



VAT alert Belgium

Belgian government unexpectedly abandons optional VAT on immovable letting

As part of the 'Summer Agreement', the Belgian government announced at the end of July 2017 that it was to introduce a new optional regime applying VAT to standard immovable letting between businesses. Deloitte has learnt that this plan has been abandoned after government meetings during the weekend of 21-22 October 2017. Only an extension of the conditions to apply VAT on the letting of a warehouse facility has been maintained.

Budgetary concerns

Since the government announced its intention to introduce an optional regime for immovable letting, it discussed scenarios for implementation. It appeared that within the government's "relance" (relaunch) agenda, there were budgetary concerns regarding the new regime's impact in terms of additional VAT deduction for investors in real estate properties rented out for business purposes.

These concerns have led to the government completely abandoning the initiative. Belgium will therefore continue to be one of only two EU Member States that do not allow a broad option for VAT on the lease of real estate in a professional context.

Warehouses

As part of its "relance" agenda, the government will endorse an extension of regulations on the letting of warehouse facilities under the VAT regime.

This extension means that the conditions to subject the provision of a warehouse facility to VAT will become less strict. Currently, said conditions are (1) that the warehouse can only be used for storage purposes and (2) that offices may not exceed 10% of the warehouse's total surface or volume.

It is expected that these criteria would be replaced by a rule, on the basis of which the VAT regime for the warehouse's provision would depend on the facility's *principal* use. Hence, where the facility is primarily used for warehousing purposes, VAT would apply to the facility's provision.

This change can be ensured by modifying the current administrative guidelines. The exact criteria will be communicated at a later time.

Deloitte will continue to closely monitor this development and will provide updates once additional details become available.

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:

- Johan Van der Paal, jvanderpaal@deloitte.com, +32 2 600 66 39
- Ivan Massin, imassin@deloitte.com, +32 2 600 66 52
- Danny Stas (Laga), dstas@laga.be, +32 2 800 70 11

For general inquiries, please contact:
bedeloittetax@deloitte.com, + 32 2 600 60 00

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



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 for a more detailed description of DTTL and its member firms.

Deloitte provides audit, tax and 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, Deloitte brings world-class capabilities and high-quality service to clients, delivering the insights they need to address their most complex business challenges. Deloitte has in the region of 225,000 professionals, all 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.

Laga BV CVBA in Belgium

Laga BV CVBA is part of a privileged multidisciplinary cost-sharing association with Deloitte Accountants BV CVBA.

© 2017. For information, contact Deloitte Belgium.

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