



Taxation of international executives: Belgium



February 2024

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01

Overview and Introduction

1 Overview and Introduction

Income taxes are levied on the worldwide income of Belgian residents and the Belgian-source income of Non-residents.

Special exemptions and reductions exist for foreign-source income. The official currency of Belgium is the Euro (EUR).

Herein, the host country/jurisdiction refers to the country/jurisdiction to which the employee is assigned. The home country/jurisdiction refers to the country/jurisdiction where the assignee lives when they are not on assignment.

02

Income tax

2 Income Tax

2.1 Tax returns and compliance

When are tax returns due? That is, what is the tax return due date?

30 June for residents and, in principle, around the end of September for Non-residents. Resident tax returns are due by June 30 (on paper) or on July 15 (electronic filing-Tax on Web application). It is possible that (as was the case for income year 2022) self-employed taxpayers and taxpayers with foreign professional income can file their income tax return later (estimated due date for the resident tax return October 2024 for certain categories but still to confirmed by the tax authorities) Non-resident tax returns are most often due around October but due dates for 2023 have not been confirmed yet.

What is the tax year-end?

31 December.

What are the compliance requirements for tax returns in Belgium?

All individual's resident in Belgium and Non-resident individuals taxed on Belgian-sourced income are required to file an annual tax return. The government, in principle, issues a tax return form to each taxpayer.

Residents

For residents, their filings are in principle due by the end of June of the year following the income year, after receipt of the tax form from the tax authorities. Resident taxpayers must obtain the necessary forms from the Ministry of Finance if they have not received them by 1 June. Resident taxpayers can opt to file their return electronically.

Failure to comply with the filing requirement might give rise to a fine and/or penalty and could also result in taxation on an estimated basis.

In principle, Belgian law provides that the employers deduct a withholding tax from salaries payable to employees as determined by prescribed tax tables. The difference between the final tax liability and the withholding is payable or refundable within 2 months after receipt of the tax assessment. The tax assessment is, in principle, issued before 30 June 2 years following the income year.

Persons who are married or legally living together are required to file their tax return jointly except for the year of marriage, year of declaration of legal cohabitation, or if they are living separately. Spouses and legally cohabiting partners are taxed separately on all income. If the spouse/legally cohabiting partner does not work, up to 30 percent of the working spouse's/legally cohabiting partner's net employment income is attributable to the non-working spouse/legally cohabiting partner. (This allocation is limited to EUR 13,050 on an annual basis in 2024).

Income of minor children is reported on the tax return of the parents as long as they are living with their parents, unless it is business income or alimony.

Non-residents

For Non-residents the filing deadline is, in principle, around the end of October of the year following the income year. Non-resident taxpayers must also obtain the necessary forms from the Ministry of Finance if they have not received them in time. Non-resident taxpayers can also opt to file their return electronically.

Failure to comply with the filing requirement might give rise to a fine and/or penalty and could also result in taxation on an estimated basis.

In principle, Belgian law provides that the employers deduct a withholding tax from salaries payable to employees as determined by a specific withholding tax formula. The difference between the final tax liability and the withholding is payable or refundable within 2 months after receipt of the tax assessment. The tax assessment is, in principle, issued before 30 June 2 years following the income year. Within specific factual circumstances there is no obligation to deduct withholding tax on the salaries paid to Non-residents.

Persons who are married or legally living together are required to file their tax return jointly except for the year of marriage, year of declaration of legal cohabitation, or if they are living separately. Spouses and legally cohabiting partners are taxed separately on all income. If the spouse/legally cohabiting partner does not work, up to 30 percent of the working spouse's/legally cohabiting partner's net employment income is attributable to the non- working spouse/legally cohabiting partner. (This allocation is limited to EUR 13,050 on an annual basis in 2024). This allocation, as well as federal standard personal allowances and federal tax credits, only applies for taxpayers that have at least 75 percent of their worldwide income taxable in Belgium or taxpayers that are able to claim (partial) exemptions based on a tax treaty. Depending on the fact that the taxpayer is resident of another EER member state (not including Belgium), they will be able to claim (partial) regional tax credits too.

Income of minor children is reported on the tax return of the parents as long as they are living with their parents, unless it is business income or alimony.

2.2 Tax rates

What are the current income tax rates for residents and Non-residents in Belgium?

Residents and Non-residents

Income tax is calculated by applying a progressive tax rate schedule to taxable income. The rates are as follows:

Income tax table for 2024

Taxable income bracket		Total tax on income below bracket	Tax rate on income in bracket
From EUR	To EUR	EUR	Percent
0	15,820	0	25
15,820	27,920	3,955.00	40
27,920	48,320	8,795.00	45
48,320	Over	17,975.00	50

Resident tax rates also apply to Non-residents.

Furthermore, the Belgian taxes calculated on the total amount of personal allowances (see below) will be deducted from the total amount of taxes.

Personal allowances	EUR
Basic personal allowance	10,570

Personal allowances	EUR
Personal allowance 1 child	1,920
Personal allowance 2 children	4,950
Personal allowance 3 children	11,090
Personal allowance 4 children	17,940
For every extra child	6,850
Extra allowance per child less than 3 years old (if no deductions for actual childcare expenses incurred are claimed)	720

2.3 Residence rules

For the purposes of taxation, how is an individual defined as a resident of Belgium?

A resident of Belgium is defined as a person who has their family home in Belgium. If a person does not have their family home in Belgium, they will be considered as a resident if the place from where they manage their personal wealth/business/occupation is located in Belgium. Persons registered in the Civil Register are presumed to be resident, unless the contrary is proven. Persons are irrevocably presumed to be resident of Belgium when their family lives in Belgium.

