



Digital Workshop

**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 2

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

Early-stage Digitalisation

› Initial Digital Efforts

Tax administrations allow online applications but still issue paper certificates, showing partial digital adoption.

› Partial Digital Issuance

Some countries issue digital certificates for individuals while companies rely on traditional paper-based processes.

› Drivers and Challenges

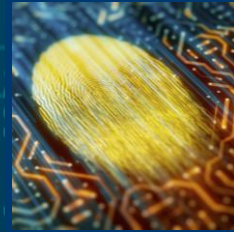
Early digitalisation aims to improve accessibility and reduce workload but faces integration and compliance issues.



Feedback from Group 2

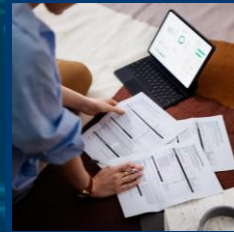
1. How is your administration approaching the digitalisation of tax residence certificates?

Ongoing Projects



Digital Implementation Initiative

A full transition to digital processes is planned by 2026, including the introduction of electronic seals to guarantee document authenticity.



Ongoing Digital Transformation

The system is currently in partial digital transition: electronic requests are accepted, but issuance remains manual. Future plans involve automation and the adoption of qualified electronic seals.



Electronic Certificate Enhancements

Electronic certificates with official signatures are already in use, while an online validation system is being developed to strengthen verification capabilities.



Feedback from Group 2

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

Advanced Implementations

› Digital Certificate Issuance

Digitally issue certificates using electronic seals and QR codes for easy verification.

› EU eIDAS Authentication

Secure authentication is ensured by leveraging EU eIDAS standards for trusted digital identities.

› Real-Time Verification & Cancellation

Offering fully digital processes with real-time certificate verification and cancellation capabilities.

› Enhanced Security and Trust

Advanced digital systems improve workflow efficiency while boosting trust and security in certificate issuance.



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

Verification Tools and Methods

› Website-Based Verification

Use of a dedicated website to check authenticity, but plans to add direct certificate links for easier access.

› QR Codes and eIDAS Compliance

Use of QR codes and eIDAS-compliant electronic IDs to enable quick and secure certificate validation.

› Electronic Signatures and Seals

Relying on electronic signatures by authorised officials, Lithuania plans to implement electronic seals soon.

› Paper Originals and Manual Signing

Use of qualified electronic signatures for legal entities, but manual signing for others; Ireland requires paper originals for foreign certificates.



Feedback from Group 2

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

Challenges in Security and Interoperability

› Cross-Border Interoperability Issues

Lack of unified validation platforms hinders mutual recognition of certificates across different countries.

› Inconsistent Validation Methods

Some countries use advanced digital tools, while others depend on manual or non-verifiable documents.

› System and Legal Complexities

Storage limits, adaptation costs, and legal challenges complicate secure electronic system adoption.

› Need for Harmonisation and Cooperation

International cooperation and shared standards are essential to streamline verification and build trust.



Feedback from Group 2

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

Key Challenges in Accepting Foreign Certificates

› Interoperability and Trust Issues

Tax administrations struggle with interoperability and trust, especially for certificates lacking QR codes or from non-EU countries.

› Validity Period Uncertainty

Missing validity periods on certificates create uncertainty, prompting default assumptions of 12-month validity.

› Translation and Apostille Burden

Translation and apostille requirements impose costly and time-consuming burdens on tax administrations.

› Residency Confirmation Difficulties

Confirming residency on foreign-issued documents is challenging when document purposes are unclear.



Feedback from Group 2

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



Good Practices and Recommendations

› Enhanced Trust with QR Codes

Use of QR codes and online validation portals significantly reduces fraud risks and builds trust in certificate authenticity.

EU eIDAS Standards

- › Adoption of EU eIDAS standards ensures secure identity verification and enhances interoperability across member states.

Harmonised Processes

- › Sharing certificate templates and leveraging directives harmonise processes and simplify regulatory requirements across the EU.

› Multilingual and Centralized Platforms

Encouraging multilingual certificates and centralized verification platforms improve accessibility and efficiency for users.



Key Takeaways and Future Directions

› Digitalisation Trend

Countries show varying progress in digitalising tax residence certificates, with leaders setting best practice examples.

› Security and Verification

Authenticity is ensured using electronic seals, QR codes, and verification portals, tackling security challenges.

› Future Harmonisation

Future focus includes harmonised standards, EU frameworks like eIDAS and FASTER, and centralized validation platforms.

