Amicable agreement on the Double Tax Treaty concluded between Luxembourg and Belgium (24-days rule) – Belgian Circular letter

Luxembourg Tax Alert

Summary

We refer to the amicable agreement on the Double Tax Treaty concluded between Luxembourg and Belgium (24-days rule) and **our tax alerts dated 20 and 24 March 2015**.

The Belgian tax authorities published an **explanatory circular letter on 2 July 2015** containing detailed explanations on the application of the 24-day tolerance period under article 15 in the Double Tax Treaty concluded between Luxembourg and Belgium.

Please find attached the **Individual Tax Alert prepared by our Belgian colleagues** in this respect.

The main specificities are as follows:

- Proportional reduction of the 24-day period in certain situations (e.g. part-time employment contracts, partial year activities);

- On-call premiums (*primes d'astreinte*) are always taxable in the State of Residence and as such the days of permanence are taken into consideration for the determination of the 24-day period. This approach may significantly impact the personal income tax situation of the concerned employees.

While this circular letter only applies in Belgium and does not bind the Luxembourg tax authorities, Luxembourg employers may consider it as a guideline for their Belgian resident employees.

Our Belgian and Luxembourg professionals remain available for any questions you may have.

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