

## **Grant of shares and benefits in kind by foreign group companies**

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In the Tax Insight of August 2018, we already mentioned the introduction of a reporting and withholding obligation in case foreign group companies grant shares and benefits in kind to employees of the Belgian subsidiary. In the meantime, the required changes to Belgian legislation have been published in the Belgian Official Gazette; the new rules have now entered into force.

#### **As from January 1<sup>st</sup>, 2019 reporting obligation**

If a foreign company granted shares or other benefits in kind to an employee of a Belgian subsidiary in the past, there was only a reporting obligation for the Belgian entity in certain cases. For benefits, granted directly or indirectly **as from January 1<sup>st</sup>, 2019** by a foreign group company to employees of a Belgian subsidiary, the Belgian entity is obliged to report the benefits in kind on the appropriate salary documents, irrespective whether the cost is cross-charged to the Belgian entity. This means that the benefits granted need to be reported on the pay slip, individual account and fiscal attestation relating to income year 2019.

#### **As from March 1<sup>st</sup>, 2019 obligation to pay withholding taxes**

In the same situation, there was until recently under certain conditions no obligation for the employer to withhold and pay withholding taxes. Further to the new Belgian legislation, the Belgian group entity is in this case obliged to withhold and pay withholding taxes for shares or benefits in kind **granted as from March 1<sup>st</sup>, 2019**.

Please note that these changes have been published in the Belgian Official Gazette on March 22<sup>nd</sup>, 2019.

In case you would like to receive more information with respect to the implications of the above, or any other assistance, the RSM Belgium Tax team is at your disposal ([intertax@rsmbelgium.be](mailto:intertax@rsmbelgium.be)).

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