Individuals benefitting from the new expatriate tax regime installed as from 1 January 2022, will in principle, be considered as Belgian resident taxpayers unless they can demonstrate that they are still considered as resident taxpayer in another country (by delivering a tax residency certificate).

Is there a de minimus number of days rule when it comes to residency start and end date? For example, a taxpayer cannot come back to the host country/jurisdiction for more than 10 days after their assignment is over and they repatriate.

No.

What if the assignee enters the country/jurisdiction before their assignment begins?

The earlier-described residency rule will apply.

2.4 Termination of residence

Are there any tax compliance requirements when leaving Belgium?

In principle, a resident individual must file a final tax return within 3 months of departure. The residence situation should, however, be analysed taking into account the Belgian residence rules (such as family situation).

What if the assignee comes back for a trip after residency has terminated?

The assignee will remain Non-resident as long as the conditions of residence are not fulfilled.

Communication between immigration and taxation authorities

Do the immigration authorities in Belgium provide information to the local taxation authorities regarding when a person enters or leaves Belgium?

As part of the immigration process, an individual, in principle, has to register themselves with the local commune upon arrival in Belgium and deregister themselves with the commune upon departure from Belgium. This information is available to the Belgian tax authorities. In practice, this implies that the individual automatically receives a Belgian resident income tax return form from the Belgian tax authorities.

Filing requirements

Will an assignee have a filing requirement in the host country/jurisdiction after they leave the country/jurisdiction and repatriate?

If the assignee receives compensation (deferred payments, bonus, deferred equity income and so on) related to the assignment in Belgium which is considered as taxable in Belgium, there will be a filing requirement.

If any outstanding tax liability related to the Belgian assignment is paid by the employer after the individual has left Belgium, this payment will be considered as a taxable benefit on behalf of the individual which will trigger a filing requirement.

2.5 Economic employer approach

Do the taxation authorities in Belgium adopt the economic employer approach to interpreting Article 15 of the Organisation for Economic Co-operation and Development (OECD) treaty? If no, are the taxation authorities in Belgium considering the adoption of this interpretation of economic employer in the future?

Yes. The interpretation of the Belgian tax authorities of the notion employer in the framework of Article 15 of the double taxation treaties concluded by Belgium is outlined in Administrative Circular nr. AFZ 2005/0652 (AFZ 08/2005) of 25 May 2005. In the circular, the authorities follow the current interpretation of Belgian jurisprudence. According to the circular, the relationship between the employee and the employer is characterized by the existence of a link of subordination between the employer and the employee. The tax authorities are thus adopting the economic employer approach. Various circumstances should be taken into account to determine the possible existence of a link of subordination, and they are in line with the Commentary on Article 15 of the OECD model tax treaty.

De minimus number of days

Are there a de minimus number of days before the local taxation authorities will apply the economic employer approach²? If yes, what is the de minimus number of days?

No.

2.6 Types of taxable compensation

What categories are subject to income tax in general situations?

Belgian residents are taxed on their worldwide earned and passive income. Non-residents are taxed in Belgium on their Belgian-sourced income only.

The following categories of income are subject to income tax:

- earned income
- income from self-employment

- trade or business partnership
- dividends
- interest
- income from real property
- miscellaneous income

Employment income is taxable when received or, when the employee is entitled to receive it, whichever occurs earlier. Employment income is subject to tax to the extent it was earned during a period of Belgium residence, or in the case of income earned while Non-resident to the extent it was earned in respect of duties performed in Belgium.

Dividends and interest are subject to a withholding tax which is generally the final tax.

Intra-group statutory directors

Will a Non-resident of Belgium who, as part of their employment within a group company, is also appointed as a statutory director (i.e., member of the Board of Directors in a group company situated in Belgium) trigger a personal tax liability in Belgium, even though no separate director's fee/remuneration is paid for their duties as a board member?

1 Will the taxation be triggered irrespective of whether or not the board member is physically present at the board meetings in Belgium?

No.

2 Will the answer be different if the cost directly or indirectly is charged to/allocated to the company situated in Belgium} (i.e., as a general management fee where the duties rendered as a board member is included)?

No.

3 In the case that a tax liability is triggered, how will the taxable income be determined?

N/A.

2.7 Tax-exempt income

Are there any areas of income that are exempt from taxation in Belgium? If so, please provide a general definition of these areas.

Tax-exempt income (provided that the conditions are met), regularly granted by the Belgian employer, includes meal vouchers, representation allowances, and daily expense allowances.

Please refer also to the section of tax-exempt income under the Belgian expatriate special income tax regime.

2.8 Expatriate concessions

Are there any concessions made for expatriates in Belgium?

4 New Expatriate tax regime enacted by the Law of 27 December 2021 (Applicable as from 1 Jan 2022)

Belgium has an attractive special tax regime for inbound taxpayers offering significant benefits and decreasing the cost of employing individuals in Belgium.

Qualifying Employee/Employer

The employee or director must be either directly recruited abroad (by a domestic company, a Belgian establishment of a foreign company, or a national or international non-profit association) or seconded by a foreign company that is part of a multinational group or to one or more domestic companies, or one or more Belgian establishments of a foreign company which is a part of the same multinational group or a national or international non-profit association to carry out a remunerated activity in Belgium. For qualifying (establishments of) companies under the new tax regime for inbound taxpayers and inbound researchers a registration in the Crossroads Bank of Enterprises is sufficient.

Company directors of “category 1” (director mandate and similar functions) and also certain company directors of “category” 2 (individuals who perform a leading function/activity of daily management of a commercial, financial, or technical nature) can qualify for the expatriate tax regime. The company director should in any case be involved in the daily management of the company.

