

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

During the latest budgetary discussions, the Belgian government has decided to introduce a reporting and withholding obligation in case foreign group companies grant shares and benefits in kind to employees of the Belgian subsidiary.

### **As from 2018 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>, 2018** by a foreign group company to employees of a Belgian subsidiary, the Belgian entity will be obliged to report the benefits in kind on the appropriate salary documents, irrespective whether the cost is cross-charged to the Belgian entity.

### **As from 2019 obligation to pay withholding taxes**

In the same situation, there is until today no obligation for the employer to withhold and pay withholding taxes under certain conditions. The Belgian government has now decided that the Belgian entity in this case will have to withhold and pay withholding taxes for shares or benefits in kinds **granted as from January 1<sup>st</sup>, 2019**.

### **RSM informs you**

It should be noted that this decision has not yet been formalized in law, but it may be opportune to consider the implications for companies granting these types of benefits.

In case you would like to receive more information with respect to 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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