Annual update: Financial reporting, Omnibus, tax and regulatory

Board Leadership Center

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15 January 2026

Tax update

Silvie Broekx

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15 January 2026

Contents

01 Belgian new legislation

02 Initiatives at European level

03 EU Green Deal - related topics update

01

Belgian new legislation

Belgian new legislation – income tax

New legislation

- Investment deduction
- Car taxation / deductibility
- Liquidation reserve & VVPRbis-regime
- Carried interest & exit tax
- Dividend received deduction

Draft legislation

- Capital gains on financial fixed assets
- Increase WHT dividends (VVPRbis and liquidation reserve)
- Copyright income (decrease of lump-sum cost allowance – applicable to software sector)
- WHT exemption: Temporary corrective factor (97% - 95,9%)
- Tax on securities accounts (0,15% → 0,3%)
- Annual tax on credit institutions (further increase up to 0,19286% and 0,25626% - but debt towards European Investment bank can be excluded)
- Group contribution
- Accelerated depreciation
- Tax shelter for start- and scale ups
- WHT reduction for R&D

Investment deduction regime

A new reformed investment deduction regime on fixed assets acquired or created as of January 1, 2025 based on 3 axes (no cumul possible):

Basic deduction

Both for NP and SME.

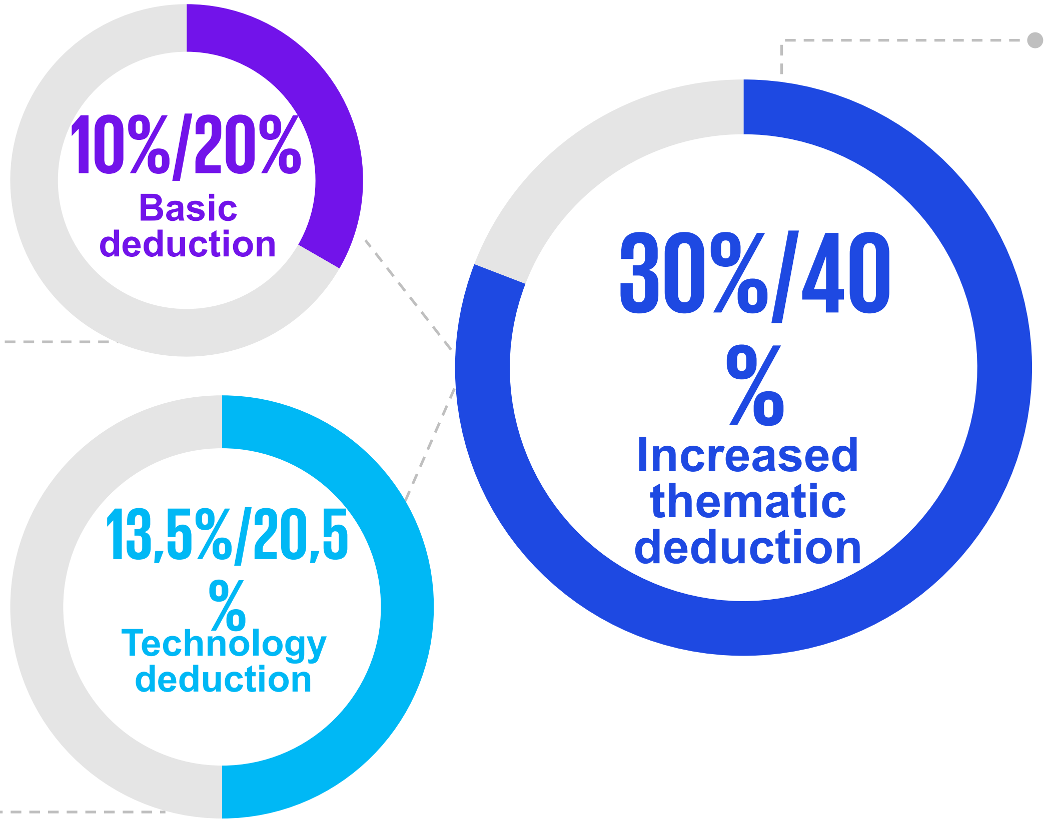
Climate and environmental exclusion list (exclusion of 8 categories)

- 10%
- 20% (digital fixed assets*)

Technology deduction

Deduction for patents and fixed assets that promote R&D of new (eco-friendly or environmentally minimizing) products and technologies.

- 13,5% (one-time)
- 20,5% (spread)



Increased thematic deduction

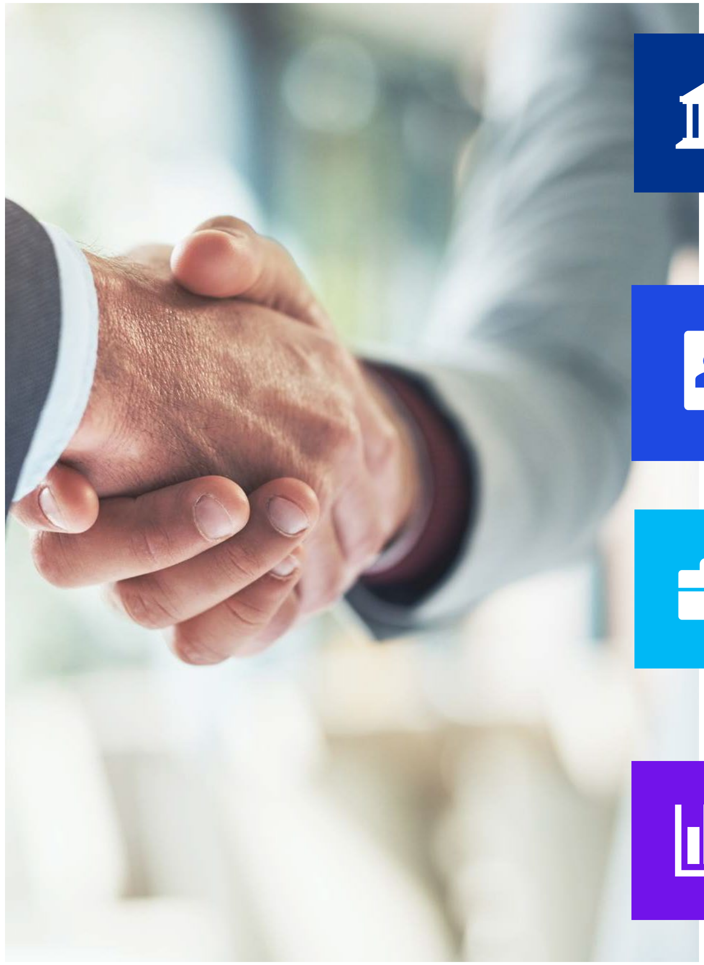
Investments in:

1) Energy efficiency and renewable energy (e.g. insulation, heat pumps)
2) Carbon emission-free transport (e.g. bicycles)
3) Environmentally friendly investments
4) Supporting digital investments (supporting the three previous categories)

Limitative list of envisaged investments published (link)

- 30% (all other companies)
- 40% (NP/SME) / also large companies as of AY2027

Capital gain on financial assets: key essentials



Only in the context of normal management of private assets

- Capital gains from professional activity and abnormal management continue to be taxed

Taxpayer = Owner or bare owner of transferred financial assets

Only in personal income tax and legal entities tax*

- Not in corporate income tax or non-resident income tax!

