



Corporate tax alert Belgium

Reporting obligation for payments to Luxembourg



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Article 307 in the Belgian Income Tax Code requires companies to report annually any payments made, directly or indirectly, to persons established in a tax haven state or in a state which, within the entire financial year during which the payment occurred, has been considered non-compliant by the OECD Global Forum on Transparency and Exchange of Information.

On 22 November 2013, the Global Forum rated 4 countries as non-compliant: Cyprus, Luxembourg, the Seychelles and the British Virgin Islands (the latter country was already blacklisted as a tax haven state). To date, these countries are the only non-compliant countries among the 64 jurisdictions that have in the meantime been given an overall rating by the Global Forum.

Although over the past year Luxembourg has undertaken a number of initiatives to significantly improve its position and expects the OECD to upgrade its status to (largely) compliant by mid-2015, it should be considered as non-compliant on 1 January 2015 for purposes of Article 307 ITC. This implies that for the majority of companies, whose financial year corresponds to the calendar year, all direct and indirect payments to Luxembourg persons will have to be reported for the first time in 2015 on a specific form which will be annexed to the 2014 corporate tax return. In this respect, Finance Minister Van Overtveldt announced in the Chamber's Finance Commission meeting on 16 December 2014 that the tax administration is currently working on an additional circular letter to reflect the OECD ratings' impact. This circular would supplement the initial circular letter on Article 307 ITC dated 30 November 2010.

Deloitte Belgium will of course provide updates on any developments.

Contacts

Any questions concerning the items in this alert? Please contact your usual tax consultant at our Deloitte office in Belgium

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