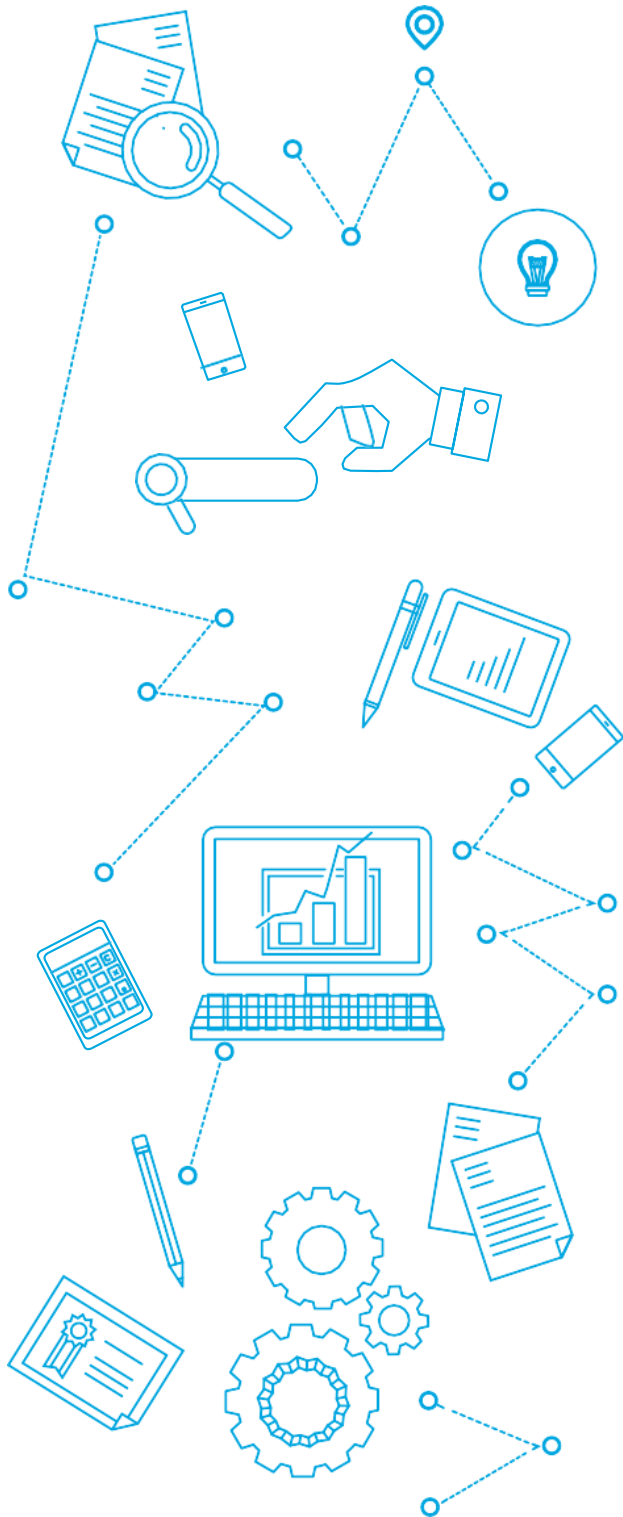




GLOBAL EMPLOYER SERVICES



1. IMMIGRATION FORMALITIES

Immigration plays a vital role in today's global business environment. RSM provides specialist immigration advice to a wide range of clients and aids in the compliance requirements of its clients (application for a single permit, work permit, professional card, etc.). Based on your business needs, we will determine which solution is best in your specific case. RSM provides a hands-on approach to ensure your business can transfer the necessary employees to Belgium within the shortest possible timeframe.

2. PAYROLL

After the development of a remuneration policy comes the actual implementation in the monthly payroll of your employees. Considering the ever more complex nature of Belgian legislation and the various requirements imposed on employers in Belgium, RSM has developed a specific approach to managing and executing the payroll process together with our clients. RSM can handle your payroll from A to Z.

If necessary, this assistance can be even more elaborate (registration with official institutions, formalities related to the recruitment of workers, monthly preparation of salaries, filling out social and other legal documents, monitoring absences and overtime, answering staff questions on social law issues and other advice, etc.).

Such guidance is ideal for companies with limited HR resources in Belgium or with limited knowledge of Belgian legislation. In this respect, RSM can even act as your outsourced HR department, taking charge of your administration and the development of your HR strategy.

RSM ensures legal compliance through the knowledge of our specialists in Belgian payroll matters with the aid of our tax specialists.

If desired, we can inform the employee about his payroll in Dutch, French or English.

RSM also closely monitors all legislative changes which could have an impact on the payroll, informs the employer if required and provides the necessary advice for implementation of the changes in the payroll.

3. TAX FORMALITIES

Working in Belgium entails compliance with various formalities. These formalities are mostly legal requirements such as the filing of an annual personal income tax declaration but sometimes fulfilling a formality gives access to a more advantageous tax treatment, such as the special tax regime for foreign executives and specialists.

