KPMG

Refund of Austrian withholding tax on dividends

Guide to the withholding tax refund on dividends for foreign investors

May 2025

Austrian withholding tax on dividends

Withholding tax

Domestic corporations must withhold Austrian capital yields tax (Kapitalertragsteuer - KESt) on profit distributions. The distributing company is liable for the correct withholding of KESt.

In particular, listed stock corporations withhold capital yields tax at the standard rate of 27.5% by default; investor-specific tax relief is regularly not considered.

Certain investors are not subject to any or only to a lower tax liability in Austria with their Austrian source dividend income. If recipients of the dividend are eligible for tax relief in relation to the 27.5% withholding tax, they must apply for a refund with the Austrian tax authorities.

The refund procedure provided for this purpose has been newly regulated as of 1 January 2019.

In a new Information published on 15 November 2022, the Austrian Ministry of Finance (MoF) commented on the entitlements to apply and the obligations to provide evidence.

Refund under a DTA

A Double Taxation Agreement (DTA) allocates taxation rights between the source state of the income and the state of residence of the taxpayer.

It may be the case that Austria, as the source state of the income, has only a limited or no right of taxation. If tax has been withheld in excess of the treaty rate, withholding tax can be repaid pursuant to a proper refund application. A refund of the tax withheld is only possible if there is no (full) tax liability for this income under a DTA.

Special Refunds for corporations

Refund due to § 6 KStG

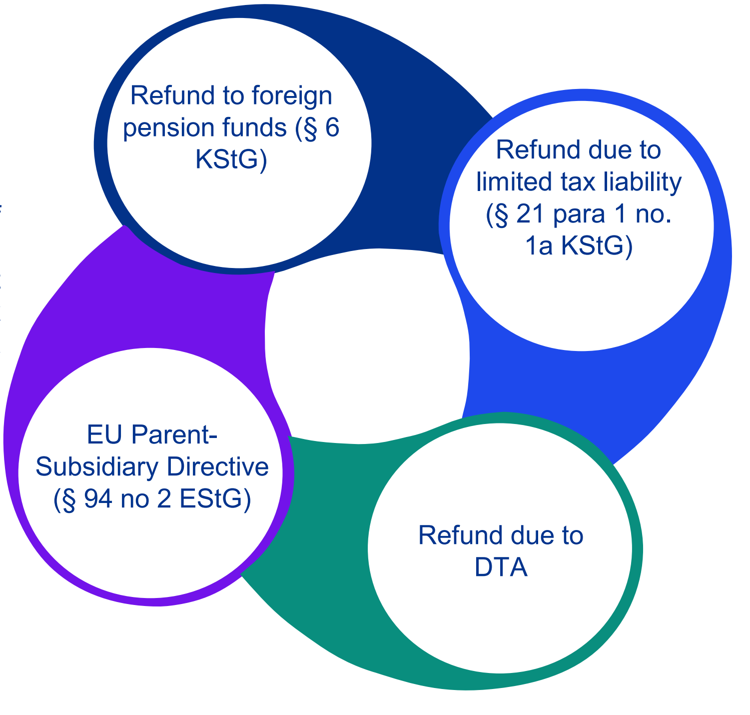
For foreign pension funds, a refund can be applied for in accordance with § 5 no. 7 in conjunction with § 6 Corporate Income Tax Act (Körpeschaftsteuer-gesetz – KStG). The requirements for a tax exemption as a pension fund must be met by the applicant.

Refund due to limited tax liability

The capital yields tax for investment income received can be refunded upon application for corporations with limited tax liability. The refund of capital yields tax is only possible if it cannot be credited in the state of residence on the basis of a DTA.

Refund due to EU Parent-Subsidiary Directive

A full refund of capital yields tax withheld can be claimed under the EU Parent-Subsidiary Directive (§ 94 no 2 EStG). A direct or indirect ten percent participation in the share capital of the distributing company held for at least one year is required.



Procedure

Steps of the refund process

The refund process can be divided into three steps:

1. **Pre-notification**: The appropriate application must be filled out online on the homepage of the Austrian Ministry of Finance (MoF) and submitted electronically. The pre-notification can only be submitted after the calendar year, in which the tax was withheld.
2. **Obtaining certification of residence and signing**: The pre-notification has to be printed out and signed by the applicant together with the confirmation of transmission. The certificate of residence contained in the printed-out form must be stamped by the tax authority of the country of residence of the applicant.
3. **Filing of application:** The duly signed, printed-out pre-notification with a stamped certification of residence must be filed with the Austrian tax office together with supplementing documentation. According to § 240a para 2 BAO, the filing is only permitted by mail. Accordingly, filings via fax or email are not permitted.

