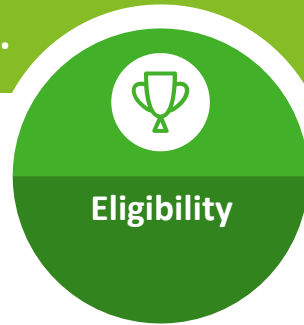


## Previous/New Regime

February 2022

On December 23, 2021, the program law was voted on a new Belgian Special Tax Regime effective January 1, 2022. Under certain conditions, employees benefiting from the previous Regime may OPT-IN to the new system. On 21 January 2022 a Circular Letter was published concerning the repeal of the previous “special tax regime for foreign executives” and the application of the transitory regime listing the conditions under which foreign executives can continue to benefit from the previous regime (until 31 December 2023 at the latest).



Previous regime	Eligibility	Tax impact tax concessions	Application
New regime as of 01/01/2022	<ul style="list-style-type: none"> <li>• No requirement for employer to belong to international group</li> <li>• Minimum salary threshold: compensation of more than €75k (exception for researchers)</li> <li>• Employee &amp; self-employed directors of 1st or 2nd category but requirement to be in charge of daily management activities</li> <li>• During the last 60 months before the start of employment in Belgium:               <ul style="list-style-type: none"> <li>– Not having been a Belgian tax resident and not having subject to Belgian non-residence tax on professional income in Belgium</li> <li>– Living at least 150 km from the Belgian border</li> </ul> </li> <li>• Belgian nationals may qualify</li> <li>• Maximum duration of 8 years (5 years + 3-year extension)</li> </ul>	<ul style="list-style-type: none"> <li>• Deemed Belgian non-residency (reporting of Belgian source income only)</li> <li>• Tax-free allowances up to €11.250 or €29.750 (for recognized R&amp;D or coordination centers) (also exempt from social security)</li> <li>• Travel exclusion limiting taxation to Belgian working days only (not exempt from social security)</li> <li>• School fees, moving expenses, settling-in, etc. can be paid/reimbursed tax-free on top</li> </ul>	<ul style="list-style-type: none"> <li>• Deemed Belgian non-residency (reporting of worldwide income) unless non-resident under double tax treaty provisions</li> <li>• The employer may pay an additional tax-free ‘cost proper to the employer’ of 30% (capped at €90k) on top of the agreed compensation</li> <li>• The payment of school fees and certain relocation/settling-in expenses paid by the employer would continue to be tax exempt, subject to conditions</li> </ul>



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