



Corporate tax alert

Belgium

Notional Interest Deduction: rate for tax year 2018

As was previously announced, since tax year 2014, the Notional Interest Deduction (NID) rate's determination is based on the average reference-indices J (10-year linear bonds) of the third quarter in the penultimate year preceding the tax year. The maximum rate is 3% (3.5% for SME's) and a maximum variation of 1% is allowed from one tax year to another.

The average for the third quarter of 2016 amounts to 0.237%. Since this average does not deviate by more than 1% from last year's NID rate (1.131%), the NID rate for tax year 2018 will in principle amount to 0.237% (0.737% for SMEs).

It should be kept in mind that, given the Finance Minister's plans for a corporate income tax reform, which includes a proposed abolition of the NID regime (see [Corporate tax alert of 9 September 2016](#)), it is currently uncertain whether the NID regime will remain in its current structure next year.

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, + 32 2 600 60 00

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