First time application

When applying for a refund of Austrian withholding tax for the first time, the tax office will assign a special identification number to each applicant. This identification number must be used in all further refund procedures.

Statute of Limitations

The refund claim has to be filed by the end of the fifth calendar year following the year in which the withholding tax was levied.

- Filling out the application online in an online form
- Electronic submission

Pre-notification of claim

- Printing and signing of the pre-notification
- Obtaining certification of residency from the foreign tax authority on the printed-out form

Certification of residence

- Filing of the printed pre-notification with tax office together with supplementing documents
- Filing only permissible by mail

Mail filing

Application

General information

When applying for a refund of Austrian withholding tax, it is mandatory to fill out the online forms of the MoF as an application. The online forms are available in the form database in German, but also in English.

Structure of a web application

All online application forms have an identical structure with the following sections:

1. **Information about the applicant**
2. **Information about any representative**
3. **State (residence of applicant)**
4. **Requested repayment**
5. **Details (bank account) for the transfer of the repayment amount**
6. **General information**
7. **Calculation of the repayment claim**

The reimbursement application comprises four pages and concludes with a control and final page. On the control page, all data entered can be seen at a glance for the applicant's final check. By clicking on the back button, the applicant can return to the previous page and change any incorrectly entered data.

Refund of withholding tax from dividend payments

According to an Information of the MoF, dated 15 November 2022, the attribution of a distributed dividend for income tax purposes must be explained in the application procedure. In this context, a dividend is only to be attributed to the person who is the beneficial owner of the corresponding shares of the distributing company on the day of the profit distribution resolution in the General Assembly (VwGH 28.06.2022, Ro2022/13/0002).

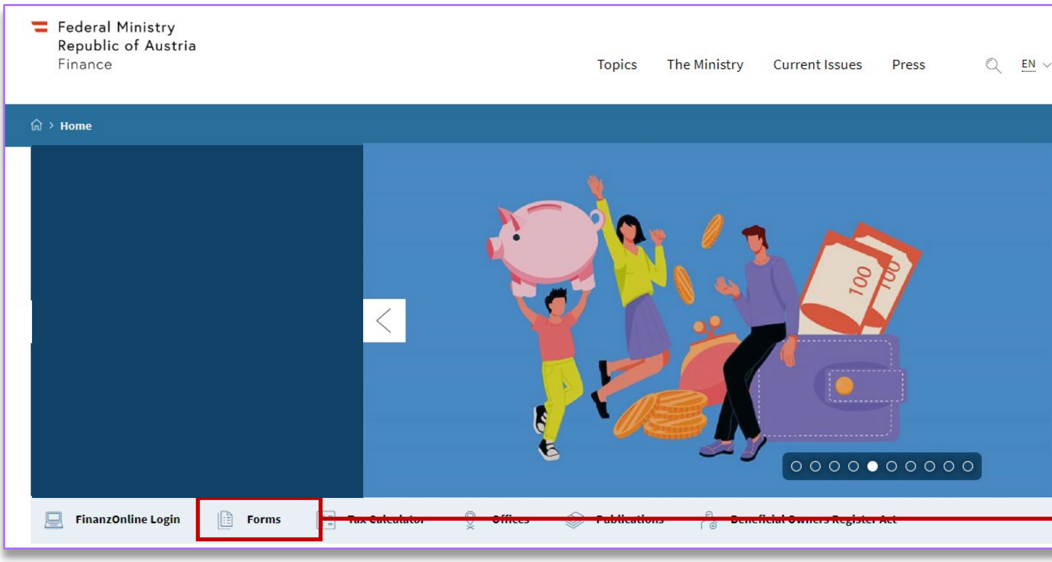
For this purpose, shares entitled to withholding tax reclaim must already have been deposited in the taxpayer's (=applicant's) securities account prior to the day of the resolution on the distribution of profits (general meeting); the relevant date is therefore the securities account balance at the end of the day before the general meeting (AGM day minus one). The date of delivery to the securities deposit is generally the date on which the purchase order is executed. Therefore, if purchased shares are not deposited in the securities account at the latest at the end of the last day before the general meeting (AGM day minus one), it must be assumed that the seller of the shares is still the beneficial owner.

Accordingly, the applicant for repayment of withholding tax has to provide proof of the time of delivery to the securities deposit by means of corresponding bank confirmations, from which, in the case of purchase transactions, both the date of the conclusion of the contract and the date of the actual delivery to the securities deposit can be seen.

In the following, the online creation of the preliminary declaration of the refund claim from dividends from shares is described in more detail by means of a click protocol.