*** Except for legal entities that can receive donations with tax reduction**

Capital gains from transfer of financial assets

- From 1 January 2026

Capital gain on financial assets: 3 categories

01

Internal capital gain (sale)

- Transfer of shares and profit certificates in case of control over the acquirer (alone or together with spouse, descendants, ascendants or family up to the second degree)
- Rate of 33%
- Exemption internal capital gain (contribution)

02

Significant interest

- Transfer of shares in case of participation of at least 20% (alone)
- Exemption of first 1 MEUR
  - Over period of 5 years
- Progressive rates:
  - 1 – 2,5 MEUR: 1,25%
  - 2,5 – 5 MEUR: 2,5%
  - 5 – 10 MEUR: 5%
  - > 10 MEUR: 10%
- In case of transfer outside EEA: 16,5%

03

Other transfers of financial assets

- Rate of 10%
- Exemption of first 10.000 EUR
  - If not used, additional exemption of maximum 1.000 EUR with total maximum exemption of 15.000 EUR after 5 years

Capital gains - Draft law – what's new?

Class 21 insurance contracts

Out of scope if no savings or investment objective

- Solely payout in the event of death
- To cover repayment of loan or funeral costs
- Even in the case of early surrender

Valuation report by 31 Dec 2027

To determine the reference value on 31 December 2025

- Acquisition value of unlisted shares
- Auditor or certified accountant
- Based on annual accounts per 31 December 2025

Postponement of WHT liability

Capital gain realised between 1 Jan 2026 and 30 June 2026

➔ WHT due on 30 Sep 2026

New and upcoming changes – VAT

01

VAT new legislation

- E-invoicing B2B (tolerance during 3 months)
    - 01/01/2026
    - European level (2030)
- E-reporting (2028)

02

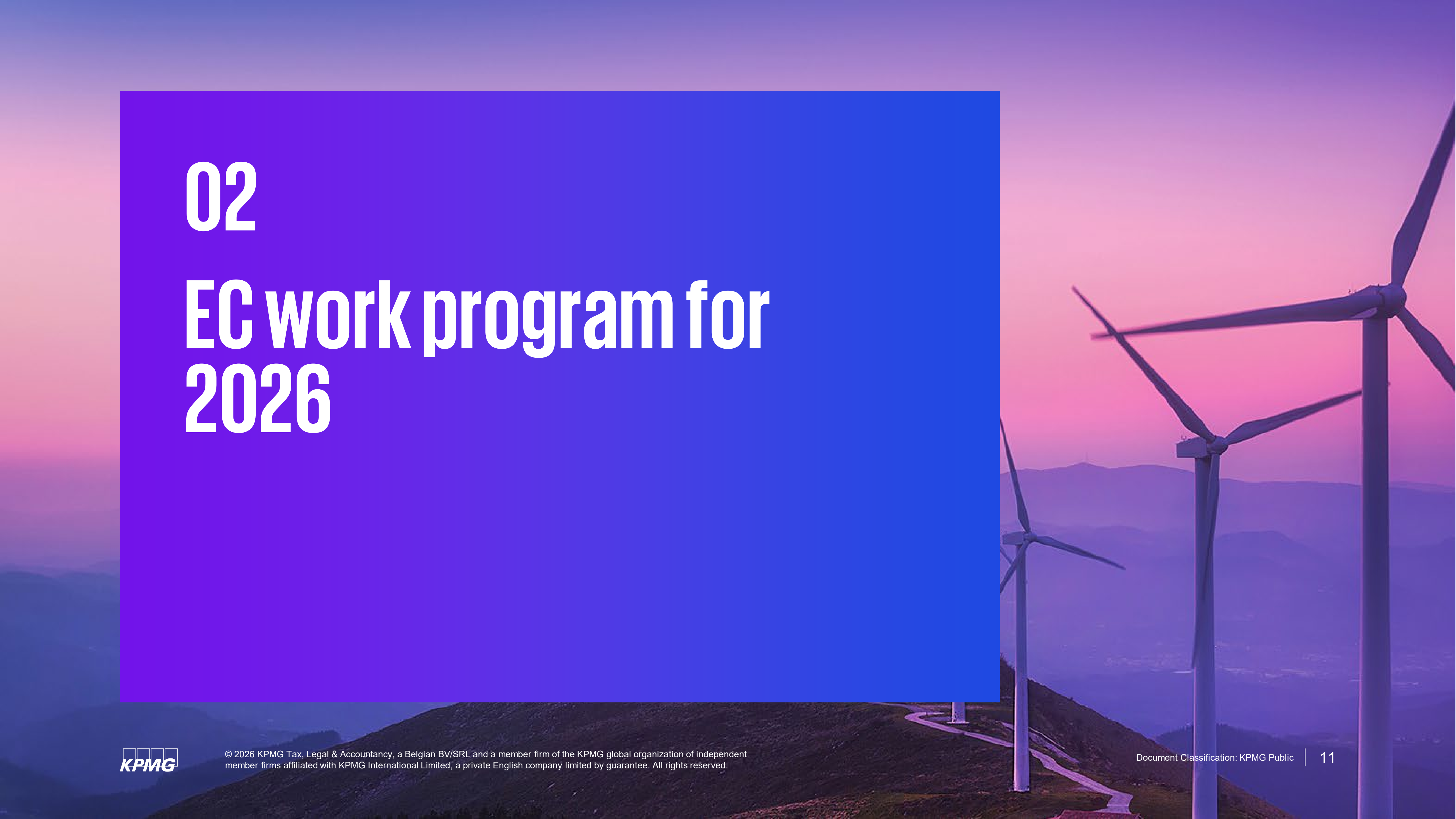
VAT – budget agreement

- Changes to VAT rate:
    - Supply of pesticides (to 21%)
    - Providing furnished accommodation and camping sites (to 12%)
    - Takeaway meals and food that can be consumed without further preparation (to 12%)
    - Supply of non-alcoholic beverages for restaurant/caterings services (to 12%)
    - Access to cultural, sporting or entertainment facilities (to 12%)

03

Sector specific

- Real estate (demolition and reconstruction)



02

EC work program for 2026

EU direct tax policy at a glance

Implemented

- DAC7 – platform operators
- DAC8 – reporting of crypto assets
- EU Foreign Subsidies Regulation
- EU Public Country by Country Reporting (+ Tax under CSRD)

Adopted

(implementation pending)

