



## **Corporate tax alert** Belgium

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### **Large Enterprises Administration – Management Department**

On 1 July 2016, a Management Department ('Dienst Beheer'/'Division Gestion') was established within the Large Enterprises Administration ('Administratie Grote Ondernemingen' / 'Administration Grandes Entreprises').

#### **Background**

The organisational structure of the tax authorities has recently undergone significant changes. The philosophy behind this reorganisation aims at a target group approach rather than a tax matter approach.

Within the General Administration of Fiscal Affairs, 3 separate administrations were established: the Individuals Administration ('Administratie Particulieren'/'Administration Particuliers'), the SMEs Administration ('Administratie KMOs'/'Administration PME's') and the Large Enterprises Administration.

The Large Enterprises Administration was established (i) to increase the correct determination of taxable results for large enterprises, (ii) increase the speed of compliance with formalities checks and (iii) to guarantee the equal treatment of companies with regard to taxation matters.

The purpose is to have polyvalent tax inspectors who will audit large enterprises regarding (i) corporate income tax/ legal

entity tax, (ii) VAT, (iii) income tax equivalent levies and (iv) various taxes.

## A modernised organisation

The Large Enterprises Administration counts 7 regional centres and one national centre located in Brussels.

The regional centres manage tax audits ('Team Controle'/ 'Equipe Contrôle) and tax controversy ('Team Expertise'/ 'Equipe Expertise') for large enterprises in their respective territory.

The Brussels centre covers the entire Belgian territory and counts, since 1 July 2016, 3 departments:

1. The **Specialised Audits Department** ('Dienst Gespecialiseerde Controles'/ 'Division Contrôles Spécialisés') with the following competencies:
  - Transfer pricing and intra-group relations
  - VAT units
  - Banking and financial services sector
  - Public traded companies
  - Tax shelter

This department will carry out specific tax audit programs depending on risks and sectors indicated by the sector coordination and datamining team.

2. The **Sector Coordination Department** ('Dienst Sectorcoördinatie'/ 'Division Coordination de secteur') will be the single point of contact for the following matters:
  - Specific tax information requests
  - Certificates and permits requests
  - Requests regarding the filing date for tax returns and requests for extension
  - Non-specific transactions agreements (The Belgian advance ruling commission still acts as the competent authority on specific transactions and cost proper to the employer rulings)

This department also provides the following internal services:

- Analysis of large enterprises' population
- Relations between group companies mapping
- Analysis and risk indicators at national level;
- Complaints handling.

3. Since 1 July 2016, the **Management Department** ('Dienst Beheer'/ 'Division Gestion') handles Large Enterprises files centrally in Brussels. This means that any question related to a company's tax file must be raised with this Department.

## Definition of a Large Enterprise

Whether your company is considered as a large enterprise depends on the following factors:

- (i) Size of the company on an individual level

Two of the following thresholds are exceeded on the first day of the 13<sup>th</sup> month following the closing of the financial year:

- Turnover (exclusive of VAT) EUR 7,300,000 (EUR 9,000,000 as of 1 January 2016);
- Balance sheet total: EUR 3,650,000 (EUR 4,500,000 as of 1 January 2016);
- Number of FTEs: 50.
- Or if the number of FTEs is more than 100 (abolished as of 1 January 2016)

#### (ii) Activity

Companies which carry out the following activities irrespective of their size are considered large enterprises:

- Banks and financial institutions
- Credit companies
- Insurance companies
- Public traded companies
- Investment companies under Belgian law
- Private Investment Funds
- Companies supervised by the National Bank of Belgium or the Financial Services and Markets Authority

#### (iii) Group of companies

Large companies with a 50 % participation are considered group companies. This means that all Belgian companies of the group will fall within the scope of the competence centre.

#### (iv) VAT unit

All members of a VAT unit if one member is considered large company.

## Non-resident enterprises

A non-resident companies competency centre was established as well. This centre is part of the SMEs Administration and will handle all taxation matters for both non-resident companies and individuals.

## Future

This new structure is only the first step in the changes within the Belgian tax administration. Future initiatives will be developed regarding 'Tax-certification' and 'Horizontal supervision'.

Contact details of the competence centres and their departments are at the following addresses:

- [Dutch](#)
- [French](#)

## Key takeaways

- Increased focus on timely compliance with tax formalities
- New contact details
- Specific and polyvalent tax audits

## Contacts

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