

1. State the name of the organisation you represent (if applicable).

eu travel tech

2. Who are you:

Business association

3. Are you making a submission in relation to the proposals for a:

Designated Withholder (DW)

4. Please tick the sectors that apply to you:

Platform economy

5. After reading about the proposed new eWHT system, how would you describe your overall reaction?

Very negative - I do not support the proposed direction

6. What aspects of the proposed model appeal most to you, and why?

7. What concerns or reservations do you have about the proposed approach?

We have significant reservations about the proposed approach, which risks being disproportionate, duplicative, and counterproductive. First, imposing electronic withholding tax (eWHT) obligations on accommodation platforms would shift complex tax-administration functions—such as tax residency checks, per-transaction withholding, payment splitting, and reconciliation—onto private intermediaries. This would create a heavy compliance burden that only the largest platforms could absorb, reducing competition and limiting SME participation, contrary to the Digital Single Market's objectives. Second, due to the fragmented nature of short-term rental bookings (multiple listings, intermediaries, and unclear agency roles), the proposal creates a real risk of double or erroneous withholding without a robust cross-actor reconciliation system. Third, the approach duplicates existing DAC7 reporting obligations. DAC7 already provides tax authorities with detailed, exchangeable data on STR income, yet there is no evidence—so soon after

its 2023 implementation—that these tools are insufficient. Finally, a unilateral Irish eWHT risks disadvantaging compliant EU platforms, driving activity toward non-compliant or unmonitored channels, fragmenting the EU regulatory landscape, and potentially reducing overall tax revenue.

- 8. The proposed eWHT model seeks to expand withholding tax to payments to service providers where a suitable withholder exists. How do you feel generally about this type of expansion?**
- 9. In relation to PSWT specifically, this currently applies to payments made by state and semi-state bodies for certain services. Do you have a view on how it is targeted and if the types of payments it applies to should be reviewed?**
- 10. Please indicate if you currently operate:**
- 11. From the perspective of a DW, how does the current application of PSWT and/or RCT impact on your business operations?**
- 12. If you are a Platform Operator, does your organisation have any experience of applying taxes to transactions, for services operating on your platform, in other jurisdictions? If yes, please provide information of the jurisdiction and details of the tax.**
- 13. From the perspective of a DW, what are your views on the application of RCT and/or PSWT, as the case may be?**
- 14. What is your understanding of the withholding tax model of tax collection of RCT and PSWT and why it is applied to payments?**
- 15. The proposal aims to embed eWHT processes directly into accounting, payroll, or other business management systems. How beneficial do you think this would be for your business?**

16. In your view, what opportunities could embedding eWHT within natural business systems create for your business or the wider industry?

Opportunities from embedding eWHT within natural business systems are, in our view, extremely limited given the complexity of the accommodation ecosystem. The short-term rental and accommodation value chain involves multiple actors with overlapping and shifting roles, including hosts, property managers, OTAs, channel managers, payment service providers, and, in some cases, multiple intermediaries per booking. Revenue flows are often split, netted, or settled at different points in the transaction. Embedding eWHT into these "natural systems" risks hard-coding assumptions about agency, liability, and income attribution that do not reflect commercial reality. Rather than creating efficiencies, this complexity would likely increase system friction, reconciliation costs, and error rates, particularly where different parties are subject to withholding on the same transaction. Any theoretical automation benefits are therefore outweighed by the need for extensive exception handling, dispute resolution, and post-transaction corrections. At industry level, this approach risks distorting business models, discouraging innovation, and pushing transactions outside regulated platforms. Without clear, harmonised EU rules on roles, responsibility, and revenue ownership, embedding eWHT into business systems is more likely to introduce structural inefficiencies than deliver meaningful compliance or operational benefits.

17. What challenges do you think your business might face in adopting this embedded within natural systems approach?

STR platforms would likely face major challenges adopting an eWHT approach: implementing per-transaction withholding and payment-splitting to public authorities is likely to require a complex IT overhaul; the ecosystem's multiple intermediaries, hosts, channel managers, property managers and OTAs, may also create ambiguity resulting in risk of double or erroneous withholding. In addition, unilateral national rules risk market fragmentation, competitive distortion and migration to unmonitored channels; and operationally platforms would incur substantial overhead from exception handling, post-transaction corrections and expanded customer support.

18. What is the estimated number of payments that you make to SPs each month?

- 19. Do you currently use software for processing payments and or managing the finances of your business? If so, what packages do you use?**
- 20. Are you an employer for PAYE? If so, which software package do you use to report payroll taxes to Revenue?**
- 21. Please indicate if you currently receive payments which are subject to deduction of:**
- 22. Where you are currently subject to PSWT and/or RCT, how does the current application of withholding taxes impact on your business operations?**
- 23. From the perspective of a SP, what are your views on the application of RCT and/or PSWT, as the case may be?**
- 24. What is your understanding of the withholding tax model of tax collection of RCT and PSWT and why it is applied to payments?**
- 25. Where you are an SP operating as a corporate/partnership or other entity, do the current rates that apply to PSWT and RCT reflect your actual liability on the income received?**
- 26. The proposal aims to embed taxation directly into how you get paid by the DW. How beneficial do you think this would be for your business?**
- 27. Where you are an SP operating as an individual worker, the proposal aims to implement personalised deduction rates (PDR), which means you will pay tax on your income as you go, similar to how employees are taxed under PAYE. What impact do you think PDR will have on your cashflow and financial management?**