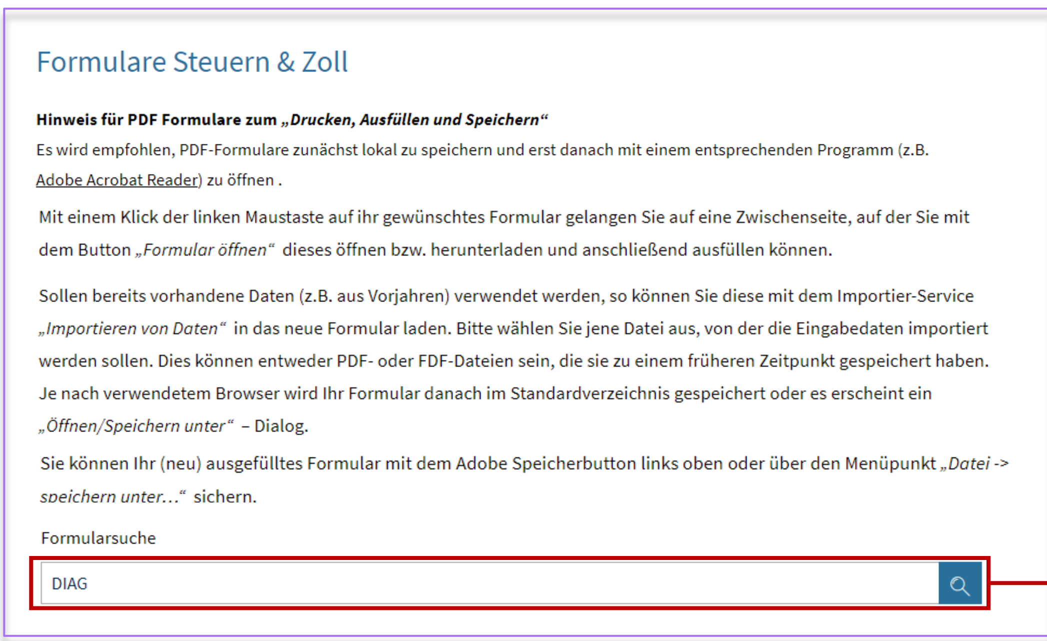
Click protocol – fill out form

Access BMF homepage Pre-population of refund application WHT for dividend income:



Step 1

Go to www.bmf.gv.at and click on „Formulare“ or „Forms“.



Formulare Steuern & Zoll

Hinweis für PDF Formulare zum *„Drucken, Ausfüllen und Speichern“*

Es wird empfohlen, PDF-Formulare zunächst lokal zu speichern und erst danach mit einem entsprechenden Programm (z.B. Adobe Acrobat Reader) zu öffnen .

Mit einem Klick der linken Maustaste auf ihr gewünschtes Formular gelangen Sie auf eine Zwischenseite, auf der Sie mit dem Button *„Formular öffnen“* dieses öffnen bzw. herunterladen und anschließend ausfüllen können.

Sollen bereits vorhandene Daten (z.B. aus Vorjahren) verwendet werden, so können Sie diese mit dem Importier-Service *„Importieren von Daten“* in das neue Formular laden. Bitte wählen Sie jene Datei aus, von der die Eingabedaten importiert werden sollen. Dies können entweder PDF- oder FDF-Dateien sein, die sie zu einem früheren Zeitpunkt gespeichert haben. Je nach verwendetem Browser wird Ihr Formular danach im Standardverzeichnis gespeichert oder es erscheint ein *„Öffnen/Speichern unter“* – Dialog.

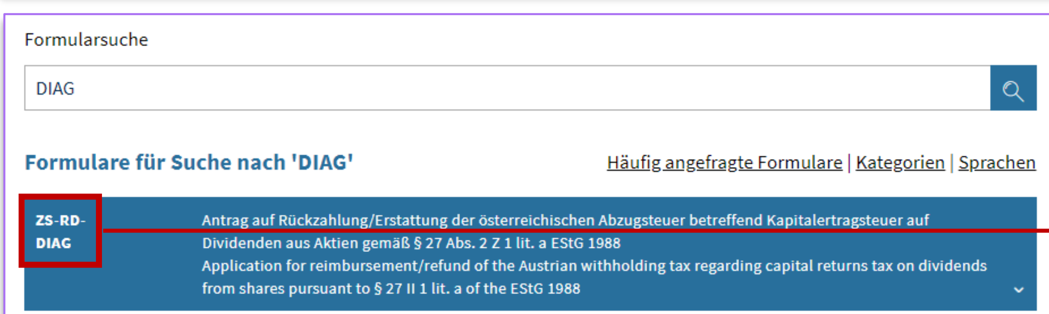
Sie können Ihr (neu) ausgefülltes Formular mit dem Adobe Speicherbutton links oben oder über den Menüpunkt *„Datei -> speichern unter…“* sichern.