- EU Minimum Tax Directive / DAC9
- **FASTER**

Proposals pending

- **Tax omnibus**
- **DAC recast**
- SAFE
- ETR disclosure

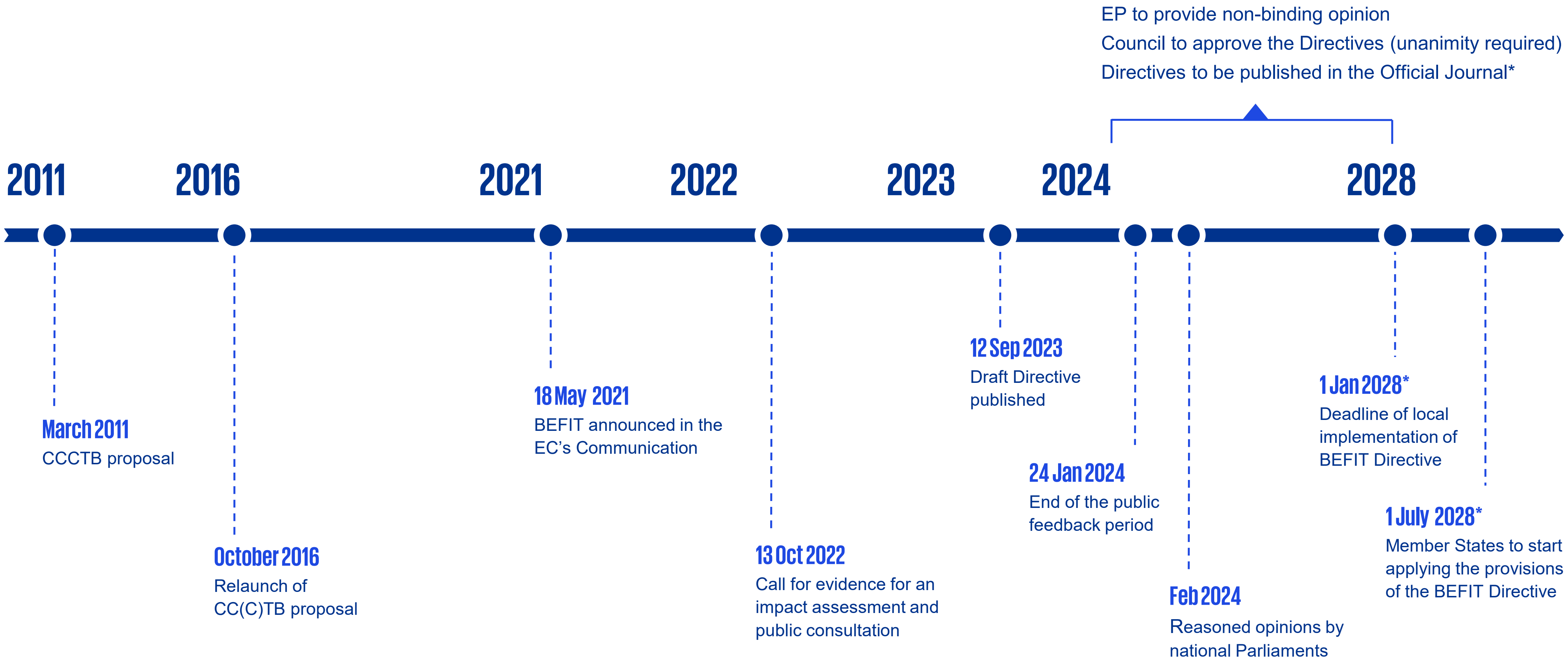
Ongoing

- EU List of non-cooperative jurisdictions
- CJEU case law

Work in progress

- ~~Unshell~~
- **BEFIT (~~+ DEBRA)~~**
- ~~Transfer Pricing Directive~~
- ~~HOT~~
- **Savings and Investment Union**
- **Tax incentives** in support of EU climate goals

BEFIT on a timeline



* Based on the assumption that the Directive will be adopted without altering the proposed timeline as per the current draft text. Neither the Commission, nor the Council provided an indicative timetable for adoption.

EU list of non-cooperative jurisdictions (Oct 2025)

Non-cooperative (Annex I)

1. American Samoa 2022 2023 2024 2025
2. Anguilla 2022 2023 2024 2025
3. Fiji 2022 2023 2024 2025
4. Guam 2022 2023 2024 2025
5. Palau 2022 2023 2024 2025
6. Panama 2022 2023 2024 2025
7. The Russian Federation 2022 2023 2024 2025
8. Samoa 2022 2023 2024 2025
9. Trinidad and Tobago 2022 2023 2024 2025
10. The US Virgin Islands 2022 2023 2024 2025
11. Vanuatu 2022 2023 2024 2025

Removed February 2024

1. *The Bahamas* 2022 2023
2. *Turks and Caicos Islands* 2022 2023

Monitored (Annex II)

1. Antigua and Barbuda 2024 2025
2. Belize 2022 2023 2024 2025
3. The British Virgin Islands 2022 2023 2024 2025
4. Brunei Darussalam 2025
5. Eswatini 2023 2024 2025
6. Greenland 2025
7. Jordan 2025
8. Montenegro 2025
9. Morocco 2025
10. The Seychelles 2022 2023 2024 2025
11. Türkiye 2022 2023 2024 2025

Removed February 2024

1. *Albania* 2023
2. *Aruba* 2023
3. *Botswana* 2022 2023
4. *Dominica* 2022 2023
5. *Hong Kong* 2022 2023
6. *Israel* 2022 2023

Removed October 2024

1. *Armenia* 2023 2024
2. *Malaysia* 2022 2023 2024

Removed February 2025

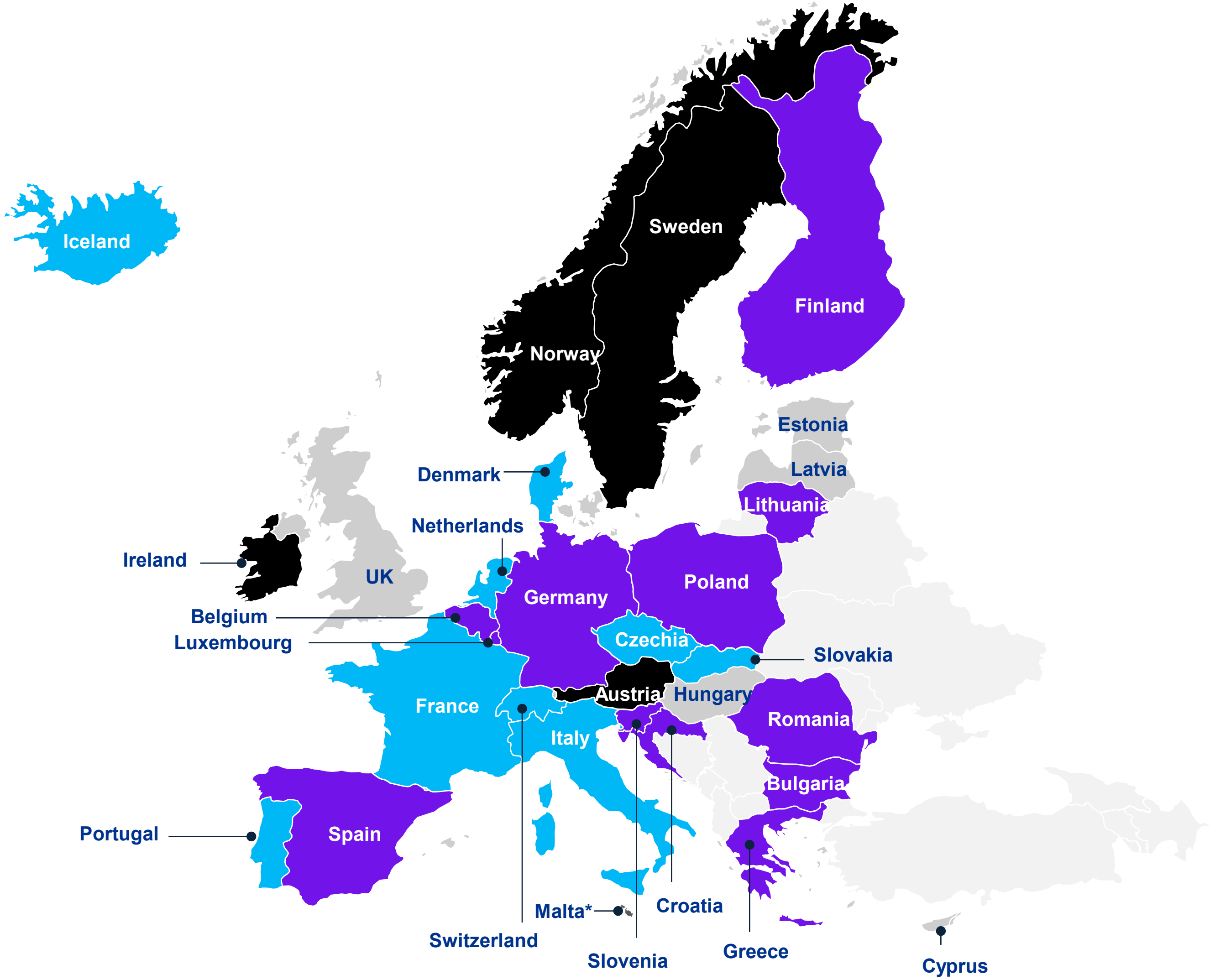
1. *Costa Rica* 2022 2023 2024
2. *Curaçao* 2023 2024

Removed October 2025

1. *Vietnam* 2022 2023 2024 2025

Beneficial ownership

In case of dividends, does your jurisdiction apply a BO concept?



