



Global Employer Services Individual tax

Update on the impact of WLTP: NEDC CO2 can be used

The Federal Ministry of Finance released the annual update to the reference CO2 values for determining the benefit in kind ([Dutch](#) | [French](#)) and updated the FAQ related to company provided cars.

The update confirms and formalises the use of the NEDC CO2 value to determine the income tax treatment of a company car. The FAQ stipulates that the NEDC value, rather than the (much) higher WLTP value, can be used until 31 December 2020. As from 1 January 2021, only the WLTP value will need to be taken into account.

It should be noted that the official Registration Document can reflect either the NEDC or WLTP CO2 value. The Certificate of Conformity includes both. Moreover, point 41 in the FAQ confirms that the CoC value, as included under box 49.1 (i.e. the NEDC value) can be used.

It is important to ensure the correct calculation of a company car's benefit in kind as well as the corporate tax deductibility of that car.

From 1 January 2021, the benefit in kind will increase and the corporate tax deductibility will decrease. Based on the current FAQ, this will also be the case for existing cars with WLTP homologation (from 1 September 2017). The impact can be significant as the difference between WLTP and NEDC CO2 emission values can be sizeable. Although a transitional measure for existing cars would prove useful in remediating

this tax increase, the FAQ currently does not mention such measure.

At present, defining a company car policy, compiling a company car list or processing an employee's choice of a specific car will require employers to look already at WLTP values, in order to assess the impact and tax burden as from 1 January 2021.

Background information on WLTP can be found in [a report](#) published by Deloitte Belgium, which is also available on the [Urban Mobility portal](#).

Contacts

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