Formularsuche

DIAG

Step 2

Enter „DIAG“ in the search mask.



Step 3

Click on "ZSRD DIAG" and then on "weitere Formulare und Informationen“

Click protocol – fill out form

ZS-RD-DIAG - Antrag auf Rückzahlung/Erstattung der österreichischen Abzugsteuer betreffend Kapitalertragsteuer auf Dividenden aus Aktien gemäß § 27 Abs. 2 Z 1 lit. a EStG 1988
Application for reimbursement/refund of the Austrian withholding tax regarding capital returns tax on dividends from shares pursuant to § 27 II 1 lit. a of the EStG 1988

Weiterführende Links

- DIAG (Web-Formular)
- DIAG-Englisch (Web-Formular)

Step 4

Select the German verson (click on "DIAG Webformular") or the English version (click on "DIAG Englisch Web Formular") of the web-based form.

Pre-population refund claim WHT for dividend income - Page 1:

Bundesministerium Finanzen

Application for reimbursement/refund of the Austrian withholding tax regarding capital returns tax on dividends from shares pursuant to sec. 27 para. 2 sub-para. 1 lit. a of the Income Tax Act (EStG 1988)

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competent authority

Finanzamt für Großbetriebe
Postfach 251
1000 Wien
AUSTRIA

Data Protection (Privacy) Policy

Data Protection (Privacy) Policy available at www.bmf.gv.at/datenschutz or in paper form at all tax and customs offices

General data

in the year * 2022 | Applicant * Natural persons

legal basis * pursuant to sec. 240 para. 4 of the Federal Fiscal Code (BAO) in conjunction with the Austrian double tax conventions

The year for which a refund is claimed has to be stated.

The status of the applicant (natural person vs legal entity) has to be selected.

Select the legal basis for the refund. You can choose the following:

(a) Pursuant to sec. 240 para 4 of the Federal Fiscal Code in conjunction with the Austrian double tax conventions

1. Information about the person of the applicant

Withholding tax no of the Austrian tax authority

Last name * | Academic degree

First name(s) * | Date of birth (DD.MM.YYYY) *

Tax No in the state of residence or equivalent identification No

Address (Street) * | House No *

Entrance / Floor | Door

Postcode * | City *

Country *

Telephone number | E-mail address

When applying for a refund of Austrian WHT for the first time, the applicant receives a Withholding Tax Number (this will be sent by post), which must be quoted in all future refund procedures.

Therefore, when completing this web-based form for the first time, leave this box empty.

For future claims enter the Withholding Tax Number provided by the tax office.

The tax number assigned to you in your country of residence/the country the treaty benefits of which you are claiming has to be filled in here.