Legend

- BO concept applies
- No BO concept as such, but a similar concept in place
- No BO concept, but WHT benefits denied on specific anti-treaty / EU directive shopping rules / local GAAR
- Country does not levy WHT on dividend payments

Notes

"BO concept applies" – refers to the case when a BO requirement is specifically codified in the law or included in the relevant administrative guidance, and WHT benefits can generally be denied solely based on that specific requirement

"No BO concept as such, but a similar concept in place" – refer to the case where local rules include a reference to a concept that is similar to BO, based on which WHT benefits can generally be denied

General comment: this map should be interpreted in conjunction with the notes on the next slide.

Pillar 2

Pillar 2 in a nutshell

What

Minimum level of tax of 15% per country

Who

Multinational groups with revenue above **750 MEUR** in 2 of 4 prior financial years

How

Top-up Tax: difference between 15% and effective tax rate

When

In Belgium, the **first deadline** to file Pillar Two returns (the Global Information Return and most local Pillar Two returns) is 30 June 2026

Pillar 2 - Timeline

2021

Oct 2021
Agreement at OECD/G20 IF level

End of 2021
Release of OECD GloBE Model Rules & EU Directive

2022

March 2022
Commentary on GloBE rules

End of 2022
EU Pillar 2 Directive adopted
Release of the GloBE Implementation Framework components (e.g. transitional safe harbors and penalty relief)

2023

Feb 2023
Release of Administrative Guidance (AG)

July 2023
Release of GIR
Release of second batch of AG

Oct 3, 2023
Release of STTR MLI

Dec 2023
Release of third batch of AG

2024

Jan 1, 2024
Application start date of DMTT and IIR in majority of countries

June 2024
Release of fourth batch of AG

September 2024
MLI STTR signing ceremony

2024 / 2025
Local P2 registration requirements

2025

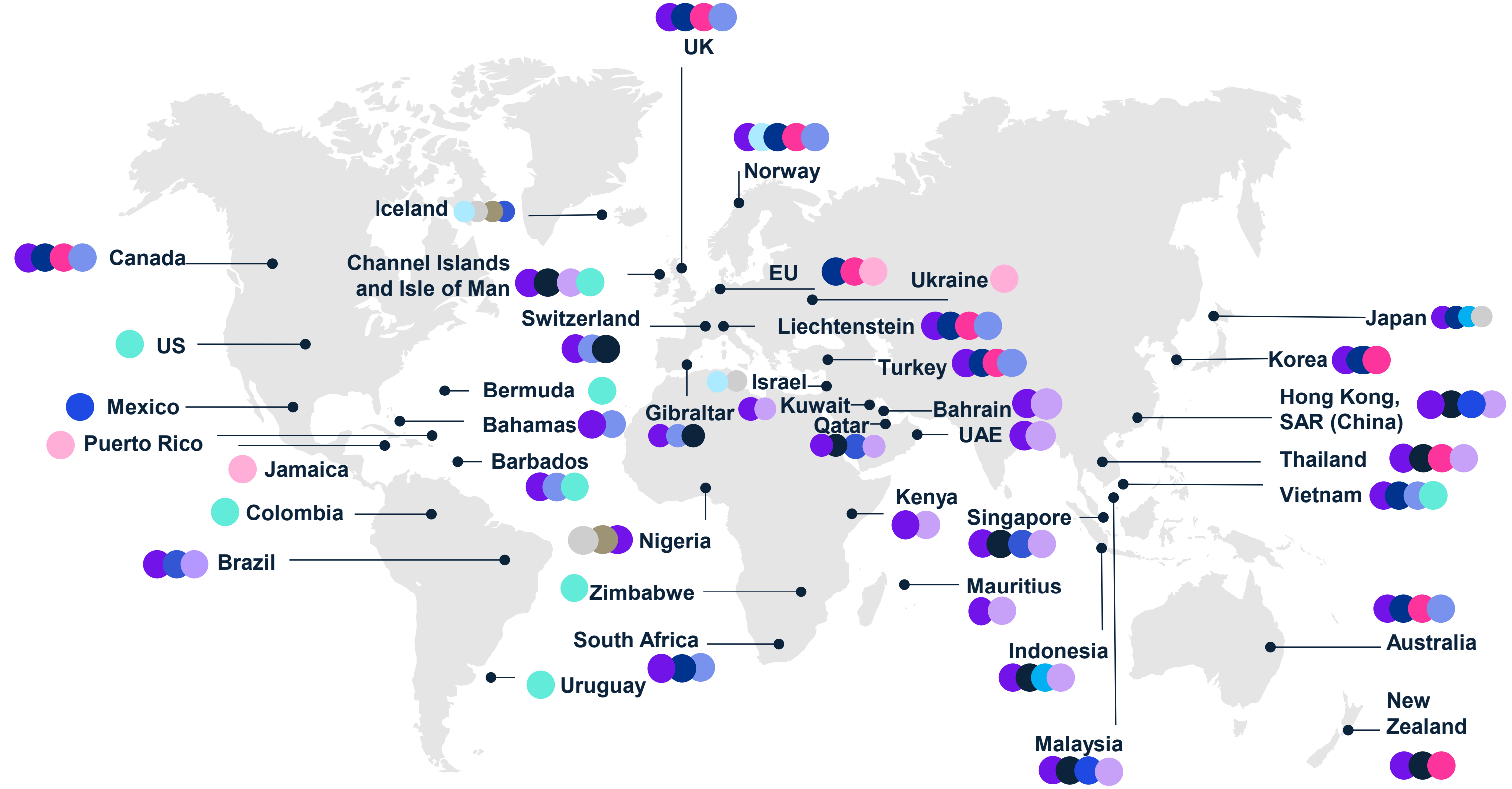
Jan 1, 2025
Application start date of UTPR in majority of countries

January 2025
Release of fifth batch of AG
Release of transitional peer review results
Release of updated GIR, MCAA, and XML schema

2026

2025 / 2026
Deadline for filing local tax returns and GIR

Pillar 2 - Global overview



Legend

- Legislation passed/approved
- Legislative process ongoing
- DMTT (2024)
- DMTT (2025)
- DMTT (2026)
- IIR (2024)
- IIR (2025)
- IIR (2026)
- UTPR (2025)
- UTPR (2026)
- Intention/option to apply DMTT (timing uncertain)
- Intention to apply IIR/UTPR (timing uncertain or deferred)
- Other related legislation/announcement

GloBE compliance in Belgium

20 December 2024

Prepayment deadline for DMTT and IIR

31 December 2024

UTPR becomes effective

Quarterly

FY 2025 & following

Quarterly prepayments for DMTT and IIR

[POSTPONED]

