



Individual tax alert

Belgium

Registration formalities in Belgium of a foreign company car



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The use in Belgium of a “foreign” company car (i.e. a car with foreign licence plate) by Belgian residents in the frame of his/her professional activities (as well as for private use) was exempted from any registration formalities under the conditions that:

- The person has an employment contract, i.e. considered as an employee of the foreign company which made the car available; and
- A VAT attestation is obtained and is inside the car at all times

A circular letter from the tax authorities stated that the same conditions were applicable for company directors (and alike) without an employment agreement to the extent that it is proven that they perform a directorship mandate within the foreign company that is providing the company car and that said mandate is remunerated.

As of 1 October 2014 the above-mentioned VAT attestation is no longer required. Instead, the following documents need to be inside the car at all times:

- A copy of the employment agreement; and
- A certificate from the foreign employer stating that the car is put at the employee's disposal.

In addition to the above, a similar condition has been foreseen for company directors (and alike) without an employment agreement. In their case, the following documents are required to be kept in the car:

- A copy of the mandate; and
- A certificate from the foreign company stating that the car is put at the director's disposal.

Deloitte's point of view:

As an employment contract often contains private and confidential information (salary, bonus, ...), further guidance from the authorities would be welcome to clarify how best to combine the legal requirements with the data privacy aspect. It is very likely that employees and directors benefiting from a foreign company car will be reluctant to keep an extensive version of their employment contract/mandate in the car at all times.

Confirmation by the authorities of a more practical approach would be welcome, for instance:

- Keeping a copy of the employment contract / mandate in the car (instead of the original document) as the wording of the legislation clearly states “a copy” and

- Black out any sensitive / confidential information (such as salary) on that copy. Indeed, what matters is that in reading the copy of the document the authorities are able to control that car has been made available by a foreign employer/company.

Finally, the practice would welcome that authorities develop a template of the required certificate to be used by the foreign employer / company.

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