

## Operational Tax News

### Belgium Update – May 2016

#### Belgian Tax Administration broadens scope of tax on savings income

##### Tax amendment

On 8 April 2016, the Belgian Tax Administration issued an addendum to the 25 October 2013 Circular Letter Ci.RH.231/629.328 regarding the application of the Belgian Tax on Savings Income. This addendum amends the abovementioned Circular Letter and extends the scope of the Belgian Tax on Savings Income by increasing the amount of investment funds which may fall under the tax.

According to Article 19bis of the Belgian Income Tax Code, the 27% Belgian Tax on Savings Income is applicable to the interest component embedded in the capital gain realised by a Belgian individual investor upon the transfer against consideration or redemption of units in qualifying investment funds or upon the (partial) liquidation of such funds.

The new addendum of 8 April 2016 now states that all undertakings for collective investment, regardless of their legal form and of how they are offered to investors, are targeted by the Belgian Tax on Savings Income in the case where the fund has invested more than 25% of its assets in qualifying debt receivables. In order to determine whether this condition is fulfilled, an asset test should be performed.

##### Entry into force

The new position is applicable to transactions taking place as of 1 July 2016.

##### Additional documentation

Please find the following web-link for more details:

- [Addendum to the 25 October 2013 Circular Letter Ci. RH.231/629.328 regarding the application of the Belgian Tax on Savings Income](#)
- [Tax Alert dated 29 April 2016 \(Deloitte Belgium\)](#)

If you have any queries regarding the above, please do not hesitate to contact us.

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