



Transfer pricing alert Belgium

Belgium implements Transfer Pricing documentation requirements

On 2 December 2016, the Royal Decree detailing the implementation of the transfer pricing ('TP') legislation in Belgium has been published.

General

Mandatory TP documentation requirements have been introduced in Belgium on 1 July 2016. The [Transfer Pricing alert from 7 July 2016](#) provides insight on the thresholds to verify whether a company needs to comply with the new reporting requirement.

In general, the new legislative framework is in line with Action 13 of OECD's Base Erosion and Profit Shifting ('BEPS') project.

The Royal Decree provides additional details regarding the implementation of the new Belgian TP legislation, with further clarification provided on the items to be reported. Template reports which should be used to submit the requested information to the Belgian tax authorities are also made available.

Summary Belgian TP reporting requirements

What follows is a brief summary of the most important reporting items and filing dates within Belgium. It should be noted that there are different due dates for different pieces of information required by the Belgian administration.

Master File

- Template report available
- Taxpayers are requested to detail organisation structure, activities, intangibles, financial and tax position of the group
- Can be filed in English
- The master file should be filed before the end of 2017 for accounting periods starting on 1 January 2016

Local File

The local file consists of 2 specific forms:

General information form

- Brief description of activities performed in Belgium
- Enters into force for accounting years starting on 1 January 2016 or later (section A1 – A8 and C1)
- Report needs to be filed with the tax return
- In appendix, it is possible to provide TP studies, framework agreements, details of the TP methodology and organisational structure

Detailed information per business unit

- Provide financial details of intercompany and third party transactions for most recent 3 year period, including operating margin
- List intercompany transactions and quantify amounts related to goods, services, intangibles and interest paid and received
- Disclose TP methodology and availability of TP studies per business unit and transaction
- Implementation is delayed by 1 year. Enters into force for accounting years starting on or after 1 January 2017 (Section B1 – B12)

Thus, for FY 2016, the obligation to indicate whether (underlying) transfer pricing documentation is available will not yet be active. Nevertheless, as it is in that documentation that the arm's length character of the transactions otherwise described in the form will be actually supported, it is recommended to prepare it and append it to the forms filed for 2016.

Country-by-Country (CBC) Reporting

Notification obligation

- Template report is available (use of this template is not mandatory)
- This form should be filed before the end of the accounting year

- Indication of CBC reporting entity needs to be filed by all group entities meeting CBC threshold (i.e. parent, surrogate parent, other legal entity or Belgian PE)
- Filing extension for 2016: implementation is delayed for first year, until 30 September 2017, for filling the notification form
- Filing possible by regular mail or email:
BEPS13@minfin.fed.be

CBC Report

- Template report is available
- Report should be filed by parent or surrogate parent entities based in Belgium.
- The CBC should be filed before the end of 2017 for accounting periods starting on 1 January 2016
- It is recommended to file 2016 CBC report from October 2017
- If the Belgian tax authorities do not get access to the CBC filed through the exchange of information, then they may still request CBC details from the local Belgian entity

Reference to official announcement

For more details about the implementation measures of the TP documentation requirements in Belgium, reference can be made to the Belgian Official Journal of 2 December 2016 ([Dutch](#) | [French](#)).

Contacts

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