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Calculation method of maximum allowed stay in the Schengen Area

EU Regulation 610/2013, which entered into force on 18 October 2013, introduces a new way of calculating the maximum allowed stay for third-country nationals intending to travel to the Schengen Area for a short stopover. The maximum allowed stay for these nationals (regardless of whether they travel on a short-stay-visa basis or whether they are visa exempt, thus traveling on the basis of their international passport) is now defined as "90 days in any 180-day period."

In the past, the maximum allowed stay was calculated by counting from the "very first" date of the individual's entry into the Schengen Area and from every "new first entry" after the previous 180-day period's expiration. This calculation method was based on the European Court of Justices case law and was rather complex for border officials to verify.

On the basis of EU Regulation 610/2013, the 180-day period is now determined by counting backwards from "each" day of the third-country national's stay in a Schengen Member State. The 180-day period is thus "shifting". The length of the third-country national's proposed stay, plus the duration of all prior stays within that 180-day period, may not exceed the 90-day maximum. In this respect, the entry and exit travel days are taken into account. In practice, this will mean that an absence of a cumulative period of 90 days will allow the third-country national to enter the Schengen Area for a new stay for a maximum of 90 days. According to the EU Regulation, "Periods of stay authorized under a residence permit or a long-stay visa will not be taken into account in the calculation of the duration of stay on the territory of the Member States."

The new rules apply to the European Economic Area Member States and Switzerland. However, they do not apply to the following countries as they are not (yet) part of the Schengen Area: Bulgaria, Croatia, Ireland, Romania, Cyprus, and the United Kingdom.

Deloitte Belgium's immigration and social security services team is readily available to provide more detailed information.

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Norway:
New tax treaty with the United Kingdom

Overview

Norway and the United Kingdom have signed a new double tax treaty which will enter into effect from 1st of January 2014.

The new treaty will replace the existing treaty from 2001, bringing regulations up to date with recent changes in the OECD Model Tax Convention.

Key changes

- The new treaty does not address wealth tax. Individual taxpayers will, therefore, be liable to pay wealth tax to Norway as long as they are considered resident in Norway according to domestic legislation. The UK does not impose wealth tax.
- The new tax treaty allows for pensions to be taxed both in Norway and the UK. Double taxation is avoided by allowing tax levied in the state of residence as a credit in the tax levied in the source state.
- Article 7 has changed regarding the allocation of income to permanent establishments.
- An addition has been made to Article 27 on conflict resolution: If the UK and Norwegian authorities do not fully solve a conflict of taxation within two years, the taxpayer may request arbitration.

Deloitte comments

As the new tax treaty does not address wealth tax, the liability to pay wealth tax in Norway will fully depend on Norwegian internal legislation – the wealth tax treaty shelter previously available for those who are tax treaty residents in the UK is no longer available.

According to Norwegian internal legislation, an individual's liability to pay wealth tax to Norway depends on whether the individual is tax resident in Norway or not. It is, therefore, more important than ever to be aware of the conditions of establishing and breaking Norwegian tax residency. Well worth noticing in this regard is that physical presence on the Norwegian continental shelf alone does not result in a Norwegian tax residency with a liability to pay Norwegian wealth tax.

Norway imposes wealth tax on net global wealth above NOK 870 000 for single persons and NOK 1 740 000 for spouses. The rate is currently 1.1 %. The wealth tax may be subject to modifications in the near future due to the recent Parliament election.

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