Conditions to qualify for the expatriate tax regime

The taxpayer must comply with several cumulative conditions:

- for the 60 months prior to the start of employment in Belgium:
 - he has not been a Belgian resident,
 - he has not been living within a distance of 150 km from the Belgian border,
 - he has not been subject to tax as a non-resident for professional income in Belgium, and
- he must receive a remuneration of more than EUR 75,000 (amount subject to indexation) for services taxable in Belgium per calendar year.

The EUR 75,000 figure mentioned above is the employee’s gross remuneration (including vacation pay, 13th month, benefits in kind, bonuses, etc.) before deductions for social security contributions, but excluding severance pay, compensation for temporary loss of remuneration, the so-called social benefits and cost proper to the employer. The costs proper to the employer related to the expatriate tax regime (see below) are excluded as well.

Specific rules exist with respect to the calculation of the minimum salary requirement of EUR 75,000 in partial tax years (prorate based on days of employment in Belgium).

No conditions exist regarding nationality (Belgian nationals, foreign nationals, or dual nationals are eligible) and regarding the level of education.

The expatriate will be subject to the normal residence rules unless a tax residence certificate from another country can be provided. Expatriates will thus need to report worldwide income, including their investment income, in their annual Belgian resident income tax return.

Benefits of New Expatriate Tax Regime

Recurring expenses at charge of the employer arising directly from secondment or employment of the expatriate in Belgium can be considered tax-free. These costs proper to the employer are equal to 30 percent of the gross remuneration (maximum lump-sum) with a cap of EUR 90,000 per year (amount subject to indexation). The payment of these costs proper to the employer is in addition to the individual’s gross remuneration.

The maximum cap of EUR 90,000 for tax-free allowances is to be prorated in case of incomplete tax years. Subject to certain conditions/caps the following additional costs proper to the employer which are directly paid by the employer or reimbursed by the employer are also tax-free:

- costs relating to relocation to Belgium,
- costs relating to furnishing of the home in Belgium in the first 6 months after the move and with a maximum of EUR 1.500, and
- costs tied to school fees for children in Belgium.

The expatriate must prove the reality and the amount of these above three expenses by means of supporting documents.

Duration of Expatriate Tax Regime

The new expatriate tax regime will be applicable for a period of five years, with the possibility of extending it by three years.

The expatriate tax regime will terminate for qualifying expatriates during the five-year employment period (or during the extended three-year period, if applicable) if the employer/company conditions or the minimum remuneration threshold condition of EUR 75,000 are not met.

2.9 Procedure to Obtain the Expatriate Tax Regime

An electronic application for the expatriate tax regime will have to be filed by the employer within three months following the start of the individual's employment and, if applicable, within three months after the expiration of the first five years of employment.

The tax authorities will in principle decide on the request within a period of three months from the receipt of the expatriate tax application. In the event of a positive decision by the authorities, the expatriate tax regime will apply as of the start of the employment in Belgium.

Specific rules exist in case of a change of employer within the period of employment in Belgium.

Inbound Researchers

The new expatriate tax regime is also applicable for qualifying inbound researchers (specific rules apply).

2.10 Salary earned from working abroad

Is salary earned from working abroad taxed in Belgium? If so, how?

For residents, salary earned from working abroad should be reported and might be exempted with progression depending on the applicable double tax treaty.

When benefiting from the Belgian expatriate special income tax regime, the taxable income may be reduced to the extent that the expatriate spends part of their business time outside Belgium. The tax authorities have provided precise rules for determining days worked outside of Belgium qualifying for exemption.

2.11 Taxation of investment income and capital gains

Are investment income and capital gains taxed in Belgium? If so, how?

Resident and Non-residents taxpayers are taxable on capital gains realized on assets used for business purposes. Capital gains realized on land and buildings held for private purposes are taxable to resident and Non-resident taxpayers under certain conditions. Capital gains realized on portfolio investments or other personal property held for private purposes are not taxable for residents and Non-residents, provided they result from the normal management of private wealth and, for portfolio investments, provided such capital gains do not result from the sale of substantial participations. The capital gains resulting from the sale of substantial participations between two residents or between a resident and a Non-resident, located within the European Economic Area (EEA), are free of taxation. On the other hand, capital gains resulting from such a transaction between a resident and a non-resident outside of the EEA are taxable.

Individuals benefiting from the expatriate special income tax regime are subject to these rules as Non-residents, which means that the rules only apply to Belgian-source capital gains.

Other income taxable to residents and Non-residents (to the extent it is Belgian-sourced income) includes miscellaneous profits and a widely defined range of other sources including prizes and subsidies.

Dividends, interest, and rental income

Dividends

Resident taxpayers are taxable on dividend income from a Belgian or foreign source. However, it is not compulsory for individual resident taxpayers to report dividend income in their tax return provided it has been subject to Belgian withholding tax, which in most cases is 30 percent.

Non-resident taxpayers, including foreign nationals living in Belgium who benefit from the expatriate special income tax regime, are subject to Belgian income tax on Belgian-sourced dividends. Also, when such individuals have foreign dividends remitted directly to Belgian bank accounts, some tax treaties permit Belgium to withhold tax.

For income year 2024, the first EUR 833 of dividend income received by a Belgian resident or non-resident taxpayer, derived from Belgian or foreign shareholdings is exempted from taxation. The withholding taxes paid can be reclaimed if reported in the income tax return, resulting in a tax benefit up to EUR 249.9.

Interest

Interests accrued on a regulated savings account are tax-free up to 1,020.00 per taxpayer. Above this amount they are subject to a 15 percent withholding and final tax rate.

Most other interests accrued in Belgium are subject to a 30 percent tax rate.

Rental income

Resident taxpayers are taxed on income from real property located both in Belgium and abroad. The income of real property abroad can in most cases be exempt with progression (depending on the application of a double tax treaty). Non-resident taxpayers are taxed on income from real property located in Belgium on the same basis as residents. However, foreign real property income is exempt for Non-residents.

