



Global Employer Services Individual tax

Potential new tax reporting and withholding obligations with foreign equity plans

Following on from previous coverage in the tax alerts of [18 September 2017](#) and [2 February 2018](#), which dealt with the increased tax and social security audits of foreign long-term incentive plans, the tax authorities are now contemplating the broadening of the tax reporting and withholding obligations' scope for equity incentives.

The draft **Budgetary Agreement** currently foresees an extended tax reporting and withholding obligation in the hands of a Belgian subsidiary belonging to a foreign group company granting equity and/or other benefits-in-kind to individuals working for that Belgian entity. The tax reporting and withholding obligations would arise regardless of whether the Belgian entity acts as intermediary in the grant process or whether the related costs are charged on to the Belgian entity.

So far, this reporting obligation was only required when stock options (falling under the scope of the stock option law of 26 March 1999) are granted by a foreign entity to individuals working for a Belgian company. From January 2018, this obligation in the hands of the Belgian entity would be extended to the grant of free shares, shares at a discounted price and any other benefit-in-kind.

The reporting obligation on the salary form would enter into force for equity incentives granted as of **1 January 2018**. The

withholding tax obligation would enter into force for equity incentives granted from **1 January 2019**.

Deloitte will provide updates once additional information becomes available.

The below contacts are readily available to help with any questions in this regard.

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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