



10 years of withholding tax reclaim with RAQUEST

An interview with Holger Herzog from LBBW



With total assets of 276 billion euros (2020), Landesbank Baden-Württemberg is one of the largest financial institutions in Germany. Holger Herzog, now Team Leader Backoffice in Tax Service, has worked at LBBW since 1992 and was head of the working group responsible for implementing RAQUEST, a software solution for automated withholding tax processing. (Note: RAQUEST was part of Halvotec GmbH at that time.)

In this interview, Herzog talks about LBBW's long partnership with RAQUEST, the importance of trust and why it's hard to imagine everyday work without the software.

Mr. Herzog, thank you very much for taking the time to talk to us. You have been with LBBW for 29 years and witnessed the introduction of RAQUEST live. Any idea how LBBW's day-to-day securities operations would look like without RAQUEST?

I witnessed the refund processes before RAQUEST and thus I know: The service we currently offer our customers would not be possible in the same way without RAQUEST, or only with a lot more personnel resources. So for LBBW, working without RAQUEST is unimaginable.

Let's talk about the beginning. LBBW took the RAQUEST software live more than ten years ago. Do you remember how the collaboration came about? What pain points did you experience with withholding tax processing up to that point?

Yes, I remember. From the customer side, LBBW's withholding tax reclaim service was very well received. Most of the time, customers have a hard time getting their heads around the process, and they usually really don't want to, either.

There was then an enormous backlog of applications, as the processing of refund applications was handled completely manually, which meant an enormous need for staff.

For this reason, LBBW looked for a provider that could offer an automated solution for the refund service. At the time, we were also looking at a British provider, but then we became aware of Halvotec GmbH because the company had already developed a software solution. Although this was not aimed at credit institutions, but rather financial investment management companies, it was interesting to be involved in the development as a pilot customer.

With RAQUEST, we were then able to offer the service aggressively, since we had the appropriate software. In addition, thanks to RAQUEST we are now much more flexible in terms of handling and processing orders.

RAQUEST was still a new player at that time. What made you decide to rely on the industry newcomer?

We have some very savvy people in our IT who were convinced by the basic idea of using a software. At that time, we joined a development consortium with Halvotec GmbH and contributed our knowledge to the development of the software. We profited from this to the maximum. After all, we were able to influence what happened.

You were one of the first German financial institutions to use a tool for automated withholding tax reclaim. Do you think LBBW gained any advantages by using RAQUEST so early?

Yes, absolutely. After all, RAQUEST was still in its infancy at the time, and we developed the tool for processing applications digitally together, so to speak. So there was only our process, which meant that we were able to bring in certain tailor-made features for our company. That was the biggest advantage. In addition, we were able to expand the total number of applications very quickly in the first year. Compared to other financial institutions, we were already very far along at that time. Today we offer a very good, flexible and fast service to our customers.



The relationship between RAQUEST and LBBW was characterized by mutual appreciation and trust from the very beginning. How would you describe the cooperation over the years?

That's right, it has always been very trusting. Mutual respect and trust are essential in development projects. And over the years, this good relationship has continued to grow. It's a bit like a marriage. Of course there are differences of opinion, but in the end everyone wants to get the best result and we all pull together and go in the same direction. We also benefit from each other professionally and technically. It's give and take. You just help each other and try to move the product forward.

To this day, LBBW has always been a pilot customer for new RAQUEST features, such as relief at source. Which feature could you no longer live without?

I can't really say, because all the features are interlinked. RAQUEST as a whole is simply indispensable.

RAQUEST has long outgrown its infancy and has become the leading withholding tax software in Germany. How has the use of RAQUEST at LBBW changed over the years?

The use of RAQUEST has become completely intertwined with our processes. In the beginning, it was purely a matter of writing applications for refunds from income and dividend payments. A great feature in RAQUEST is the account reconciliation and evaluation tool that was developed with us. Over time, we have continued to develop common features and implement more and more process steps. We now cover all steps of the reclaim process with RAQUEST.

Tell us how you currently use RAQUEST. How many reclaims do you process with the software? How many employees are involved in the process?

We use RAQUEST to create and manage reclaims including account reconciliation, automatic allocation and reimbursement to the customer's account. We also manage corresponding certificates in the software. I can't give specific numbers, but I can

say this much: every year we write a high four-digit number of applications with six employees being involved.

Since this year, you have been using the STTI interface for digitized application submission in Switzerland. What projects are you planning next?

Exactly, the STTI interface with Switzerland is currently being tested. We hope to go live in the fourth quarter of 2021. We haven't implemented the interface with Austria yet; that's a topic we'd like to tackle. We are also going full throttle into relief at source. After that, TRACE is also on the agenda. As you can see, it never gets quiet.

With the RAQUEST community we have created a framework for regular workshops and professional exchange for our customers. How do you benefit from the community?

The community is a great advantage for us as a customer, a by-product, so to speak. Here we can exchange ideas at a highly professional level and expand our network. When new customers join, it is of course a good opportunity that we are very happy to take. We are very grateful that the community gets together once or twice a year - or as often as the pandemic allows. These meetings provide us with a valuable opportunity for mutual exchange.

Let's take a look into the crystal ball. What would you like to see in the future for your withholding tax processing? And: Will RAQUEST continue to be part of it?

There are, of course, plenty of wishes. We want to move even further towards automation - also in terms of sustainability. Everywhere there is talk of a paperless office, but at the same time tax offices around the world insist on paper-based applications. The topic of sustainability and saving resources is very important to LBBW.

How does RAQUEST play into this? With its automated processing and the STTI interface, RAQUEST creates the technical framework for a more sustainable processing procedure and paperless application submission - now the authorities just have to play along. ■



I am convinced that we will continue to work together intensively and innovatively. One thing is certain: RAQUEST will continue to be part of our withholding tax processing in the future.

Holger Herzog, Team Leader Backoffice in Tax Service - LBBW