The principal residence located in the EEA is, in many cases, free of personal income tax.

Gains from stock option exercises

Residency status	Taxable at:		
	Grant	Vest	Exercise
Resident	Y/N	Y/N	Y/N
Non-resident	Y/N	Y/N	Y/N
Other (if applicable)	Y/N	Y/N	Y/N

Please note that the moment of taxation of stock options in Belgium depends on various circumstances (stock option plan, date of grant, and so on.)

Foreign exchange gains and losses

Foreign exchange gains and losses are, in principle, not taxable or tax deductible.

Principal residence gains and losses

Principal residence gains and losses are, in principle, not taxable or tax deductible.

Capital losses

Capital losses are, in principle, not tax deductible.

Gifts

Residents who make gifts of real or personal property are subject to gift taxes. For some types of gifts, it is possible to avoid gift tax.

The applicable rule with respect to gift tax and gift tax rates depends on the region of Belgium where the individual is living.

2.12 Additional capital gains tax (CGT) issues and exceptions

Are there additional capital gains tax (CGT) issues in Belgium? If so, please discuss?

There is no specific separated capital gains tax in Belgium provided that it concerns the normal management of your personal portfolio.

Are there capital gains tax exceptions in Belgium? If so, please discuss?

Short term capital losses are not tax deductible.

2.13 General deductions from income

What are the general deductions from income allowed in Belgium?

The following items of expenditure may be deducted from the income.

- Social security payments: Belgian or foreign compulsory social security payments are deductible for income tax purposes.
- Standard business deductions: A standard business deduction is computed on employment income at a flat rate of 30 percent
- The maximum standard business deduction for employees is EUR 5,750.
- For directors (board members and equivalent), the standard business deduction is 3 percent with a maximum deduction of EUR 3,030.
- If the actual business expenses (within the accepted limits) exceed the standard business deduction, the actual expenses may be deducted.
- 80 percent of alimony payments paid in pursuance of the civil code, the judicial proceedings code or the Law on legal cohabitation or in pursuance of a similar foreign law.

2.14 Tax reimbursement methods

What are the tax reimbursement methods generally used by employers in Belgium?

The following are the normal methods of recognizing tax reimbursements paid by the employer:

- current year gross-up
- current year reimbursement

2.15 Calculation of estimates/ prepayments/ withholding

How are estimates/prepayments/withholding of tax handled in Belgium? For example, Pay-As-You-Earn (PAYE), Pay-As-You-Go (PAYG), and so on.

Income taxes are, in principle, withheld by the employer on a regular basis. The final tax payment should be made within 2 months of the date of the final tax assessment. It is also possible to make quarterly estimated tax payments during the income year to reduce the final tax payment.

Quarterly estimated tax payments give rise to a tax credit reducing the amount of tax due for the year. The tax credit will depend on the date of the payment (the earlier the payment, the higher the credit). The basis for determining these quarterly estimated tax payments is the estimated tax liability on projected taxable income less applicable withholding taxes and tax credits.

The amount of income tax withholding, if applicable, is determined in accordance with a special withholding tax formula.

When are estimates/prepayments/withholding of tax due in Belgium? For example: monthly, annually, both, and so on.

In case a withholding tax obligation exists, the employer should deduct withholding tax from the wages and transfer the withheld tax to the Belgian tax authorities by the 15th of the month following the payment of wages at the latest.

Tax prepayments should be made before the following dates during the income year in order to be creditable for the respective quarters: 10 April, 10 July, 10 October, and 20 December.

Relief for foreign taxes

Is there any relief for foreign taxes in Belgium? For example, a foreign tax credit (FTC) system, double taxation treaties, and so on?

In the event a specific double tax treaty has not been concluded, unilateral rules have been provided to reduce the burden of double taxation. These are described as follows.

A reduction by 50 percent of the Belgian income tax levied on foreign property income, income from personal services, and certain types of miscellaneous income, such as speculative income and alimony.

No credit for actual foreign taxes paid on other income is available under Belgian domestic law, but foreign taxes are deductible against taxable income.

Tax treaties concluded by Belgium alleviate the tax burden in Belgium on certain foreign income received by resident taxpayers. Generally, with respect to personal property income, the taxpayer is entitled to a foreign tax credit referred to above and with respect to income other than personal property income, an exemption is provided. The exempt income may be taken into account in determining the rate of tax on Belgian-sourced income (exemption with progression method).

A salary split structure may prove favourable provided the foreign rate of taxation is lower than the Belgian one. Only the net amount of earnings derived from abroad, after deduction of the foreign taxes, is taken into account for determining the rate of taxation to be applied to the income derived from a Belgian source.

2.16 General tax credits

What are the general tax credits that may be claimed in Belgium? Please list below.

There are a variety of tax credits available, each with their own specific rules of application, calculations and limitations. The most common are:

- charitable donations
- capital and interest payments related to a mortgage loan
- service cheques
- pension saving plan contributions
- life insurance plan contributions
- child care expenses

03

**Special considerations
for short term
assignments**

3 Special considerations for short-term assignments

For the purposes of this publication, a short-term assignment is defined as an assignment that lasts for less than 1 year.

3.1 Residency Rules

Are there special residency considerations for short-term assignments?

No. The general rules of residency apply.

3.2 Payroll considerations

Are there special payroll considerations for short-term assignments?

No.

3.3 Taxable income

What income will be taxed during short-term assignments?

Generally, income borne by a permanent and/or a Belgian establishment of the foreign employer or income borne by the Belgian economic employer of the individual will be taxed. Furthermore, an individual who spends more than 183 days in Belgium during any 12-month period for their professional activities will be taxable in Belgium, unless treaty relief can be claimed.

