



Global Innovation & Investment Incentives | Global Employer Services

Wage withholding tax exemption regimes

New audit wave on wage withholding tax exemption regimes

In the past few weeks, several companies received a letter from the Federal Public Service of Finance announcing a new audit wave regarding the correct application of the laws and regulations concerning the various wage withholding tax exemption regimes. The letter states that in 64% of last year's audits, a rectification was performed. The letter encourages companies to self-evaluate their compliance with the applicable laws and regulations, to mitigate financial risks.

Pain points frequently identified during audits

Based on our experience with wage withholding tax exemption regimes, here are some of the pain points that companies often struggle with:

- Lack of internal control and coordination amongst the various stakeholders to ensure a correct application and timely buildup of supporting documentation (such as copy of degrees, time registration and timesheets);
- No monitoring of legal or regulatory developments or administrative guidance, resulting in delayed (or even absence of) updates of internal processes to maintain compliance;
- Unbalanced successive shifts (not the same size);
- Discrepancies between planning (shift/night work schedule) and actual time registration.

More than ever, having streamlined processes in place is of critical importance when applying for wage withholding tax exemptions. Deloitte can assist in reviewing the process in place or provide support during an audit.

Please visit Deloitte's [Global investment and innovation incentives](#) and [Payroll incentives](#) web pages for more information on the various wage withholding tax exemption regime and to explore opportunities for your company in this respect. Deloitte hosts specialist teams who can assist you in applying for such exemptions or in securing the incentives you are legally entitled to.

Contacts

If you have any questions concerning the items in this alert, please contact your usual tax consultant at our Deloitte office in Belgium or:

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