



FSI tax alert

Belgium

Simplified Belgian Banking Tax published in Belgian Official Journal

The revamped Belgian Banking Tax, discussed in the previous [FSI tax alert of 27 July 2016](#), has been enacted and published in the Belgian Official Journal ([Dutch](#) | [French](#)).

Following its entry into force, credit institutions are effectively liable to the following specific taxes and contributions:

- The contribution to the EU Single Resolution Fund ("SRF");
- The contribution to the Belgian warranty fund for financial services; and
- The new Banking Tax.

The new tax will replace the annual subscription tax (Book Ibis of Inheritance Tax Code), the annual subscription tax "bis" (Title XI of the Code of Miscellaneous Duties and Taxes), the recently introduced deduction limitation for certain corporate tax attributes (Article 207, 4th to 8th indent of the Belgian Income Tax Code) and the contribution to the financial stability fund.

New Banking Tax overview

The new Banking Tax is introduced in Articles 201¹⁰ to 201¹³ of the Code of Miscellaneous Duties and Taxes. The published text of the Banking Tax does not deviate from the text of the draft law addressed in the previous FSI tax alert.

In a nutshell, the taxable basis of the new tax is determined by the average amount of "debt towards clients" (as

mentioned on Line 229 in table 00.20 of Scheme A – territorial base) of the year preceding the tax year. The applicable tax rate is set at 0.13231%.

The Banking Tax's scope of application is limited to credit institutions (including Belgian branches of foreign institutions). Recognised central depositories are excluded.

The revamped Banking Tax is due on 1 January and for the first time on 1 January 2016, then payable by 1 July of each year.

Certain transitory measures have been foreseen for the new Banking Tax's first year of application (tax year 2016):

- The taxable basis corresponds to the amount of "debt towards clients" on 31 December 2015 (no average to be taken into account);
- The tax will be payable by 15 November 2016;
- Credit institutions are allowed to deduct certain taxes already paid in 2016, which have been replaced by the new tax, from the amount of the new Banking Tax (this is the case for the annual subscription tax (bis) and the contribution to the financial stability fund).

The changes to the ITC apply from tax year 2017. Other provisions will enter into force as of 21 August 2016.

Contacts

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