Please check if any double taxation treaty is applicable between Belgium and the home country/jurisdiction.

3.4 Additional considerations

Are there any additional considerations that should be considered before initiating a short-term assignment in Belgium?

Always check if any immigration formalities need to be complied with prior to coming to Belgium. Depending on the specific situation, various requirements might need to be met by the employer and/or employee, such as obtaining a visa, a work permit or a Single Permit. It is possible that the employer of the assignee will need to register the assignee in the Belgian Limosa database.

04

Other taxes and levies

4 Other taxes and levies

4.1 Social Security Tax

Are there social security/social insurance taxes in Belgium? If so, what are the rates for employers and employees?

4.1.1 Employer and employee

Social security taxes for the employee and employer are withheld from salary payments. The basis on which the employee social security contributions are levied is the total remuneration, including several indemnities, bonuses, and benefits-in-kind. There is no ceiling on the amount on which the contributions are levied.

Type of insurance	Paid by employer	Paid by employee	Total
White collar worker	25%	13.07%	38.07%
Special social security contribution (if single)*			
EUR0 - 18,592.02	N/A	0.00%	
EUR 18,592.02 - 21,070.96	N/A	0%	
EUR 21,070.97 - 37,344.00	N/A	EUR 123.95 plus 1.30% on the amount over EUR 21,070.97	
EUR 37,344,01 – 40.997.20	N/A	335.50 plus EUR 4.009% on the amount over 335.50	
EUR 40.997,27 – 60.181,95	N/A	481.96 plus 1.2996% on the amount over 481.96	
>60.181.95		731,28	

Type of insurance	Paid by employer	Paid by employee	Total
White collar worker	25%	13.07%	38.07%
Special social security contribution (if married) *			
EUR0 - 18,592.02	N/A	0.00%	
EUR 18,592.02 - 21,070.96	N/A	0%	

EUR 21,070.97 – 60,181.95	N/A	EUR 123.95 plus 1.30% on the amount over EUR 60,181.95
EUR 60,181.96 – 74,688.00	N/A	632.39
EUR 74.688.01 – 81,944	N/A	632.39 plus 1.3629% on the amount over 74,688.01
>81.944.00		731,28

* This contribution does not apply if the employment income is subject to non-Belgian social security. This contribution will also fade out in the coming years.

4.2 Gift, wealth, estate, and/or inheritance tax

Are there any gift, wealth, estate, and/or inheritance taxes in Belgium?

Residents who make gifts of real or personal property are subject to gift taxes. For some types of gifts, it is possible to avoid gift tax.

Inheritances from all inhabitants of Belgium are subject to succession duties. An inhabitant is defined as an individual who, at the time of their death, had established their domicile or seat of their fortune in Belgium.

According to inheritance law, the domicile in question is the place where the deceased have their effective residence, where they lived with their family or from where they managed the real and personal properties comprising their wealth. Inheritances of foreigners temporarily employed in Belgium who are treated as Non-residents are generally subject to inheritance tax only in respect of real estate situated in Belgium.

The inheritance tax is based upon the net worth of the estate and the rate depends upon the relationship of the beneficiary to the deceased.

Different rules for determining the taxable basis and the tax rates apply according to the region in which the beneficiary is residing.

Please note that the notion of residence for inheritance taxes is different from the notion of residence in income taxes. KPMG in Belgium therefore recommends individuals assigned to Belgium to analyse their inheritance tax situation.

Gift and estate/inheritance tax rules and applicable rates depend on the region where the individual is living (Flanders, Wallonia, or Brussels).

4.3 Real estate tax

Are there real estate taxes in Belgium?

For owned property, a so-called cadastral income will be attributed. This is the deemed rental value, taking into consideration costs of 40 percent.

An annual real estate tax, where the amount depends on the place where the house is situated, will be due.

The cadastral income of the taxpayer's own house does, in principle, not have to be declared in the individual's tax return.

4.4 Sales/VAT Tax

Are there sales and/or value-added taxes in Belgium?

There exists a value-added tax on the supply of goods and services within Belgium, the importation of goods into Belgium from outside the European Community and the intra- community acquisition of goods in Belgium.

The law provides also certain exemptions.

The application of Belgian value-added tax is limited to taxable transactions that take place in Belgium.

4.5 Unemployment Tax

Are there unemployment taxes in Belgium?

There is no unemployment tax in Belgium (specific rules apply for unemployment income).

4.6 Other Taxes

Are there additional taxes in Belgium that may be relevant to the general assignee? For example, customs tax, excise tax, stamp tax, and so on.

Local Tax

Municipal income taxes are determined and assessed as a percentage of the national income tax due. For resident taxpayers, this percentage is fixed by the municipal authorities and varies from community to community. For Non-resident taxpayers, the municipal income tax rate is fixed at 7 percent of the national income tax due.

In addition, various other local taxes may be applicable, depending on the community where the taxpayer lives. Some examples are general inhabitant tax, garbage collection tax etc.

Tax on securities accounts

An annual tax on securities accounts of 0,15% on the average value of a securities account is applicable if the average value of the securities account exceeds 1 million EUR.

This is applicable on both Belgian and foreign securities accounts.

Foreign Financial Assets

Is there a requirement to declare/report offshore assets (e.g., foreign financial accounts, securities) to the country/jurisdiction's fiscal or banking authorities?

Belgian resident taxpayers must communicate all non-Belgian financial accounts to the Central Point of Contact of the National Bank of Belgium (CPC). This applies to all types of financial accounts of which the taxpayer, the spouse, as well as the children (whose income is added to their parents) was a holder, at any moment during the income year with a banking, exchange, credit or savings institution located abroad.