~~**30 November 2025**~~

~~**FY 2024**~~

~~Filing deadline for DMTT return~~

30 June 2026

FY 2024

Filing deadline for GIR / GIR light & DMTT return

30 November 2026

FY 2025

Filing deadline for DMTT return

31 March 2027

FY 2025

Filing deadline for GIR / GIR light

Pillar 2: latest developments

G7 Statement, June 2025 → Work to deliver a side-by-side system / material simplifications to Pillar 2

5 January 2026 → New OECD administrative guidance "Side-by-Side Package" which includes most notably:

- Extension of the Transitional CbCR Safe Harbour for one year (to include FY 2027)
- Simplified ETR Safe Harbour
- Side-by-Side System (key impact: no IIR/UTPR where UPE is located in jurisdiction with regime similar to Pillar 2 → for example GILTI US)

03

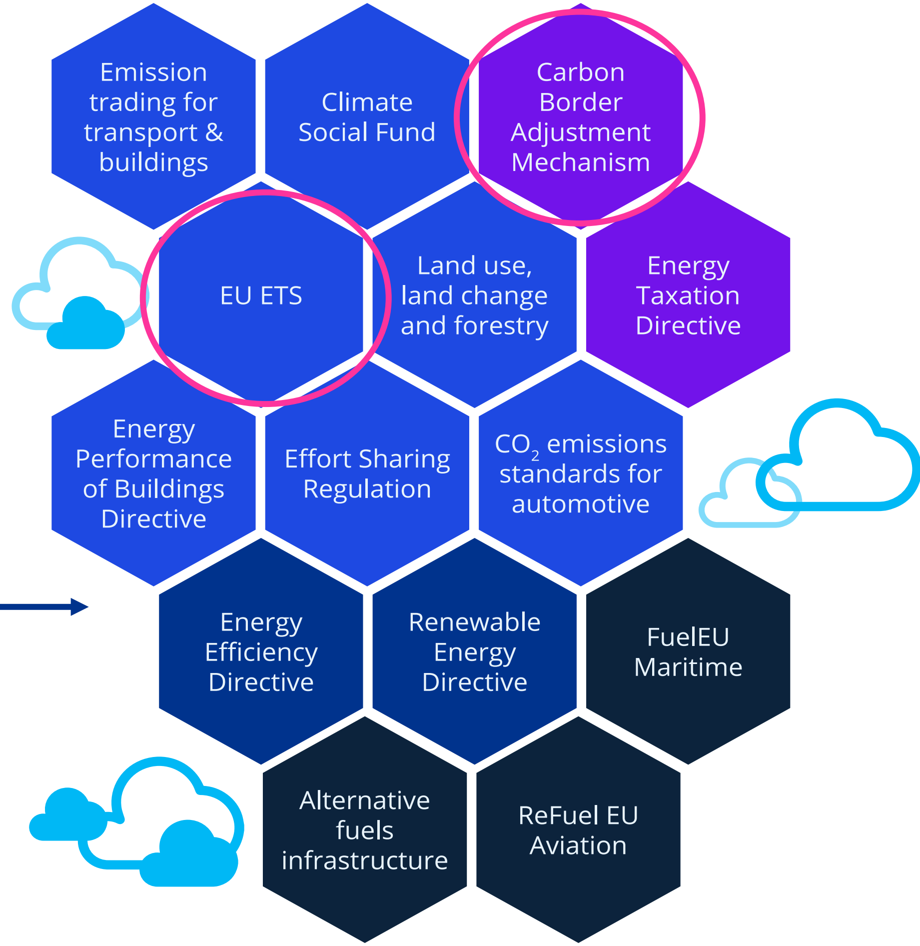
EU Green Deal - related topics update

The European Green Deal & Fit for 55

General action plan to fight climate change.

Preparatory path to meet the targets of the EGD.

Fit for 55 Package



Milestone target: Reduce greenhouse gas emissions by **55% by 2030.**

EU Insights: Tax components of the European Green Deal

Plastic Tax
- Revenue collection based on **non-recycled plastic consumption**

Up to Each Member State whether or not to introduce own plastics tax

Fit for 55
Package components

Energy Taxation Directive (ETD)
- Tiered rates based on sustainability of fuels
- **Change from unitary to EUR/GJ**
- Removal/phasing out of exemptions

Increased transport costs incentive to transition to more sustainable motor fuels

Carbon Border Adjustment Mechanism (CBAM)
- **Shadow ETS** mirroring phase out of free permits
- **Limited sectors**: Aluminum, iron and steel, cement, fertilizer, hydrogen and electricity plus the potential to expand

Increased costs for importing certain goods/ Prevent carbon leakage

New Emissions Trading Scheme (ETS 2)
- New separate ETS for **road transport and buildings** based on fuel consumption / 2027

New carbon price that will more directly impact consumers

Existing Emission Trading System (ETS 1)
- Accelerated emission reduction by **lower cap** and **free allowance reduction**
- **Inclusion of shipping**

Increased cost / incentive to reduce emissions

EU Emissions Trading System (ETS2)

The EU ETS started in 2005 by putting a carbon price on stationary installations (power plants, steel, cement, etc.) for their annual direct emissions. This scope has been expanded to fuels combusted in aviation and maritime transport.

The Commission wanted to further expand the EU ETS to the other large fuel consuming sectors.

Products - energy taxation directive

- (un)Leaded petrol, gas oil, kerosene, LPG, natural gas, heavy fuel oil, coal and coke;
- Any other product intended for use, offered for sale or used as motor fuel or heating fuel

From downstream (ETS1 – entities combusting fuel) to upstream (ETS2 – entities releasing the fuel for consumption).

Actors - excise directive

- Authorised warehousekeeper
- Distributor natural gas
- Coal supplier
- None of the above: any other person

2025:

- Authorization
- Monitoring & reporting

2027:

- Financial impact
- Probably postponed till 2028

Activities

- Shipping
- Road transport use
- Heating of buildings
- Additional sectors (energy and manufacturing industry not covered by ETS1)

