

Luxembourg Tax Alert

Germany, France and Belgium cross-border personal tax measures during the COVID-19 crisis: further extensions confirmed for 2021

11 March 2021

Personal income tax

Since the COVID-19 crisis began in March 2020, many Luxembourg non-resident cross-border employees have worked from their homes in Belgium, Germany or France.

To mitigate the risk that these employees are taxed in their home state during this exceptional situation, Luxembourg has made amicable tax agreements with Belgium, Germany and France. Please refer to our previous tax and social security alerts for further information.

The Luxembourg tax authorities have now confirmed the extension of these amicable tax agreements as follows:

- **Belgium:** on 5 March 2021, the amicable tax agreement of 19 May 2020 was extended for the fourth time by the Luxembourgish and Belgian competent authorities. The agreement now applies from 11 March 2020 until 30 June 2021.
- **Germany:** from 1 January 2021, in the absence of any objection from both Luxembourg and Germany, the amicable tax agreement of 3 April 2020 will be automatically extended for another month. This monthly automatic extension will continue until both parties officially renounce the agreement.
- **France:** on 9 and 10 March 2021, the Luxembourgish and French competent authorities concluded a fourth amicable tax agreement. The COVID-19 measures will apply from 14 March 2020 until 30 June 2021.

As such, the above-mentioned non-resident cross-border employees working from home due to the COVID-19 crisis will continue to remain taxable in the Member State where they would have normally worked (i.e., Luxembourg).

Social security

As a reminder, the social security measures remain applicable until the end of June 2021. This is good news for Luxembourg-based employers and Luxembourg cross-border workers living in France, Belgium or Germany.

For more information, please view:

Belgium:

<https://impotsdirects.public.lu/fr/archive/newsletter/2020/nl19052020.html>

<https://impotsdirects.public.lu/fr/archive/newsletter/2020/nl22062020.html>

<https://impotsdirects.public.lu/fr/archive/newsletter/2020/nl24082020.html>

<https://impotsdirects.public.lu/fr/archive/newsletter/2020/nl09122020.html>

https://mfin.gouvernement.lu/fr/actualites.gouvernement%2Bfr%2Bactualites%2Btoutes_actualites%2Bcommuniqués%2B2021%2B03-mars%2B05-be-lu-teletravail.html

<https://impotsdirects.public.lu/dam-assets/fr/legislation/legi21/2021-03-18-LG-Conv-DI-63-du-18032021.pdf>

France:

https://mfin.gouvernement.lu/fr/actualites.gouvernement%2Bfr%2Bactualites%2Btoutes_actualites%2Bcommuniqués%2B2020%2B06-juin%2B24-accord-teletravail-france.html

<https://impotsdirects.public.lu/fr/archive/newsletter/2020/nl21072020bis.html>

https://gouvernement.lu/fr/actualites/toutes_actualites/communiqués/2020/08-aout/25accord-teletravail-france.html

<https://impotsdirects.public.lu/fr/archive/newsletter/2020/nl08122020.html>

<https://impotsdirects.public.lu/fr/archive/newsletter/2021/nl10032021.html>

[COVID-19: Prolongation de l'accord franco-luxembourgeois concernant le télétravail des frontaliers jusqu'au 30 juin 2021 - Ministère des Finances // Le gouvernement luxembourgeois](#)

<https://impotsdirects.public.lu/dam-assets/fr/legislation/legi21/2021-03-15-LG-Conv-DI-62-du-15032021.pdf>

Germany:

<https://impotsdirects.public.lu/fr/archive/newsletter/2020/nl06042020.html>

[Newsletter du 13 octobre 2020 - Archives - Administration des contributions directes - Luxembourg \(public.lu\)](#)

Social security:

https://www2.deloitte.com/lu/en/pages/tax/articles/germany-france-belgium-cross-border-social-security-response-covid-19-crisis.html?id=lu_direct-email_lta_crossborder-social-security-measures_18082020_internal_%3Atax%3A

[Prolongation de l'accord sur l'affiliation à la sécurité sociale des travailleurs frontaliers concernant le télétravail jusqu'au 30 juin 2021 - Ministère de la Sécurité sociale // Le gouvernement luxembourgeois](#)

[Corona: Keine Änderung des anwendbaren Sozialversicherungsrechts für Grenzgänger, Entsandte und in mehreren Mitgliedstaaten Erwerbstätige - GKV-Spitzenverband, DVKA](#)

Your contacts

Pierre-Jean Estagerie

Partner – Global Employer Services Tel

: +352 45145 4940

pjestagerie@deloitte.lu

Marleen Vandenput

Managing Director – Global Employer Services

Tel : +352 45145 4216 mavandenput@deloitte.lu

Frederic Scholtus

Director – Global Employer Services

Tel : +352 45145 3368

fscholtus@deloitte.lu

Deloitte Luxembourg
20 Boulevard de Kockelscheuer
L-1821 Luxembourg
Grand Duchy of Luxembourg

Tel: +352 451 451 Fax:

+352 451 452 401

www.deloitte.lu

Deloitte is a multidisciplinary service organisation which is subject to certain regulatory and professional restrictions on the types of services we can provide to our clients, particularly where an audit relationship exists, as independence issues and other conflicts of interest may arise. Any services we commit to deliver to you will comply fully with applicable restrictions.

Due to the constant changes and amendments to Luxembourg legislation, Deloitte cannot assume any liability for the content of this leaflet. It shall only serve as general information and shall not replace the need to consult your Deloitte advisor.

About Deloitte Touche Tohmatsu Limited:

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities (collectively, the “Deloitte organization”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Deloitte is a leading global provider of audit and assurance, consulting, financial advisory, risk advisory, tax and related services. Our global network of member firms and related entities in more than 150 countries and territories (collectively, the “Deloitte organization”) serves four out of five Fortune Global 500® companies. Learn how Deloitte’s approximately 330,000 people make an impact that matters at www.deloitte.com.

No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication. DTTL and each of its member firms, and their related entities, are legally separate and independent entities.

© 2021 Deloitte Tax & Consulting

Designed and produced by MarCom at Deloitte Luxembourg