The communication must be done before filing the resident tax return, in which the existence of a non-Belgian financial account needs to be reported as well.

05

Immigration

5 Immigration

Following is an overview of the concept of Belgium's immigration system for skilled labor. (E.g., which steps are required, authorities involved, in-country/jurisdiction and foreign consular processes, review/draft low chart illustrating the process)

This summary provides basic information regarding business visits to, and work authorization for, Belgium. The information is of a general nature and should not be relied upon as legal advice.

With regard to entry and residence into Belgium a differentiation should be made between nationals of the European Union (EU) respectively the European Economic Area (EEA), and nationals for which a visa waiver applies or nationals which cannot benefit from a visa waiver.

Foreign nationals, non-EEA nationals, who come to Belgium to work for more than 90 days will, in principle, need a Single Permit prior to coming to Belgium. The Single Permit is a combined work and residence permit issued through a single application procedure.

Foreign nationals, non-EEA nationals, who come to Belgium to work for less than 90 days will, in principle, need to obtain a Work Permit B prior to coming to Belgium.

Foreign nationals which cannot benefit from a visa waiver will also need to obtain a visa prior to coming to Belgium. Finally, unless they reside in a hotel, foreign nationals will, in principle, also be required to register with the Belgian commune where they reside.

It is the employer responsibility to ensure that the employee has obtained a Single Permit or work permit B prior to coming to Belgium. The employer will have to coordinate and cooperate with the employees to collect and, in some instances, legalize corporate and personal documentation.

A Single Permit as well as a work permit B, in principle, have to be obtained prior coming to Belgium.

EU citizens have the right to Freedom of movement, which means they have unrestricted access to the Belgian labor market. A Single permit, work permit B or visa will not be required to either enter or work in Belgium. The same rules apply to citizens of Iceland, Liechtenstein, Norway and Switzerland.

Belgium distinguishes between foreign nationals which can benefit from a visa waiver and foreign nationals who cannot claim a visa waiver.

When a visa waiver applies, the individual can enter without the need to apply for an entry visa if the presence in Belgium/the Schengen zone does not exceed 90 days in a 180-day period.

However, the individual cannot start working in Belgium until the appropriate Single permit or Work Permit B has been obtained.

5.1 International Business Travel/Short-Term Assignments

The information provided below assumes that the international business travel or short-term assignment does not exceed 90 days.

Describe (a) which nationalities may enter Belgium as non-visa national, (b) which activities they may perform and (c) the maximum length of stay.

A treaty or special agreement may authorize foreign nationals to enter Belgium without obtaining a visa first. There are many countries/jurisdictions that have established visa exemptions with Belgium. Belgian

visa waiver rules often permit foreign nationals to conduct business activities for up to 90 days, provided they are citizens of a country/jurisdiction that has a mutual immigration agreement with Belgium.

Overview of visa exemptions for entry into Belgium:

[Grenscontrole | IBZ](#)

Third country/jurisdiction nationals which can apply a visa waiver can enter Belgium as either tourists or business visitors and are allowed to enter Belgium based on their valid international passports.

Their stay is limited to 90 days within 180 days rolling period.

The following mode of calculation will apply: A traveller is required to count back 179 days from the current day of stay. The current day of stay counts as the 180th day. Within this time frame the days of stay in all Schengen member states must not exceed 90 days. Days of stay spent in the issuing Schengen member state (in this case: Belgium) on the basis of a national visa or national residence permit do not count against the 90 days limitation.

The short-stay calculator on the following website can be used for calculating the period of allowed stay under the Schengen rules:

[Short-stay Visa Calculator - European Commission \(europa.eu\)](#) In addition to Belgium, the following countries/jurisdictions are considered as Schengen member states: Austria, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, Switzerland and Croatia. Bulgaria and Romania are currently in the process of joining the Schengen Area and already apply the Schengen acquis to a large extent.

Even if a visa waiver applies, the foreign national may still need to obtain a Belgian work permit B prior to coming to Belgium.

In principle, each employment of a foreign national in Belgium, either by a foreign or Belgian employer, requires a work permit B. Overview of the most common activities that may be performed by foreign nationals without needing a work permit B. Additional conditions may apply (exceptions on the below apply for British citizens based on the T&C agreement).

- Participating in meetings in closed circle for a maximum duration of 20 consecutive days and 60 days per calendar year.
- Attending scientific congresses
- Trade representatives having their principal residence outside Belgium, visiting clients in Belgium for the account of a foreign company which does not have a branch in Belgium. Maximum duration of stay in Belgium is 3 consecutive months. Limosa registration required.
- Foreign nationals coming to Belgium for the account of a foreign company to collect goods produced in Belgium. Maximum duration of stay in Belgium is 3 consecutive months. Limosa registration required.
- Foreign journalist working for foreign media. Maximum duration of stay in Belgium is 3 consecutive months. Limosa registration required.
- Foreign nationals employed by a foreign employer, coming to Belgium for a training at a Belgian group company. Maximum duration of stay in Belgium is 3 consecutive months. Limosa registration required.
- Foreign nationals employed by an EEA or Swiss employer which come to Belgium to perform services (subject to several conditions). Limosa registration required.
- Foreign nationals employed in international transport of people or goods.

- Foreign nationals coming to Belgium for first assembly or installation of goods. Maximum duration of stay in Belgium is 8 days.
- Foreign nationals, specialized technicians, coming to Belgium for urgent repair or maintenance (subject to conditions). Maximum duration of stay in Belgium is 5 days per month.
- Sporters and artists (subject to conditions).

Business visitors who are not in possession of a work permit B are generally prohibited from engaging in productive employment activities that are an extension of professional activities, but may attend conferences, specialized seminars and business meetings.

