



## Global Employer Services

### Individual tax

## Foreign real estate: new taxable base and reporting obligation for Belgian tax residents

The Belgian parliament on 17 February 2021 adopted legislation ([Dutch](#) | [French](#)) regarding the valuation of deemed income from foreign real estate for individual income tax purposes. The new law is intended to redress the difference in treatment under Belgian legislation of real estate located in Belgium and real estate located abroad, which according to a 2018 decision of the European Court of Justice, violates the free movement of capital principle of EU law.

As from 1 January 2021, all foreign real estate is allocated a notional rental value (similar to real estate located in Belgium), with the result that Belgian resident taxpayers owning such real estate are no longer taxed on the actual rental value when the property is not rented out or is rented to an individual for their private use.

On 1 March 2021, the Belgian tax authorities published guidance in the format of frequently asked questions (FAQs) ([Dutch](#) | [French](#)), clarifying the legislation and practical application of the provisions.

### Action required by Belgian tax residents with foreign real estate

Belgian tax residents who have reported foreign real estate income in years 2019 and 2020 (tax years 2020 and 2021) are required to provide the Belgian tax authorities with the following information by 31 December 2021:

- A brief description of the property;

- The location of the property (i.e., the country and the address or other identifying information); and either
- The normal sales value for constructed property or the surface area for undeveloped property; or
- If the normal sales value is not known: the acquisition price of the property and the year in which it was acquired, together with the cost of renovation works performed after the acquisition and the year in which any renovation was completed.

Belgian taxpayers who acquire foreign real estate as from 1 January 2021 must provide the information to the tax authorities within four months of the transfer of the right in rem.

The tax authorities will then determine the notional rental value of the foreign property and notify the Belgian resident taxpayer accordingly.

The FAQs elaborate among other areas on the following practical aspects of the law:

- Action required by Belgian tax residents to determine the notional rental value of their real estate located abroad;
- The formula to determine the notional rental value;
- Action required where there is a change in value of the foreign real estate;
- Determination of the taxable foreign immovable property income; and
- Deductibility of foreign taxes and the application of double tax treaties.

---

## 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:

- Frédéricq Jacquet, [frjacquet@deloitte.com](mailto:frjacquet@deloitte.com), + 32 2 600 65 29
- Aurélie Michiels, [amichiels@deloitte.com](mailto:amichiels@deloitte.com), + 32 2 600 65 36

For general inquiries, please contact:  
[bedeloittetax@deloitte.com](mailto:bedeloittetax@deloitte.com), + 32 2 600 60 00

Be sure to visit us at our website: <http://www.deloitte.com/be/tax>

---

## [Deloitte Academy](#)

## [Tax Tools and Publications](#)

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee (“DTTL”), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as “Deloitte Global”) does not provide services to clients. Please see [www.deloitte.com/about](http://www.deloitte.com/about) for a more detailed description of DTTL and its member firms.

Deloitte provides audit, tax & legal, consulting, and financial advisory services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 150 countries and territories, Deloitte brings world-class capabilities and high-quality service to clients, delivering the insights they need to address their most complex business challenges. Deloitte's more than 330,000 professionals are committed to becoming the standard of excellence.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively, the "Deloitte Network") is, by means of this communication, rendering professional advice or services. No entity in the Deloitte network shall be responsible for any loss whatsoever sustained by any person who relies on this communication.

© 2021 Deloitte Belgium

[Subscribe](#) | [Unsubscribe](#)