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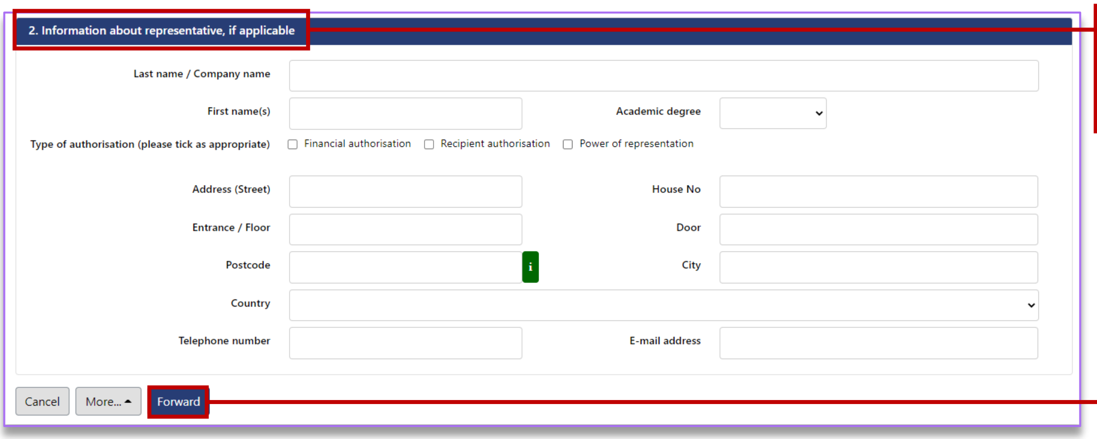
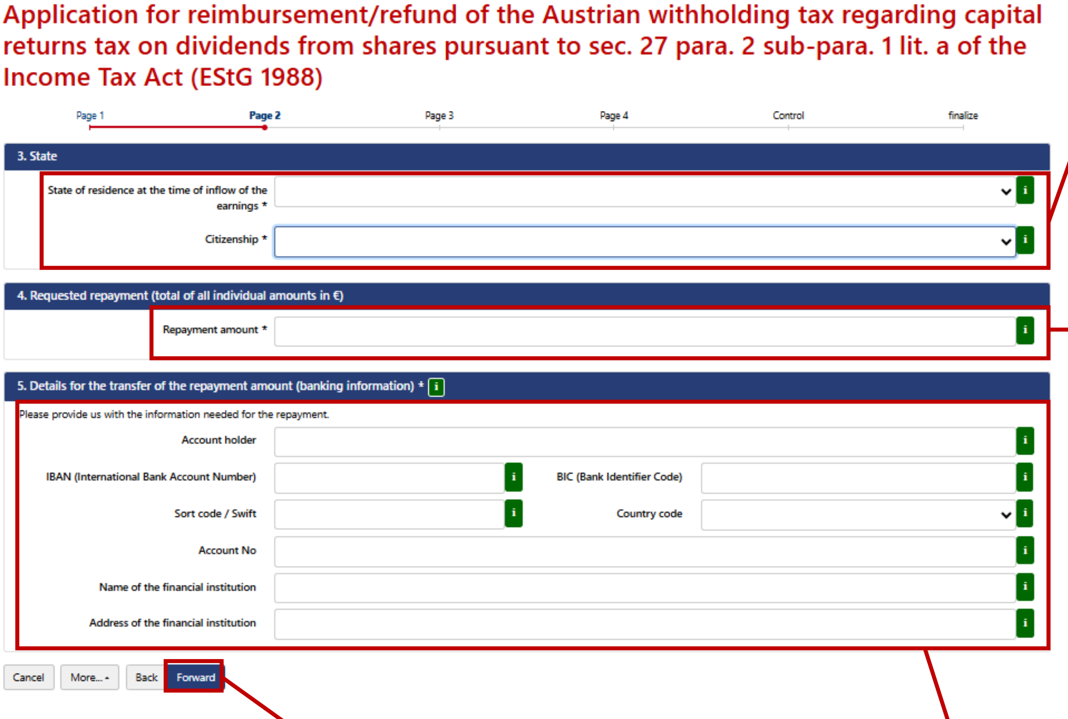
Click protocol – fill out form



To be completed only, if you have appointed a representative (i.e. an Austrian certified tax advisor), who files the claim for refund.

To finish page 1 click on „Forward"

Pre-population refund request WHT for dividend income - page 2:



Enter your country of residence at the time you received the dividend payments.

Also enter your citizenship.

Enter the total amount of Austrian WHT which shall be refunded under this claim.

In case of a treaty-based claim, the difference between the 27.5% Austrian WHT and the tax rate on dividends in the relevant DTC will be refunded (if the relevant DTC stipulates that Austria may tax dividends at e.g. 15%, 12.5 percentage points are refundable).

To finish page 2 click on „Forward"

Enter the information on the bank account on which you want the repayment made (Account holder, IBAN, BIC, etc)

Click protocol – fill out form

Pre-population refund claim WHT for dividend income - page 3:

Application for reimbursement/refund of the Austrian withholding tax regarding capital returns tax on dividends from shares pursuant to sec. 27 para. 2 sub-para. 1 lit. a of the Income Tax Act (EStG 1988)

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6A. General information

1. Did the applicant have a residence/seat in Austria at the time of inflow of the specified dividends? * — yes / **no**

The question regarding residence in Austria must be answered truthfully. Here in the template, we assume that there is no residence in Austria.

If so, provide the address

remaining characters: 150

Is this the principal residence/place of management? * — yes / **no**

2. Do the specified dividends flow into a permanent establishment in Austria or into an Austrian partnership in which the applicant holds interest? * — yes / **no**

3. At the time of inflow of the specified dividends, did the applicant have the right to use the shares from which those dividends originate, and did the applicant collect these yields on his / her own account? * — **yes** / no

This field must always be answered with "yes" if there are no restrictions on disposal vis-à-vis third parties.

4. Did any sale, loan or retirement of the shares take place in the year of disbursement of the dividends for which a repayment of capital returns tax is requested? * — yes / **no**

If shares for which a refund is requested were sold in the year of distribution or were the subject of a securities lending or repurchase agreement, the answer is "yes".

5. Has the applicant received the above shares under a contract, option or other arrangement that could require the applicant to resell or otherwise transfer such or equivalent investments? * — yes / **no**

If the shares were acquired regularly via a stock exchange, the question can be answered with "no".

6. Does the repayment request concern Capital Yields Tax on dividends due to the profit distribution of a publicly traded corporation whose dividends are paid via the securities delivery and settlement system of a central securities depository? * — **yes** / no

If the shares were acquired regularly via a stock exchange, the question can be answered with "yes".

