesses must still rely on refund or advance-clearance procedures that create avoidable delays and produce capital disadvantages. These burdens are particularly difficult for businesses with fewer internal resources to manage repeated interactions with tax authorities. In some cases, it is noted that these procedures put SMEs in the disadvantageous position.

3. Recommended actions

a. Tax Omnibus should prioritise procedural harmonisation. First, the European Commission should introduce an EU standard documentation framework for claims under the Parent-Subsidiary Directive and the Interest and Royalties Directive, based on a closed and proportionate list of documents that tax authorities may normally request. This would reduce repetitive information demands, improve predictability, and provide for a legal certainty for both taxpayers and tax authorities.

b. Relief at source should become the default mechanism wherever standard conditions are met and supporting evidence is available. Refund procedures should be reserved for exceptional cases, rather than functioning as an intra-EU relief standard. Where taxpayers can demonstrate eligibility upfront through standardised documentation, they should not be required to suffer withholding tax first and then seek

repayment through administrative processes. A greater reliance on relief at source would reduce compliance costs, improve cash flow, and make existing EU reliefs more effective in practice.

c. The European Commission should provide **clearer and more harmonised EU level guidance, or safe harbours on beneficial ownership, substance and anti-abuse concepts**. These issues are repeatedly identified as the main source of uncertainty and inconsistent application of the Parent Subsidiary and Interest and Royalty Directive. A more coherent framework would preserve robust anti-abuse safeguards while reducing the current degree of interpretative divergence across EU Member States.

d. **Simplification should include mutual recognition of evidence across the EU, broader acceptance of English language documents where appropriate, and enforceable deadlines for administrative decisions on clearances and refunds**. Businesses should not face repeated requests for equivalent evidence in different forms, nor should they be exposed to prolonged administrative uncertainty because of a lack of consistent timelines or procedural discipline. Greater coordination between tax authorities, more and proportionate evidentiary requirements would reduce the compliance burden.

4. Conclusion

The Tax Omnibus should provide for practical procedural solutions. The most meaningful would be a common EU documentation set, relief at source as the default, clearer and more harmonised guidance on anti-abuse concepts, mutual recognition of evidence, and enforceable administrative time limits. These measures would reduce duplication, shorten timelines, improve predictability, and preserve proportionate anti-abuse safeguards. They would therefore constitute beneficial reform for businesses operating across the EU. Should further information be required, Forvis Mazars would be pleased to provide additional details based on the research we have conducted.