- 28. Do you think this new regime, including the PDR will have a positive effect on your end of year Income Tax return filing and preliminary tax payment obligations?**
- 29. The accuracy of PDR is improved by the regular reporting by you to Revenue of your income and business expenses. How likely are you to report your income and expenses to improve the accuracy of your PDR?**
- 30. What changes do you expect to have to implement in your business in order to be ready for the proposed eWHT regime?**
- 31. What benefits do you expect the new regime to have on your business processes, costs and delivery of your business services?**
- 32. What would you consider a reasonable timeframe for your business to adapt to the proposed new system?**
- 33. How confident are you that your business could adapt to the new system within a reasonable timeframe?**
- 34. In terms of the management of your business, which outcomes from this new regime are the most important for you? (Select a maximum of 3)**
- Reduced administrative workload
- Clear guidance for software providers and a testing environment
- 35. What supports from Revenue would be of most benefit to you in transitioning to the new regime? (Select a maximum of 3)**
- Clear guidance for software providers and a testing environment
- Clear guidance for software providers and a testing environment

36. Is there anything else you'd like to share about how the proposed eWHT system could best meet the needs of your business or sector?

eu travel tech opposes a broad electronic withholding tax (eWHT) regime that would impose immediate withholding and extensive new verification, payment-splitting and reporting obligations on online accommodation platforms. Such a regime would create a disproportionate compliance burden that only the largest global players could realistically meet, undermining competition, disadvantaging compliant EU platforms and small and medium-sized accommodation providers, and running counter to the goals of the Digital Single Market. Key points Disproportionate compliance costs and market concentration: Requiring platforms to instantly verify users' tax status and residency, calculate per-transaction withholding, split payments between multiple recipients and build direct API links to tax authorities effectively reallocates tax-administration functions to commercial intermediaries. The complexity and cost of redesigning booking and payment architectures would favour a handful of deep-pocketed platforms and reduce market access for SMEs and new entrants. High risk of duplication and double withholding: STR bookings typically involve heterogeneous listings, multiple intermediaries and overlapping agency roles. Without a robust, industry-wide reconciliation mechanism there is a risk that the same revenue stream could be withheld multiple times or withheld in error, creating unfair outcomes for hosts and administrative headaches for tax authorities. Existing tools already deliver tax transparency: DAC7 provides tax authorities with detailed information on STR income and tax IDs and is the appropriate foundation for enforcing income tax rules. Platforms have made substantial investments to comply with DAC7 (effective January 2023). There is no evidence today that DAC7 data is insufficient to support enforcement; the Government should prioritise using DAC7 reporting to pre-populate tax returns and to target genuine pockets of non-compliance before layering on withholding obligations. Targeted measures are required: If additional action is necessary, it should be narrowly targeted at proven high-risk, transient gig-economy sectors rather than the travel sector, where assets are physically traceable and property and existing registration data can be used. Measures should minimise cashflow disruption for small accommodation businesses and avoid duplicating existing reporting regimes. Risk of regulatory fragmentation and migration to unmonitored channels: A unilateral or poorly aligned eWHT will disadvantage compliant EU platforms (which follow DAC7). It would also incentivise transaction migration to unregulated channels (direct bookings, social media, cash), ultimately reducing tax take and harming EU competitiveness. Harmonisation with EU partners should precede national eWHT implementation. Legal and procedural safeguards: Any national initiative that imposes new obligations on online platforms (including income tax withholding) may qualify as a "technical regulation" or an "information

society service requirement" under Directive (EU) 2015/1535 (the TRIS Directive) and therefore must be notified to the European Commission before adoption. The Irish Authority should proactively engage the Commission at an early stage before imposing additional platform obligations. Recommended approach 1.

Reconsider any broad eWHT implementation: Reconsider the scope of eWHT, particularly as it would apply to small accommodation businesses and compliant platforms. 2. Maximise use of DAC7 data: Use DAC7-derived information to pre-fill tax returns, automate detection of outliers, and target compliance interventions—rather than shifting enforcement and cashflow responsibilities to private platforms. 3. Focus on proportionate, targeted enforcement: Design interventions that target demonstrable high-risk sectors and behaviours; avoid one-size-fits-all obligations that create disproportionate burdens. 4. Ensure compliance with EU law: Notify and consult with the European Commission under the TRIS Directive where required, and coordinate with the European Commission to avoid fragmentation and competitive distortion. 5. Simplify and automate compliance for small providers: Provide clear guidance, straightforward registration processes and user-friendly, automated tools so small accommodation providers can comply without excessive administrative cost. Conclusion A broad, unilateral eWHT for short-term accommodation platforms would impose excessive costs, raise risks of double withholding and market distortion, and duplicate DAC7 reporting. Policymakers should pause plans for wide-ranging withholding, exploit DAC7 and existing registries to improve compliance, pursue targeted measures where risk is proven, and engage early with the Commission to ensure any regulatory changes are proportionate and EU-coordinated. About eu travel tech eu travel tech represents the interests of travel technology companies. eu travel tech uses its position at the centre of the travel and tourism sector to promote a consumer-driven, innovative, and competitive industry that is transparent and sustainable. Our membership spans Global Distribution Systems (GDSs), Online Travel Agencies (OTAs), Travel Management Companies in business travel (TMCs) and metasearch sites.