Required documents

If a **repayment of the Capital Yields Tax on dividends** is requested **based on the profit distribution by a publicly traded corporation, whose dividends are paid out via the securities delivery and settlement system of a central securities depository** can be applied for, (see Section 6A, Question 6), please enclose the following with the application to be submitted by mail:

Till the Record Day 30.06.2023:

- A certificate confirmed and signed by the custodian bank stating in which securities account the shares concerned were held on the last day before the AGM-Date. This proof shall also contain a statement that the securities account balance is the end-of-day balance of the shares before the AGM-Date and for acquisitions, the documents provided must show both the date on which the contract was concluded and the date on which the transaction was actually posted;
- Evidence of who owned the custodial account on the last day before the AGM-Date;
- Evidence of the turnover on securities accounts relating to the affected shares for the period from one month before the AGM-Date to one month after the ex-date.

What is the AGM Day?
The date of the Annual General Meeting (AGM-Date) on which the resolution on the dividend is adopted.

What is the Ex-day?
The ex-date is the day from which on the share is no longer traded with a dividend entitlement.

As of Record Day 01.07.2023 (see EStR 2000 Rz 6915 ff):

- A certificate confirmed and signed by the custodian bank stating in which securities account the shares concerned were held on the Record Day. This proof shall also contain a statement that the securities account balance is the end-of-day balance of the shares according to the application on the Record Day and for acquisitions, the documents provided must show for purchases both the date on which the contract was concluded and the date on which the shares were actually delivered;
- Evidence of who owned the custodial account on the Record Day.

If the dividend payments from a single company exceed the gross amount of 20 000 Euros (minimum exemption limit) in the assessment year (calendar year), the following additional documents must be submitted for these payments (see EStR 2000 Rz 6919 f):

Alternative 1)

- Evidence of the turnover on security accounts relating to the affected shares for the period from 50 days before to 45 days after the Record Day;
- Evidence from the taxpayer confirmed and signed that they bear the risk of a falling value of the shares to the extent of at least 70% and
- A certificate confirmed and signed by the custodian bank stating that it is not aware of any risk-reducing transactions in connection with the acquisition of the share.

Alternative 2)

If evidence cannot be provided that the share was held for 45 days within a period of 45 days before and 45 days after the Record Day (minimum holding period) and or an appropriate economic risk was borne:
- Evidence of the extent to which the transfer of the securities to a third party results in a tax benefit. The existence of a tax advantage must be evaluated on the overall picture of the circumstances (e.g. in the case of multiple transfers of securities).

What is the Record Day?
Record Day is the first trading day after the day on which the shares are first traded without any entitlement to payment. This day is relevant for the attribution of income for tax purposes.

When is there no economic risk?
An economic risk does not exist, for example, if the taxpayer to whom the income is attributable bears (almost) no price risk economically due to an appropriately designed securities loan, a repurchase transaction or a derivative. Claims of the taxpayer and those close to him from hedging transactions must be taken into account. The minimum risk of change in value (= appropriate economic risk) must be borne continuously during the minimum holding period (45 days).

Why are these proofs necessary?
It is necessary to provide the required proofs of the custodian bank to enable the tax authorities to check the claimant's eligibility in a procedurally economical manner.

If a repayment pursuant to § 21 I 1a of the KStG 1988 is requested, please annex additionally a documentary evidence that the withheld capital returns tax cannot be credited in your state of residence to the application to be submitted by mail. Such documentary evidence may be provided, for example, by a confirmation from the tax administration of the state of residence or a tax assessment notice clearly indicating the non-creditability of the Austrian capital returns tax.

If a repayment due to the exemption for foreign pension funds in § 6 of the KStG 1988 as defined in § 5 IV of the Austrian Pension Fund Act is requested, enclose additionally with the first repayment request documentary evidence of approval of the applicant foreign pension fund by the supervisory authority of its state of origin, compliant with EU Directive 2016/2341 (formerly 2003/41/EC), as well as the statutes/articles of association of the applicant pension fund.

