



**Practical Application of Double Taxation Avoidance  
Conventions: Tax Residency Issues**

**Group Discussion 2**

**Advancing Electronic Tax Residency  
Certificates: Technology and Best Practices**



## Feedback from Group 1

### 1. How is your administration approaching the digitalisation of tax residence certificates?



## ADVANCING ELECTRONIC TAX RESIDENCE CERTIFICATES

Technology and Best Practices



# Current Approaches Across Administrations

## › Varied Digitalisation Stages

Tax authorities use different digital certificate methods, ranging from PDF files to fully electronic systems with real-time verification.

## › Advanced Authentication Features

Use of e-portals, bilingual certificates, QR codes, and unique verification numbers for authenticity.

## › Best Practices and Challenges

Providing fully electronic, real-time, verifiable certificates; challenges include costs, legal issues, and storage limits.

## Feedback from Group 1

### 2. How do you ensure the authenticity, security, and verifiability of electronic certificates issued by your administration?



## ADVANCING ELECTRONIC TAX RESIDENCE CERTIFICATES

Technology and Best Practices

# Technologies and Practices for Secure Certificates

## › Use of QR Codes and Unique Identifiers

Use of QR codes and unique identifiers linking to original certificates to reduce fraud and manipulation risks.

## › Verification Portals and Real-Time Validation

Systems that allow real-time certificate validation and cancellation, ensuring accuracy and trustworthiness.

## › Electronic Signatures and Cross-Border Integration

Qualified electronic signatures enhance security, and integration with EU eIDAS supports cross-border certificate recognition.

## › Future Improvements and Security Enhancements

Embedding QR codes universally and linking certificates to secure platforms will improve trust and prevent fraud.

## Feedback from Group 1

### 3. What challenges and good practices have you identified when accepting electronic certificates from foreign tax administrations?



## ADVANCING ELECTRONIC TAX RESIDENCE CERTIFICATES

Technology and Best Practices

# Interoperability, Trust Issues, and Solutions

## › Challenges in Electronic Certificates

Lack of standard formats and verification methods complicate accepting foreign electronic tax certificates.

## › Technical and Legal Barriers

Storage limits, system adaptation costs, and varying residency rules create hurdles for cross-border certificate acceptance.

## › Good Practices and Solutions

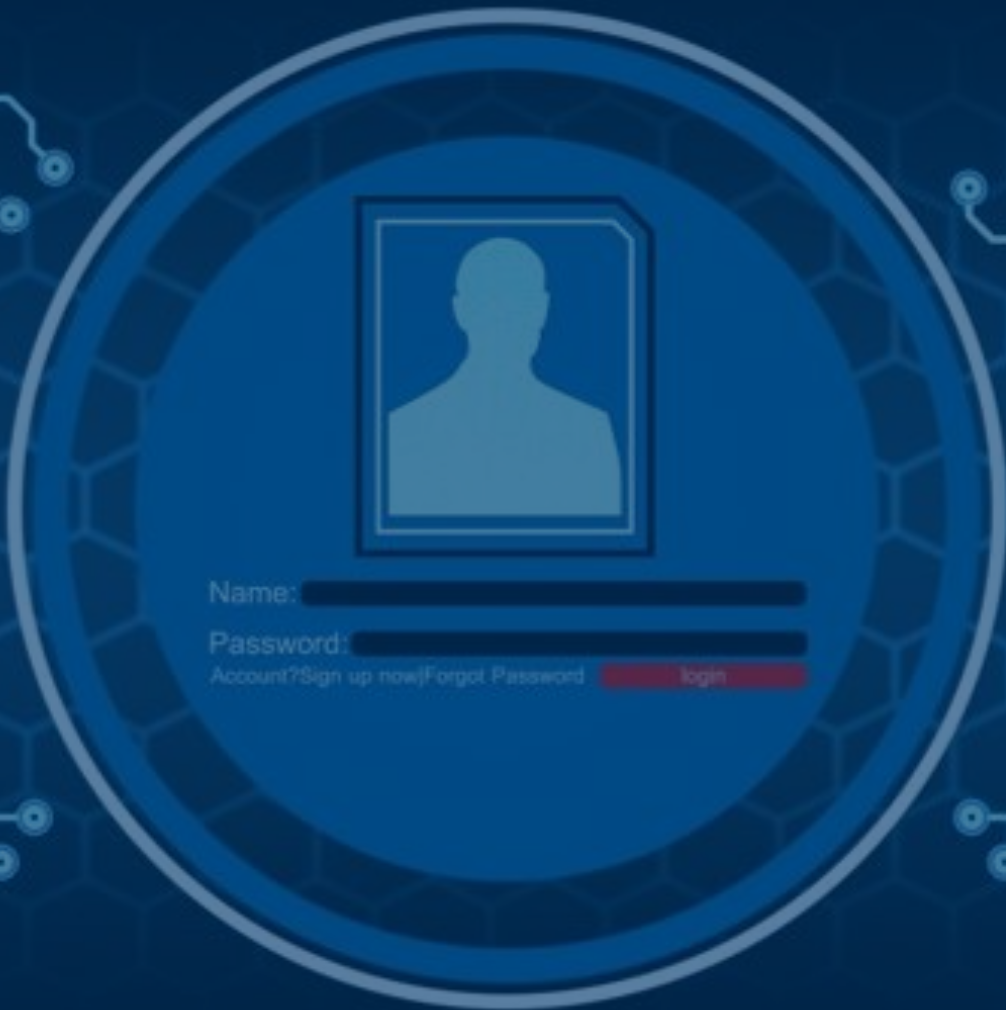
Using QR codes, multilingual certificates, and official websites improves verification and trust in electronic certificates.

## › Future Vision for Interoperability

Centralized portals and harmonized standards like the EU's FASTER Directive enhance global trust and efficiency.

# Key Takeaways and Future Directions

## Feedback from Group 1



### › Current Progress and Challenges

Digitalisation of tax residence certificates shows progress, but disparities remain between countries and systems.

### › Security and Authenticity Tools

Electronic seals, qualified signatures, and verification portals ensure the security and authenticity of certificates.

### › Proposed Solutions

Adopting interoperable systems and EU eIDAS standards can enhance cross-border acceptance and recognition.

### › Recommendations for Future

Accelerate digital transformation, prioritise security, and foster international collaboration for trust and efficiency.

