



Information on the withholding of church tax

Finax is legally obliged to withhold church tax due on investment income as part of the capital gains tax deduction (Section 51a (2b) EStG). Your religious affiliation data is requested electronically directly from the Federal Central Tax Office (BZSt). The query takes place annually in the period from 1 September to 31 October (“annual query”). The information received on your religious affiliation and church tax liability is used for the following calendar year. In addition, we are obliged to query your religious affiliation data upon start of our customer relationship with you (‘ad-hoc query’). We use the information received as part of this query without delay to ensure correct tax deduction from start of the customer relationship. We are not permitted to process any information received directly from customers regarding their religious affiliation or leaving a religion that levies church tax (Section 51a (2c) EStG).

We levy church tax as a surcharge on capital gains tax, i.e. church tax is only withheld if capital gains tax is also due. In cases where investment income is not subject to capital gains tax, for example in the case of an existing exemption order (up to EUR 1,000 for individual investors or up to EUR 2,000 for married couples or life partners) or existing offsetable losses, we do not levy church tax.

In the case of investment income subject to capital gains tax, we levy church tax of 8% or 9% on the capital gains tax collected. In these cases, the capital gains tax is reduced by the church tax as a deductible special expense.

If you wish to object to the disclosure of your religious affiliation information, you must declare this to the Federal Central Tax Office by 30 June of the respective year so that the objection can be considered in the next annual query. The objection must be submitted on an official form (“Declaration on the blocking notice”). It is not possible to file an objection with us directly.

In the event of an objection, Finax will not deduct the church tax. However, in this case there is an obligation to submit a tax return with Annex KAP so that the church tax can be levied by the tax office.