



## Corporate tax alert Belgium

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### Corporate income tax reform update

The [corporate tax alert of 25 August 2016](#) discussed the highlights of the Finance Minister's draft plan for a reform of Belgium's corporate income tax (CIT) regime.

Meanwhile, the initial plan has been updated and this alert briefly discusses some relevant changes. Since the revised CIT reform plan still needs to be discussed in detail within the government, it goes without saying that nothing is to be considered as final at this stage.

#### Changes to the draft plan

As revealed in the press last week, some items included in our previous alert have been withdrawn from the note, whereas others have been revised or added.

In comparison to the previous draft plan, the Finance Minister's note would no longer refer to:

- The phased-in increase of the dividend withholding tax from 27% to 30%; and
- The expansion of the so-called "substantial shareholding" capital gains tax on individuals.

The following measures would have been revised:

- The standard CIT rate would already drop to 27% in 2017 (rather than to 28%); and
- The use of tax losses carried forward against taxable income of a given tax year would be limited to EUR 750 000 plus

40% of the excess amount (instead of EUR 1 million plus 60%).

Finally, the Finance Minister's updated note would also include some new measures compared to the previous draft plan, such as among others:

- The introduction of a minimum shareholding requirement for the (full) exemption of capital gains on shares to apply;
- A new (35%) tax reduction for the hiring of additional personnel; and
- Some limitations to the exemption of certain provisions for risks and charges.

## Next steps

The Finance Minister's revised plan will now serve as a basis for in-depth discussions within the government. The final shape of the CIT reform therefore remains unclear at this stage.

Updates on the CIT reform plans will be provided when additional details become available.

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## Contacts

If you have any questions concerning the items in this alert, please contact your usual tax consultant at our Deloitte office in Belgium.

For general inquiries, please contact:  
[bedeloittetax@deloitte.com](mailto:bedeloittetax@deloitte.com), + 32 2 600 60 00

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