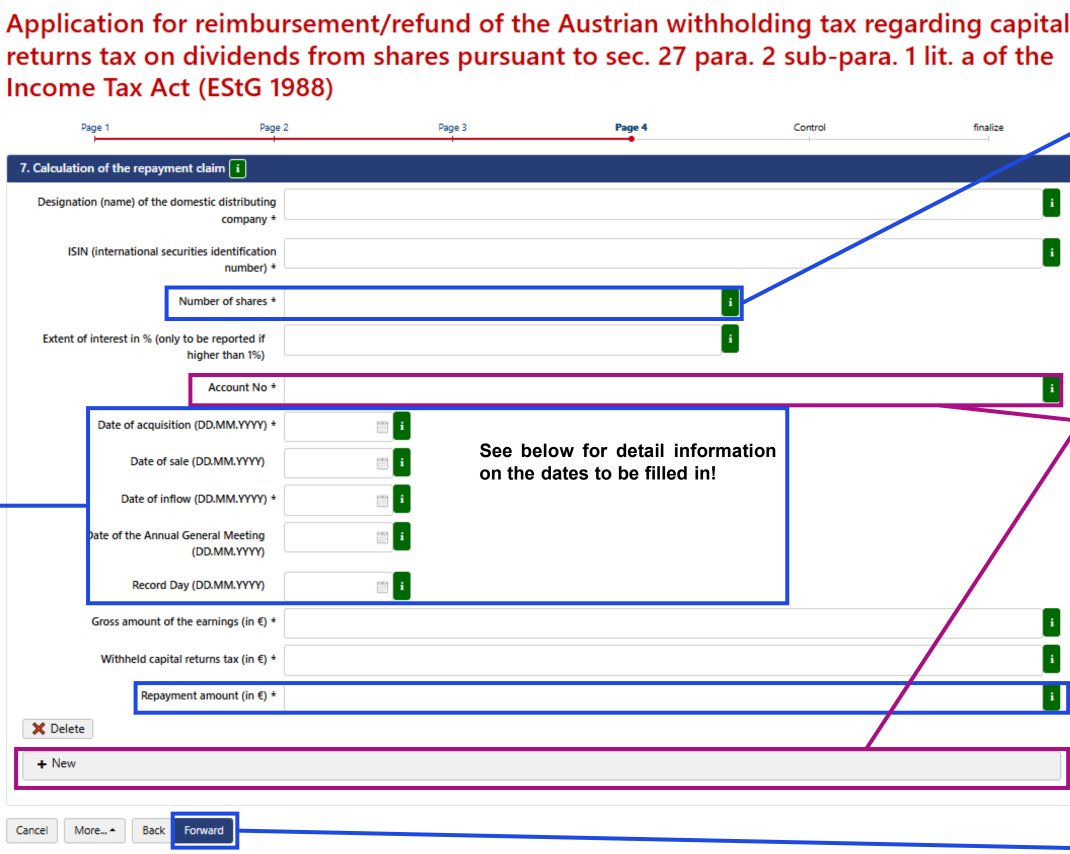
Subsequent applications must then be accompanied by documentary evidence of the current authorisation, within the meaning of EU Directive 2016/2341 (formerly 2003/41/EC), by the supervisory authority of the state of origin of the foreign pension fund, if the most recently submitted documentary evidence by the supervisory authority of the state of origin of the applicant pension fund was issued for a period already more than 3 years in the past.

Cancel | More... | Back | Forward

To finish page 3 click on „Forward"

Click protocol – fill out form

Pre-population refund request WHT for dividend income - page 4:



Enter the number of shares for which you are requesting a refund according to your securities account balance.

This number refers to the shares held in the securities account specified in the next but one line. If the shares are held in different securities accounts, use the + New button for each additional securities account at the end of point 7 - Calculation of the repayment claim.

Enter the number of the securities account in which the shares are held. If the dividends of several shares are to be recorded, use the + New button for each additional securities account at the end of point 7 - Calculation of the repayment claim.

See below for detail information on the dates to be filled in!

The sum of the repayment amounts from the various participations must correspond to the repayment amount specified in section 4 of this form.

To finish page 4, click on „Forward“.

Notes on the dates:

- **Date of acquisition**: If the shares were acquired consecutively, the date of the last acquisition must be stated.
- **Date of inflow:** This is the day the dividend is paid to the applicant's account on the payment date (payment day or value date). A list of the dividend payment dates can be found on the dividend statements.
- **Day of the Annual General Meeting:** The dividend resolution is made on the day of the Annual General Meeting. Information on the date of the Annual General Meeting, the amount of the dividend resolved and the ex-dividend date can usually be found on the website of the stock corporation, usually under the heading "Investor Relations".
- **Record Day:** This is the date the company uses to determine who is entitled to receive the dividend. You can find this information on the website of the stock corporation together with all the other information pertaining to the dividend distribution (date of Annual General Meeeting, ex-date, pay date etc).

Click protocol – fill out form

Pre-population refund WHT for dividend income - control:

Application for reimbursement/refund of the Austrian withholding tax regarding capital returns tax on dividends from shares pursuant to sec. 27 para. 2 sub-para. 1 lit. a of the Income Tax Act (EStG 1988)

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Please check your information

On this page you will see an overview of the information of your pre-registration for inspection. Please check carefully whether the information you have provided is correct and true!

To finalize and complete the electronic data collection of your pre-registration, click on the "Send" button after checking your data.

