



Global Employer Services

Individual tax

Belgian employers obliged to report and withhold on foreign (equity) remuneration

The pre-draft law for a new tax reporting and withholding obligation regarding foreign equity plans (previously covered by the [31 July 2018 tax alert](#)) has been approved by the Council of Ministers.

General principle

A Belgian employer will need to report and withhold taxes if a foreign related company grants remuneration to a Belgian employee.

It is important for companies that fit in this scenario to align appropriately in order to comply with these obligations.

From income year 2019

The tax-withholding obligation will enter into force from 1 January 2019 and will apply to **Belgium based employers**, both tax residents and non-residents. This obligation applies regardless of whether the Belgian employer acts as intermediary in the grant process.

The **beneficiary** can be an employee or a director, taxable in Belgium and qualifying as Belgian tax resident or non-resident.

This obligation is triggered by a newly introduced **assumption** that the Belgian employer will be considered as the grantor of remuneration.

This withholding tax obligation will also trigger a **reporting obligation** since these wage taxes need to be reported on a salary form from income year 2019.

Transitional provision for income year 2018

A transitional measure is included in the draft law to ensure that the reporting obligation already applies to income earned in 2018.

Belgian employers will be required to report (equity) remuneration granted in 2018 before 1 March 2019.

Any failure to comply will trigger an additional fine (next to the usual sanctions) of 10% of granted remuneration per infringement. This sanction does not apply if income has been taxed in Belgium or abroad in the hands of the beneficiary.

Obligations in the hands of the employee

The aforementioned new withholding and reporting obligations do not affect the employee's obligation to report all received remuneration in the individual tax return.

Social security

Alongside these new tax related obligations, the social security authorities have also strengthened their position. More information in this regard can be found in the [21 September 2018 tax alert](#).

Contacts

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