Describe (a) the regulatory framework for business traveler being nationals which cannot benefit from a visa waiver (especially the applicable visa type), (b) which activities they may perform under this visa type and the (c) maximum length of stay.

Visa nationals are required to obtain a Belgian visa type C (short term visa) to be able to enter into Belgium for business visitor activities. The Belgian visa type C is typically issued for multiple entries. Although circumstances may vary, a business visitor generally will receive authorization to visit Belgium for up to 90 days within a 180-day rolling period.

Short Term Visas are generally not eligible for in-country/jurisdiction extension, however in exceptional cases an extension could be possible.

The application for the Belgian visa type C must be filed at the Belgian embassy/consulate in the respective country/jurisdiction of residence in order to be allowed to enter Belgium for up to 90 days within a 180 day rolling period

[Embassies and consulates | FPS Foreign Affairs - Foreign Trade and Development Cooperation \(belgium.be\)](#) Overview of the most common activities that may be performed by foreign nationals without needing a work permit B. Additional conditions may apply per Region (exceptions on the below apply for British citizens based on the T&C agreement).

- Participating in meetings in closed circle for a maximum duration of 20 consecutive days and 60 days per calendar year.
- Attending scientific congresses
- Trade representatives having their principal residence outside Belgium, visiting clients in Belgium for the account of a foreign company which does not have a branch in Belgium. Maximum duration of stay in Belgium is 3 consecutive months. Limosa registration required.
- Foreign nationals coming to Belgium for the account of a foreign company to collect goods produced in Belgium. Maximum duration of stay in Belgium is 3 consecutive months. Limosa registration required.
- Foreign journalist working for foreign media. Maximum duration of stay in Belgium is 3 consecutive months. Limosa registration required.
- Foreign nationals employed by a foreign employer, coming to Belgium for a training at a Belgian group company. Maximum duration of stay in Belgium is 3 consecutive months. Limosa registration required.
- Foreign nationals employed by an EEA or Swiss employer which come to Belgium to perform services (subject to several conditions). Limosa registration required
- Foreign nationals employed in international transport of people or goods.
- Foreign nationals coming to Belgium for first assembly or installation of goods. Maximum duration of stay in Belgium is 8 days.
- Foreign nationals, specialized technicians, coming to Belgium for urgent repair or maintenance (subject to conditions). Maximum duration of stay in Belgium is 5 days per month.
- Sporters and artists (subject to conditions).

Business visitors who are not in possession of a work permit B are generally prohibited from engaging in productive employment activities that are an extension of professional activities, but may attend conferences, specialized seminars and business meetings.

Outline the process for obtaining the visa type(s) named above and describe (a) the required documents (including any legalization or translation requirements), (b) process steps, (c) processing time and (d) location of application.

Below are estimated standard processing times based on experience. Actual processing times will depend on specific facts and circumstances of the case.

If foreign national only requires a visa C:

- 1 Document gathering (1-2 weeks)
- 2 Prepare Visa application (1-2 days)
- 3 Book visa appointment at the Belgian embassy/ consulate at the place of residence (1-14 days)
- 4 File Visa application with the Belgian embassy/ consulate at the place of residence (processing time with authorities (5-20 business days))
- 5 Obtain Visa and travel to Belgium (1-2 days)
- 6 If foreign national also requires **work permit B**:
- 7 Processing times noted above, work permit application process can in principle run simultaneously with visa application process
- 8 Document gathering work permit application (2-3 weeks)
- 9 Prepare work permit application (1-2 days)
- 10 File work permit application with the competent Regional authorities of the place of employment in Belgium (processing time with authorities (1-2 months))
- 11 Obtain original work permit (5-10 days)

Documents needs to be provided either in Dutch, French, German or English. List of documents generally required:

- Application forms;
- Recent pictures;
- Valid international passport;
- Established purpose for the visit (i.e., Letter of Invitation (LOI));
- Documents regarding lodging;
- Confirmation letter of the employer, if requested;
- Proof of return or onward travel;
- Proof of sufficient funds to cover all costs while in Belgium; and
- Proof of health insurance coverage while travelling and staying in Belgium, valid for all Schengen member states with a minimum coverage of EUR30,000;
- Belgian Embassies may request a copy of the company's registration if a non-Belgian Company;
- Fingerprints.
- Document indicating which social security system will be applicable;
- Copy of employment contract;
- Copy of assignment letter proving minimum salary requirements are met;
- Copy of university degree or equivalent;

- Copy of curriculum vitae Medical certificate
- Additional documents may be requested

Are there any visa waiver programs or specific visa categories for technical support staff on short-term assignments?

See above.

5.2 Long-Term Assignments

The information provided below assumes that the international business travel or short-term assignment exceeds 90 days.

What are the main work permit categories for long-term assignments to Belgium? In this context outline whether a local employment contract is required for the specific permit type.

For foreign nationals coming to work in Belgium for more than 90 days, the Single Permit. Procedure applies. The Single Permit equally will allow free travel in the Schengen zone (for limited duration) but does not allow, in general, to work or take up long term residence in another EU Member State.

A Single Permit can be obtained with a foreign or local employment contract.

Provide a general process overview to obtain a work and residence permit for long-term assignments (including processing times and maximum validation of the permit).

The application for the Single Permit needs to be filed electronically with the competent Regional Authorities (e.g., the Flemish region, the Walloon region or the Brussels region) of the place of employment. This application needs to be filed through the 'Unique Counter' ('Uniek Loket' – 'Guichet Unique'). The application needs to contain both the documents requested by the Regional Authorities to grant the right to work as well as the documents required by the Federal authorities to grant the right to reside in Belgium.

In a first step, the Regional Authorities will perform a high-level check whether the application is admissible; both for the residence and work aspects. Once admitted, the Regional Authority will forward the residence related part of the application file to the Federal Authorities, while the Regional Authority will, in parallel, decide on the right to work. This procedure can take up to 4 months.