Your advance notification has been recorded electronically and has been allocated a transaction number. The application procedure is NOT yet complete, please follow the instructions on the following screen. The transaction number is used to assign your pre-registration to the application (scan) received later

Your entries

Receiver Finanzamt für Großbetriebe
Postfach 251
1000 Wien
AUSTRIA

Data Protection (Privacy) Policy

Data Protection (Privacy) Policy available at www.bmf.gv.at/datenschutz or in paper form at all tax and customs offices

General data

in the year 2022 **Applicant** Natural persons
legal basis pursuant to sec. 240 para. 4 of the Federal Fiscal Code (BAO) in conjunction with the Austrian double tax conventions

To complete the pre-notification click on „Send" at the end of this page. The pre-notification will then be transmitted to the tax office.

Please note that when transmitting the pre-notification, the claim is not deemed to have been officially filed (the official filing requieres the sending of the hard-copy form by post to the tax office – see below).

Before transmitting check the information for completeness and accuracy.

Formularende

Bundesministerium
Finanzen

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The advance notification was successfully accepted.

ABZ-DIAG-2019-88gDWuh2zkC56BCxoFCnPw1411

Save entries You can use the data you have entered to auto-fill-in other online forms in the future.

Available documents

- **Formulareingabe.pdf**

ZS-RD-DIAG (v1.0.2)

An automatically generated transaction number is assigned to the pre-notification, which is also shown on the form to be printed and duly signed. This is not the Withholding Tax Number (see section 1 of the web-based form), which will be sent by the tax office to the applicant seperately by post.

By clicking on „Save entries" the data entered in the web-based form can be saved in a serperate file (fsxml-file). This can be used to fill in a form automatically (see next page).

Download, save and print out the transmitted form. The next steps are as follows:

1. Obtain the certificate of residence under section 8 of the printed form from your local tax authority. *

2. Sign the form.

3. Send the signed form including all supplements mentioned under section 6A of the web-based form to the tax office „Finanzamt für Großbetriebe" (see address of the form).

Formularende

Bundesministerium
Finanzen

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Save form data

Here you can save the data you have entered to your own hard disk for reuse. The standard data storage format in this case is fsxml. The data can only be imported and displayed via the e-form. To transfer the stored data (fsxml file) to a new e-form, just open an empty form and use the "Load data" function.

Step 1
Click on the link 'Formulardaten zu ZS-RD-DIAG (v1.0.2).fsxml'.

Step 2
Please enter a name for your file.

Step 3
Store the file in the directory of your choice.

Form data: **Formulardaten zu ZS-RD-DIAG (v1.0.2).fsxml**

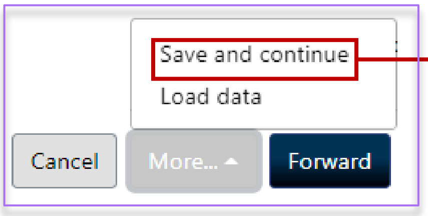
Back

ZS-RD-DIAG (v1.0.2)

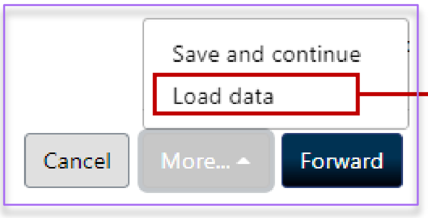
*According to an information recently published by the Austrian Ministry of Finance applicants resident in Mexico, Thailand, Turkey or the US can provide separate certificates of residence (i.e. it is not necessar to certify the residence on the Austrian form).

Click protocol – fill out form

Pre-record refund WHT for dividend income - control:



In the course of filling in the web-based form, the data can be saved in a seperate fsxml-file at any time. To save th data click on „More“ (at the end of each page) and on „Save and continue“.



When clicking on “More” and on “Load data”, a previously saved fsxml-file can be uploaded. The web-based form will then be filled in automatically with the data saved in the fsxml-file.

Is it possible to amend a pre-notification already transmitted to the Austrian tax office?

A pre-notification already submitted to the Austrian tax office cannot be amended, however, it is possible to submit a new pre-notification. For this purpose

- upload the fsxml-file saved immediately after transmitting the web-based form to the tax office,
- make the necessary amendments and
- transmit the pre-notification again to the tax office.

The form to be sent to the tax office in hard copy will show a new transaction number. The new transaction number enables the tax office to assign the hard copy form received by post to the correct pre-notification.

Is it possible to withdraw a pre-notification transmitted to the tax office?

No, this is not possible. Pre-notifications transmitted to the tax office will be saved until the end of the statutory limitation period (i.e. the pre-notification will be saved until the end of the fifth year following the calendar year, for which the pre-notification was transmitted).

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