The specialists at RSM are aware of these formalities and can provide advice while ensuring the practical compliance aspects are dealt with.

4. HR, SOCIAL AND LABOR MATTERS

The RSM specialists have practical experience in Belgian employment law. Within the team, the combination of labor law and tax law knowledge will ensure that the solution offered by RSM has the highest possible value for your organization.

We can guide you with respect to the various labor law requirements and aid you in drafting company policies, work regulations and labor agreements. We can also guide you through the dismissal process and end of career guidance.

5. SOCIAL SECURITY

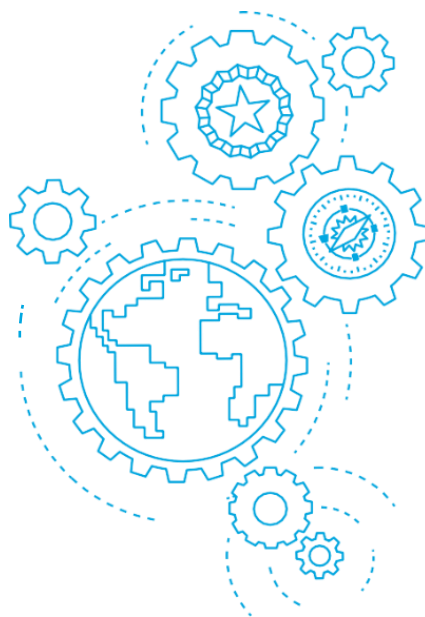
Working in a cross-border context does not only have potential tax consequences but also has an important social security aspect. Social security has an impact on some of the most important concerns of your employees such as pension, disability and sickness coverage.

Within Europe, the guiding principle is that persons to whom the EU-Regulations apply are subject to the legislation of a single member state only. Usually, the legislation of the member state where the activity is carried out applies ("lex loci laboris").

As many deviations to this general rule exist, our specialists can offer guidance. In addition, we can aid with certain compliance matters such as the "A1" certificate or "certificate of coverage".

6. TAX ADVICE

The legislative landscape of Belgium being so complex also offers saving potentials. Together with the international treaties which bind countries, our specialists can offer guidance on a wide range of remuneration techniques and salary structures. This can go from concept to implementation of a salary split over costs proper to the employer to non-recurring result-tied bonus plans to R&D withholding tax exemption and equity incentives.



7. SPECIAL TAX REGIME FOR FOREIGN EXECUTIVES AND SPECIALISTS

The Belgian Tax Administration grants special tax concessions to non-Belgian executives and especially skilled employees who, have been assigned temporarily to Belgium.

This set of concessions is called the Special Tax Regime.

The Special Tax Regime has been created by the Belgian government in order to attract foreign multinational companies and research and development centers for purposes of stimulation of the economic growth and creation of new job opportunities.

The advantages of the special tax regime are tax-free allowances of up to € 11.250 per year (€ 29.750 in some cases), exemption of all foreign business trips from personal income tax in Belgium and treatment as a Belgian tax non-resident, even though you are living in Belgium.

RSM can provide guidance with the request of the special tax regime and also ensure timely filing of the request itself with the Belgian tax authorities.

It should be noted that this regime is replaced on January 1, 2022 by the regime for impatriate taxpayers and impatriate researchers (see point 8).

8. REGIME FOR IMPATRIATE TAXPAYERS AND IMPATRIATE RESEARCHERS

A new regime to attract foreign investors to Belgium has come into effect on January 1, 2022. This regime will coexist for some time with the old special tax regime for foreign executives and specialists.

Two types of taxpayers fall under this regime: impatriate taxpayers (intended for employees and company managers) and impatriate researchers (intended only for employees).

The tax benefits for both categories are identical. One of these benefits is the 30% regime for recurring expenses incurred during employment in Belgium. These recurring expenses will be considered as a reimbursement of the employer's own expenses up to a lump sum corresponding to maximum 30% of the gross remuneration, with a cap of € 90.000. They are intended to be applied in parallel with the classic system of the employer's own expenses, without overlapping.

The qualification as resident or non-resident of Belgium for tax purposes is not linked to the special tax regime, contrary to the old system.

This regime applies for the duration of the worker's employment in Belgium, with a maximum duration of 5 years, which can be extended by 3 years if certain conditions are met.

RSM can inform you about the formalities related to the application for this special tax regime but also assist you in submitting the application itself to the Belgian tax authorities on time.

9. PERSONAL INCOME TAX DECLARATION

Successive state reforms and the associated regionalization of taxes has further complicated already complex Belgian tax rules.

Belgian legislation foresees an annual requirement to complete a personal income tax declaration form, both as Belgian tax resident and non-resident. This annual tax declaration compares the withholding tax withheld through payroll with the actual personal income tax rates and determines whether an individual can recover money from the authorities or needs to pay in addition to what was already withheld.