Once the work and residence aspects are positively decided upon, the Federal authorities will communicate this to all involved parties, including the Belgian consular services abroad which will grant the foreign national their long stay visa type D enabling them to move to Belgium.

The standard processing time at the competent authorities is approximately 4 months. For extensions, the standard processing time at authorities is 3 to 4 months.

In order to finalize the Single Permit procedure, the individual will need to choose where they will live, i.e., their permanent effective place of residence in Belgium, and will need to register in their Belgian commune within 8 days of moving into their permanent residence. The registration will lead to the delivery by the commune of their Belgian Single Permit, which is the official proof of the combined right to work and reside in Belgium.

The Single Permit equally will allow free travel in the Schengen zone (for limited duration) but does not allow, in general, to work or take up long term residence in another EU Member State.

Provided that the conditions are met, a Single Permit can have a maximum validity period of 3 years, extendable.

Is there a minimum salary requirement to obtain a long-term work and residence permit for assignments? Can allowances be taken into account for the salary?

The general principle is that the foreign national must earn a salary equivalent to a comparable Belgian local employee in the Belgian company where the foreigner intends to work/ be based.

Work permit B and Single Permit (amounts for 2024)	Brussels Region	Walloon Region	Flemish Region
Highly-skilled employees	€ 50,310	€ 50,310	€ 46,632 (nurses or less than 30 years: € 37,305.60)
Management personnel	€ 83,936	€ 83,936	€ 74,611
EU Blue Card	€ 65,053	€ 65,053	€ 55,958
Trainee	Min. salary (sector)	Min. salary (sector)	Sufficient means of existence

For the following categories there are however specific minimum yearly gross salary thresholds to be respected in order to be granted a single permit:

In general net allowances, exempted from social security and income tax, cannot be taken into account.

Is there a fast-track process which could expedite the visa/ work permit?

No, currently there is no fast-track option for Belgium.

At what stage is the employee permitted to start working when applying for a long-term work and residence permit (assignees/ local hire)?

For a first application, the employee is permitted to start working in Belgium once the annex 49 document has been obtained upon registration in the Belgian commune where the individual will be residing permanently.

In the scope of a single permit extension, the employee can continue to work in Belgium provided the new Single Permit is approved prior to the expiry date of the previous permit.

Can a short-term permit/ business visa be transferred to a long-term permit in Belgium?

In specific circumstances, it could be possible to transfer a short-term permit/ business visa to a long-term permit in Belgium. This needs to be reviewed case by case as it is highly dependent on the facts and circumstances of the case. If a transfer would not be possible, the applicant would need to leave Belgium and apply from their place of residence outside of Belgium.

Is it possible to renew work and residence permits?

Depending on the permit type it is possible to renew work and residence permits in Belgium. The renewal process can take place in Belgium, the applicant is not required to leave the country/jurisdiction.

Is there a quota or system or a labor market test in place?

Belgium does not have a quota system.

For some permit types a labor market test is required to check out whether a Belgian or EU national is available for the position.

For highly qualified workers, employees in a management function and those eligible for the EU blue card no labor market test is required.

5.3 General Immigration Related Questions

Would it be possible to bring family members to Belgium?

Dependents are allowed to join the main applicant. According to Belgian immigration law, spouses (marriage certificate required)/equal (registered) partners and/ or children under 18 years (birth certificates required) are considered as dependents. Spouses, including same-sex spouses, or equal (registered) partners may accompany employees to Belgium.

Is it possible to obtain a permanent residence permit?

Generally, one would be eligible to apply for a permanent residence permit after staying for 5 years legally in Belgium without any interruptions. Additional conditions may apply.

What if circumstances change after the Work and Residence application process (e.g., change of employment or personal situation, including job title, job role or salary)?

Any change in the term of the employment or personal situation, including change of employer, job title, job role or salary may require that a new Single Permit needs to be secured or an appropriate notification to be made.

How long can a permit holder leave Belgium without their permit becoming invalid?

Any extended absences from Belgium may affect future Long-Term Residency and Citizenship applications.

Must immigration permissions be cancelled by the end of the assignment/employment?

In case of a termination of the employment before the end of the validity of the permit, the immigration authorities should be informed, and the original permit should be returned to the authorities. A de-registration at the local commune needs to take place when the foreigner leaves Belgium for good. The commune will then inform the immigration authorities automatically about the departure.

Are there any penalties for individuals and/or companies in place for non-compliance with immigration law?

Administrative and criminal fines up to EUR 48,000 can be imposed on employers of illegally working / (ir)regularly staying foreign nationals in Belgium. Furthermore, imprisonment, confiscation of financial gains, ineligibility for public contracts, temporary or definitive closure of company or worksites, confiscation of equipment/property, suspension of activity, withdrawal of trading license/disbarment of activity, withdrawal of residence permit are also possible sanctions for employers given the specific circumstances.

The irregularly staying third-country/jurisdiction national can be issued a return decision and/or an entry ban decision. The foreign national can also be detained following the return decision.

5.4 Other Important Items

List any other important items to note, or common obstacles faced, in Belgium when it comes to the immigration processes.

- Limosa registration (see item below).
- Respecting minimum salary requirement
- Occupation confirmation (police check of residence)
- Degree verification – Belgian authorities only recognize certain degrees

- Previous non-compliant stays in Belgium
- Non-compliance with social security and/or income tax formalities
- Prior criminal records – can lead to delay or refusal of visa
- Inconsistencies in documents provided if different validity of assignment letter versus certificate of coverage. The name on passport does not match name on other documents
- Employer/employee has history of non-compliance
- Apostilles/Legalization/Verification process

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