

Global Rewards Update

Belgium – Foreign asset reporting obligations

June 2015

Background

Belgian resident taxpayers have long been required to report foreign income and assets held overseas, including foreign shares acquired under employee share plans, to the Belgian authorities. Until recently, taxpayers were only required to indicate in their annual tax return that they held any type of foreign assets and there was very little scrutiny from the Belgian authorities.

However, on 13 April 2015, a Royal Decree was published detailing new requirements in relation to the reporting of foreign assets by individuals.

This latest development in Belgium reflects the increasing focus on foreign asset reporting globally. Belgium is not an isolated case and we are seeing more countries focus their attention on defining stricter and clearer foreign asset reporting requirements.

Changes in Belgium

The new reporting obligation applies to all Belgian resident taxpayers with foreign income or assets, including any foreign shares acquired under an employee share plan and any savings held in foreign accounts.

The Belgian tax authorities will shortly start to issue letters of invitation to taxpayers who have previously indicated the existence of foreign assets on their Belgian income tax return. These letters will ask taxpayers to provide information to the Central Contact Point (CCP) of the National Bank of Belgium (NBB). Once such letter is received, the taxpayer will have two months to complete the reporting requirement.

For future tax years, individuals will be required to comply with the requirements on their own initiative.

These returns can be filed either electronically or on paper. More information can be found on the National Bank of Belgium website ([here](#)).

Foreign asset reporting globally

As with Belgium, many other countries have introduced measures to obtain information on foreign assets held by individuals, and are enforcing stricter penalties on undisclosed foreign assets.

While certain countries require individuals to declare any foreign assets held on their annual tax returns (e.g. Italy and India), others have introduced separate reporting forms (e.g. Argentina, Brazil, Canada and the US) and some even require reporting of foreign assets both on the annual tax returns and on separate forms (e.g. Japan). Knowing what forms are due in each country and what assets need reporting is not always very straightforward.

This is an important space for employers to monitor as employees may not always be aware of their reporting responsibilities in relation to shares acquired under employee share plans or share plan related savings accounts. This is particularly the case for internationally mobile employees who may have foreign asset reporting

requirements in more than one location.

Action

As there was previously a reporting requirement in Belgium in respect of foreign assets (reporting was previously required on the tax return), employees may not be immediately aware that the reporting process has changed, that the reporting requirements are more onerous and that non-compliance could lead to penalties. Employers should ensure that employees are aware of the changes and that they take prompt action either in response to the letter of invitation or upon filing their 2014 Belgian annual tax return.

Additionally, employers may receive an increasing number of queries from employees once they have received the letters of invitation from the Belgian authorities. Employers may want to anticipate these situations and prepare employee communications in this respect.

Employers should also ensure their employees are aware of global foreign income and asset reporting requirements to avoid their employees running the risk of incurring penalties for failing to report shares acquired under an employee share plan.

People to contact

For assistance with these issues, or any other issue related to the operation of your global equity plans, please contact your usual Deloitte adviser or email us at globalshareplans@deloitte.co.uk, and an adviser will contact you.

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