RSM can aid both private persons and companies to ease the burden related to the annual filing of the tax declaration form. Our assistance is highly tailored to your needs and ranges from an in-company presentation on Belgian personal income tax, workshops on specific topics, preparation of the entire tax declaration or face to face meetings to discuss any questions.

10. COSTS PROPER TO THE EMPLOYER

One of the essential obligations of an employer is to put the required aid, tools and materials for the execution of the work at disposal of its employees.

Amounts which are a reimbursement of costs to be taken at charge by the employer are excluded from the concept of remuneration. It only concerns costs at charge of the employer resulting from the execution of the labor agreement.



The employer should be able to demonstrate based on evidence that the cost reimbursements correspond with reality.

RSM can guide you with the determination of the proper amount of costs proper to the employer and guide you with tax ruling requests, building of a support file and the implementation of these cost reimbursements in the policy of your company.

11. SALARY SPLITS AND INTERNATIONAL ASSIGNMENTS

In today's global world, many employees are working in cross-border situations.

The tax and social security consequences linked to an employment in more than two countries or to an assignment can be significant.

With international access to more than 51,000 people over 120 countries, we help global businesses plan, implement and successfully manage international assignment programmes. Our Global Employer Services (GES) professionals offer a proactive, personalised service to meet your needs, end-to-end, by partnering with both global mobility leaders and individual assignees, while ensuring that all global tax obligations are met in the most cost-effective manner possible.

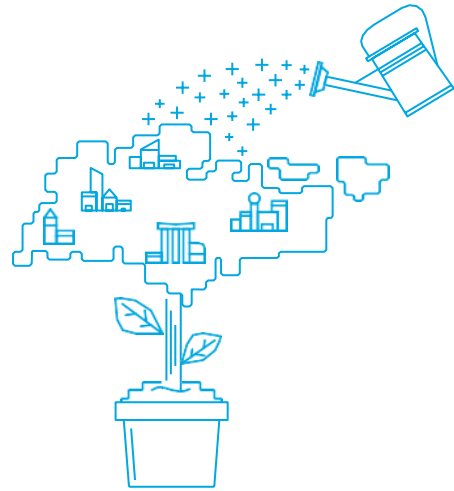
12. NON-RECURRING RESULT-TIED BONUS PLAN AND PROFIT PREMIUM

The non-recurring result-tied bonus plan and the profit premium are bonus systems linked to collective achievements by the company, a group of companies or a well-defined group of employees, based on objective criteria.

These types of bonuses depend on the realization of clearly defined, transparent, definable/measurable and verifiable objectives, which are uncertain at the implementation of the bonus plan.

While regular cash bonuses are subject to significant social security contributions and income taxes, beneficial regimes exist for these collective bonus systems.

Our specialists can assist you with the practical implementation of these types of bonus plans.



13. SHARE SCHEMES

Over the years, companies have been trying to reward high-performing employees and bind them to the company through various incentives. In addition to the non-recurring result-tied bonus plan and profit premium which provide for collective benefits, there are also possibilities to reward individual achievements.

Belgium has advantageous tax regimes for equity-based remuneration such as stock options and restricted stock units. Certain Belgian banks are offering products which take advantage of these advantageous tax regimes or companies can offer equity incentives linked to their own shares.

Specifically for stock options, Belgium's specific legislation foresees in many cases a lump sum taxation at the moment of grant which is directly opposite the position of other countries, which tax stock options at the moment of exercise.

Our specialists can draft share schemes, analyse existing plans specific to your company and ensure tax compliance.

14. R&D WITHHOLDING TAX EXEMPTION

Belgium has the objective to dedicate an important part of the GDP to research and development. Considering the important role of companies in this respect, several fiscal measures exist to stimulate R&D.

One of these measures is the R&D withholding tax exemption, which foresees that a company is exempt from transferring up to 80% of the withholding tax withheld from the employees' salaries to the Belgian tax authorities.

Certain requirements are imposed both on the companies and the employees.

RSM can offer guidance in obtaining this significant benefit and implementing it in your company.

15. COPYRIGHTS

An advantageous tax system exists in Belgium concerning copyright payments. This system allows a company to pay its employees, or a director, a part of the remuneration in copyright, provided certain conditions are met.

This system has advantages both in terms of taxation and sometimes even social security contributions. There is a flat-rate expense system, so that taxation varies between 7.5% and 15%.

The remuneration that can be paid in royalties is limited to a maximum amount per year.

Several professions are eligible for this advantageous system: computer scientists (software creators), architects, lecturers, web designers, painters, etc.

RSM can assist you in requesting an advance ruling, building your case and implementing a copyright policy within your company.

16. GENERAL OPTIMISATION

Belgium is one of the highest taxed countries in the world. However, our complex legislation allows for various possibilities to optimise the net to cost ratio of your remuneration.

In addition, it is also of the highest importance that a correct choice is made between working as employee, self-employed consultant, company director or through a management company.

Also, before proceeding with important investments, it is recommendable to obtain good advice from an experienced specialist.

The consequences of a wrong choice or a good choice can be extremely significant.

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