IPCC CRF codes

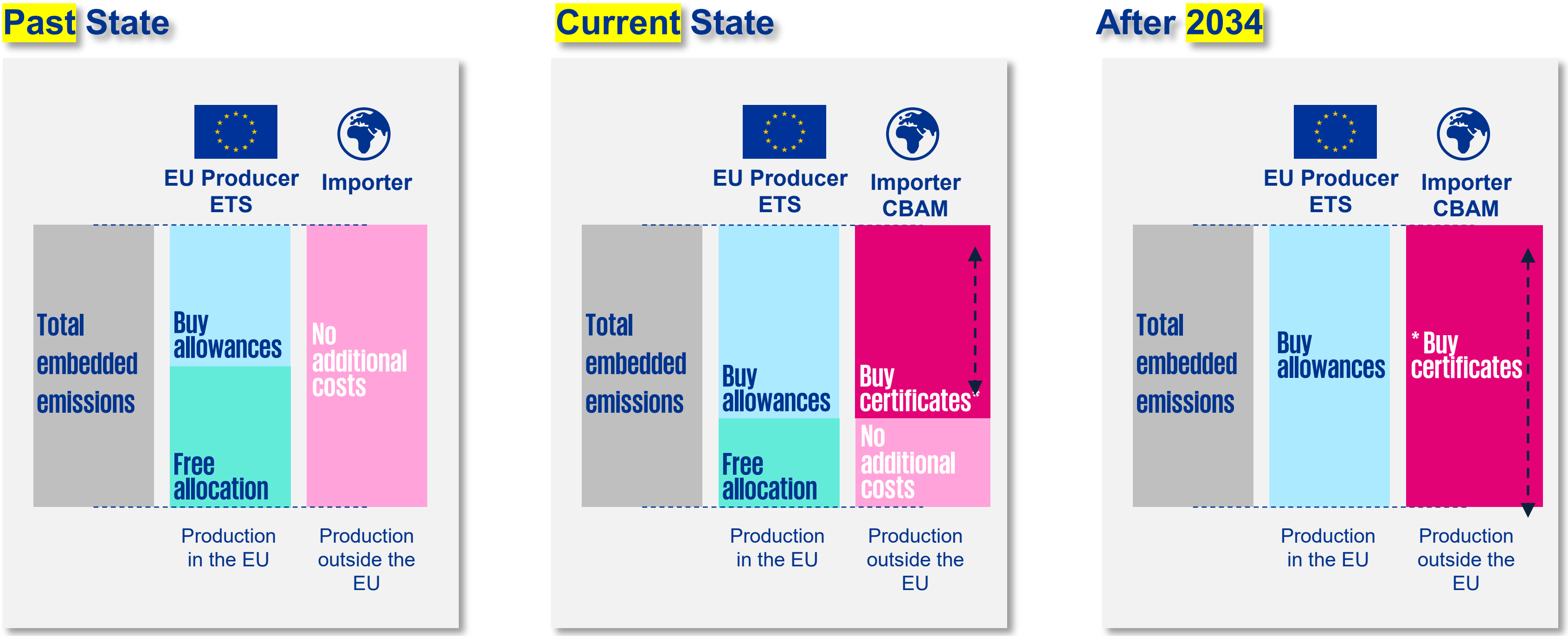
CBAM overview

Climate neutrality

CBAM is designed to function in parallel with the EU ETS which encourages high-emission industries in the EU to reduce emissions.

CBAM aim

- Counteract the risk of carbon leakage arising from the removal of the free ETS allowances.
- Encourage other countries to establish carbon pricing policies.



* adjusted for any mandatory carbon prices effectively paid in the exporting country

CBAM initial scope

Electricity | Iron & steel | Cement | Fertilisers | Aluminium | Hydrogen

- Direct emissions
- Indirect emissions included under certain conditions
- Certain precursors

Cement (covered goods by CN code)

2507 00 80 *– Kaolin and other kaolinic clays, calcined*
2523 10 00 *– Cement clinkers*
2523 21 00 *– White Portland cement, whether or not artificially coloured*
2523 29 00 *– Other Portland cement*
2523 30 00 *– Aluminous cement*
2523 90 00 *– Other hydraulic cements*

Preparing for implementation

Dec 2022 — CBAM political agreement reached in trilogue

Apr 2023 — Formal adoption & final text published

June / July 2023 — Draft implementing acts to be published

1 Oct 2023 — Enter in force of transitional period:
- Quarterly reporting
- Measurement of emissions

1 Jan 2025 — Changes to reporting and update to CBAM registry

2024/2025 — New impact assessment

1 Jan 2026 — End of transitional period:
- Registration of authorised declarants
- Financial obligations
- Yearly CBAM declarations
- Reporting and verification of emissions
- Report on the expansion of scope of covered products (50% of all ETS sectors)

2034 — CBAM covers all the sectors covered by ETS (100%)

Preparation period
- Before 1 October 2023
- Review the scope and determine the impact of CBAM
- Check data availability (Understand the geographical composition of embedded emissions)

Transitional period
- 1 Oct 2023 – 31 Dec 2025
- Reporting without paying
- CBAM report quarterly: Embedded emissions and carbon price paid in country of origin
- Financial impact and monitor scope

Final period
- 1 January 2026 and further
- Authorization
- Certification
- Calculation & Verification
- Declaration & deduction

IFRS® Accounting Standards

Update

Finding clarity in the complexity of accounting

—

January 2026

01

IFRS - Newly effective and forthcoming requirements

December 2025

Newly effective requirements

Effective date	New standards or amendments	Resources
1 January 2025	Lack of Exchangeability – Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates*	Article

Endorsed by EFRAG (Update 18 December 2025)

Forthcoming requirements (1/2)

<table>
<tr><th>Effective date</th><th>New standards or amendments</th><th>Web article</th></tr>
<tr><td rowspan="3">1 January 2026</td><td>Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures</td><td>Financial assets with ESG-linked features
Web article
Settlement of financial liabilities by electronic payments
Web article</td></tr>
<tr><td>Annual Improvements to IFRS Accounting Standards – Amendments to:
▪ IFRS 1 First-time Adoption of International Financial Reporting Standards;
▪ IFRS 7 Financial Instruments: Disclosures and it’s accompanying Guidance on implementing IFRS 7;
▪ IFRS 9 Financial Instruments;
▪ IFRS 10 Consolidated Financial Statements; and
▪ IAS 7 Statement of Cash flows</td><td>Web article</td></tr>
<tr><td>Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7</td><td>Web article</td></tr>
</table>

Endorsed by EFRAG (Update 18 December 2025)

Forthcoming requirements (2/2)

Effective date	New standards or amendments	Web article
1 January 2027	IFRS 18 *Presentation and Disclosure in Financial Statements*	Web article, First impressions, talk book
	IFRS 19 *Subsidiaries without Public Accountability: Disclosures (incl. catch-up amendments)*	Web article
	Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates*: Translation to a Hyperinflationary Presentation Currency	Web article

Not yet endorsed by EFRAG (Update 18 December 2025)

Hyperinflationary economies – Changes in status compared to December 2024

Economies that became hyperinflationary in 2025

- Burundi

Economies that ceased to be hyperinflationary in 2025

- Ethiopia
- Ghana
- Lao PDR
- Suriname

Economies for which the analysis could not be completed in 2025

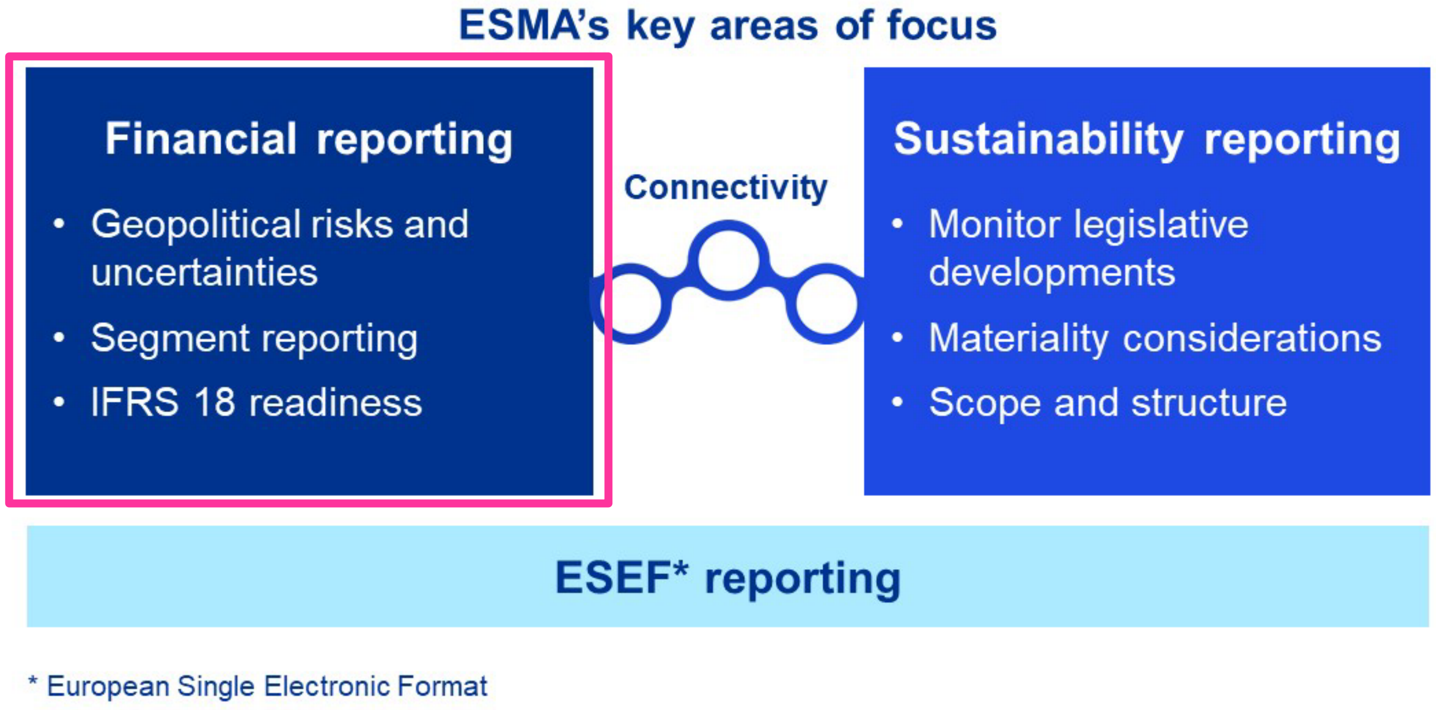
- Myanmar

02

ESMA Enforcement Priorities 2025

Priorities of the ESMA

Extract ESMA Enforcement priorities:



[Regulator's enforcement priorities for 2025]() + [ESMA publication]()

Priority 1 – Geopolitical risks and uncertainties

Current key sources of uncertainty

Geopolitical tensions and
rapid changes in worldwide economic policies

Import tariffs

War in Ukraine

Escalating tensions in the Middle East

Priority 1 – Geopolitical risks and uncertainties – What are the potential financial reporting implications?

Direct financial reporting implications (non-exhaustive):

- Asset impairments and write-downs
- Revenue recognition
- Recoverability of deferred tax assets
- Provisions
- Liquidity risk
- Assumptions used in valuation models (e.g., expected credit-losses and fair value measurement)
- Debt covenants
- Going concern
- Sensitivity analysis

Avoid generic references to 'geopolitical uncertainties' – instead, you should be specific

Apply judgement and consider *all* facts and circumstances and determine whether additional disclosures (beyond those explicitly required by IFRS) are necessary to enable users to understand the effect (*or lack of effect*) on the financial position, cashflows and/or financial performance

Priority 1 – Geopolitical risks and uncertainties

Current key sources of uncertainty

Geopolitical tensions and
rapid changes in worldwide economic policies

Import tariffs

War in Ukraine

Escalating tensions in the Middle East

Results in

Market volatility, disrupted supply chain, shifting customer demands, rising costs and inflationary pressures

Response

Standard setting
New illustrative examples

ISG
New guidance & updated FRUT hub

Companies
Connected and clear story

Additional guidance:

IFRS Practice Statement 1 Management Commentary

(revised in July ’25)

Import tariffs – Think broadly and tell a clear story

To tell a clear story, explain …

- How the company is impacted
- How the entity plans to address the challenges
- What assumptions, judgements and estimates have been made at the reporting date
- What the key areas of uncertainty are

Impact on the company

Determine if there is a:

- Direct impact – e.g., will the production costs increase, or revenues decrease?
- Indirect impact – e.g., how do market uncertainty and volatility impact the entity?

Company's strategy

Consider plans to address the impact:

- Will there be potential changes to the operating, financing or investing activities?
- Have the plans been prepared, approved and communicated?

Financial reporting

For each area affected, consider:

- Which accounting standard applies?
- Does the entity need to reflect:
  - Forward-looking information?
  - The market participant's or company's perspective?
  - The market price at the reporting date?
- Does the entity consider a single or multiple scenarios in projecting future cash flows?

Priority 2 – Segment reporting

Geopolitical uncertainties and climate-related matters could cause changes in:

- Operating segments
- Applying the aggregation criteria for reportable segments
- Disaggregation disclosures provided under IFRS 15 Revenue from Contracts with Customers

General reminders on segment reporting:

- Correctly apply the aggregation criteria for reportable segment (refer to next slide)
- Disclose company-specific information
- Consider IFRS® Interpretations Committee's agenda decision *Disclosure of Revenues and Expenses for Reportable Segments* (refer to previous updates)
- Provide clear and correct entity wide disclosures (geographical areas and major customers) (even if there is only one segment) (refer to next slide)

Priority 2 – Segment reporting – Aggregation criteria

Operating segments may be aggregated into a single operating segment when the operating segments have characteristics so similar that they can be **expected to have essentially the same future prospects**.

Aggregation is permitted only if:

- it is consistent with the core principle of IFRS 8;
- the segments have similar economic characteristics; and
- the segments are similar *in each* of the following respects:
  - the nature of products and services;
  - the nature of the production processes;
  - the type or class of customer for their products and services;
  - the methods used to distribute their products or provide their services; and
  - if applicable, the nature of the regulatory environment. [IFRS 8.12]

Under IFRS 8, an entity is allowed to combine information about two or more operating se[illegible]eet the quantitative thresholds to produce a reportable segment only if the operating segments **share a m[illegible]gation criteria** listed above, **provided that the aggregation is consistent with the core principle of I[illegible]**[illegible]ents **have similar economic characteristics**. [IFRS 8.14]

ESMA expects consistency between segment information in financial statements and information in other reporting channels (press releases, analyst presentations) in terms of segmentation and measures

Priority 2 – Segment reporting – Geographical areas and major customers

ESMA statement:

ESMA emphasises the relevance of entity-wide disclosures on geographical areas and major customers required by paragraphs 33 and 34 of IFRS 8 in the current environment of trade barriers and geopolitical uncertainty. Issuers should provide information about revenues from external customers attributed to and certain non-current assets located in (i) the entity's country of domicile, (ii) all foreign countries in total and (iii) individual countries, if material. When assessing materiality, issuers should consider both quantitative and qualitative factors. For example, the fact that all (or significantly all) of the issuer's material revenues are attributed to foreign countries could be material information (in particular, if those foreign countries are subject to trade restrictions or tariffs). In addition, issuers may need to disclose how revenues have been allocated to individual countries or geographical areas (e.g., based on where the sales were originated or the location of end-customers). Finally, ESMA also notes that paragraph 34 of IFRS 8 does not provide exemptions from disclosing revenue information about major customers.

KPMG's disclosure checklist - extract:

IFRS 8.31	Entity-wide disclosures are required even if the entity has only one reportable segment. Information required by IFRS 8.32–34 is provided only if it is not provided as part of the reportable segment information required by IFRS 8.
Insights 5.2.220.20	*The information in IFRS 8.33 is provided by both the entity's country of domicile and by an individual foreign country, if material. In our view, disclosing such information by region – e.g. Europe or Asia – does not meet the requirement to disclose information by an individual foreign country, if material. Such information is disclosed by an individual foreign country – e.g. France, the Netherlands or Singapore – when material.*
IFRS 8.34	Disclose information about the extent of reliance on major customers.
IFRS 8.34	If revenues from transactions with a single external customer amount to 10 percent or more of the entity's revenues, then disclose that fact along with the total amount of revenues from each such customer and the identity of the segment(s) reporting the revenues.

Priority 3 – IFRS 18 readiness – What are the changes?

More structured income statement

- New subtotals including 'operating profit'
- Income and expenses classified into three categories – operating, investing, financing
- Main business activities drive the classification of income and expenses

Disclosed and audited MPMs

- MPMs* are now disclosed in the financial statements and subject to audit
- MPMs capture some but not all 'non-GAAP' measures
- New disclosures may involve additional effort

* Management performance measures

Greater disaggregation of information

- New disclosures for items labelled as 'other'
- Enhanced guidance on how to group information within the financial statements
- Remains a judgement area

Will not impact recognition and measurement (net profit unchanged)

IFRS 18 – Impact and timelines

- EU endorsement status (December 2025):

	Draft endorsement advice	Endorsement advice	ARC Vote	Expected endorsement	IASB Effective date	Endorsement expected before effective date
IFRS standards and interpretations						
IFRS 18 *Presentation and Disclosure in Financial Statements* (issued on 9 April 2024)	15/11/2024 ✓	05/05/2025 ✓	15/09/2025 ✓	1Q 2026	01/01/2027	▲
IFRS 19 *Subsidiaries without Public Accountability: Disclosures* (issued on 9 May 2024)	23/05/2025 ✓	25/09/2025 ✓			01/01/2027	
Amendments						
Amendments to IFRS 19 *Subsidiaries without public accountability: Disclosures* (issued on 21 August 2025)	29/09/2025 ✓	**18/12/2025** ✓			01/01/2027	
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency (issued on 13 November 2025)	**18/12/2025** ✓				01/01/2027	▲

- IFRS 18 is to be applied **retrospectively** in accordance with IAS 8 *Basis of Preparation of Financial statements* (IFRS 18.C2)
- First year of application will require **disclosure of specific reconciliations** (both in **annual and interim financial statements**) (IFRS 18.C3)

IFRS 18 – Anything to do this year?

You should have started with assessing the impact of the new standard:

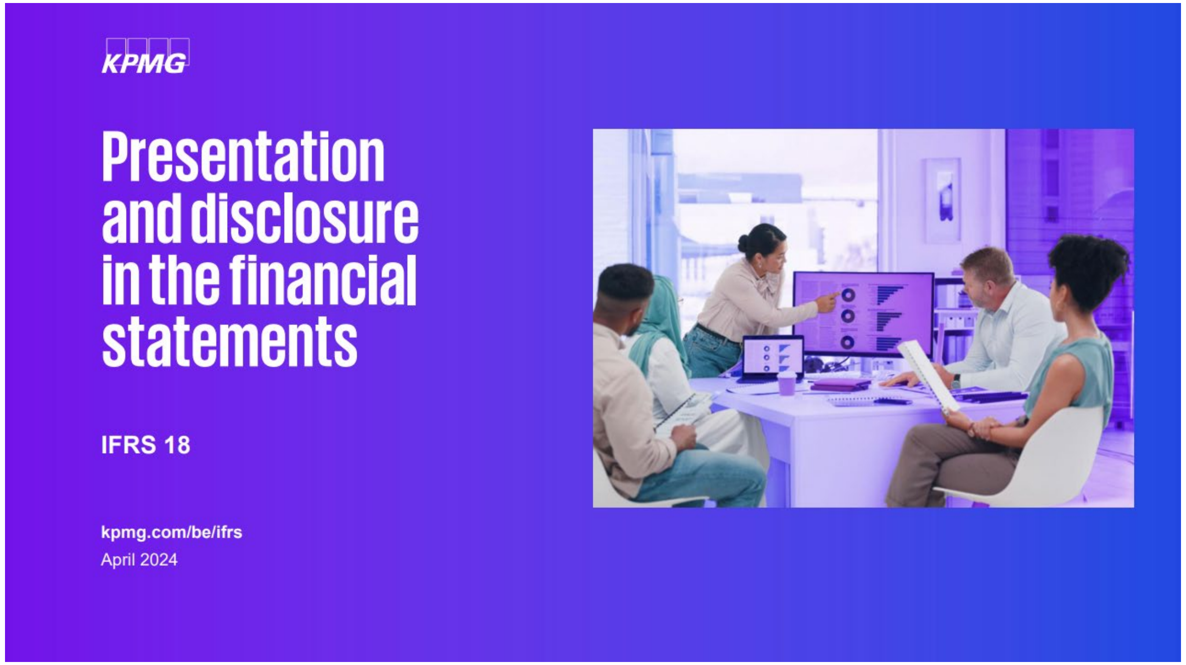
*ESMA urges issuers to start assessing the **impact of IFRS 18[53] on financial statements, reporting systems and communications**. Focus areas include aggregation/disaggregation principles, management-defined performance measures and the presentation of financial performance. To support early familiarisation and testing, ESMA has included the IFRS 18 taxonomy update in the draft 2025 RTS on ESEF[54] submitted to the EC. However, this update can only be used to mark-up annual financial reports after EU endorsement and official RTS on ESEF publication.*

Disclosure requirements in 2025 FS in relation of not yet effective IFRSs:

	IFRSs not yet effective
IAS 8.30	When the entity has not applied a new IFRS that has been issued, but is not yet effective, disclose:
IAS 8.30(a)	a. that fact; and
IAS 8.30(b)	b. known or reasonably estimable information relevant to assessing the possible impact that the application of the new IFRS will have on the entity's financial statements in the period of initial application.

IAS 8.31	Consider disclosing:
IAS 8.31(a)	a. the title of the new IFRS;
IAS 8.31(b)	b. the nature of the impending change or changes in accounting policy;
IAS 8.31(c)	c. the date by which application of the IFRS is required;
IAS 8.31(d)	d. the date at which the entity plans to adopt the IFRS initially; and
IAS 8.31(e)	e. either:
IAS 8.31(e)(i)	i. a discussion of the impact that initial application of the IFRS is expected to have on the entity's financial statements; or
IAS 8.31(e)(ii)	ii. if that impact is not known or reasonably estimable, a statement to that effect.

IFRS 18 – Resources available



[First impressions guide]

[Talk book]

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Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

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Law

Regulatory update

Emmanuel Leroux
January 2026

Programme

01 NIS2

02 Pay transparency directive

03 Reform of Civil Code

04 Liability for defective products

01

NIS 2 - Status

What is NIS2?

Main objectives

European directive that ensures the level of cybersecurity across the entire EU and replaces NIS1.

The entities must take appropriate and proportionate measures to mitigate cyber risks with the aim of preventing cyberattacks and, in the event of an attack, limited the disruption of activities.

Legislation

- Law of 26 April 2024
- Royal decree 9 June 2024

Entry into force

18 March 2025

Deadline for the registration

Exception:

18 December 2024

18 October 2024

Entry into force of the Belgian transposition legislation

18 April 2026

Conformity assessment of essential entities

Exception:

18 April 2027

Scope

Two categories:

Essential entities	Important entities
1° Entities exceeding the threshold of medium-sized and providing services within highly critical sectors, such as • Energy, • Transport, • Government;	1° Entities providing services within (highly) critical sectors that are not identified as essential entities;
2° Qualified trust service providers and the top-level domain name registries;	2° Entities identified as important by the national cybersecurity authority
3° Providers of public electronic communications networks exceeding the threshold of medium-sized	
4° Public authorities	
5° Entities identified as operators of critical infrastructure within the meaning of the Law of 1 July 2011	
6° Entities providing services within (highly) critical sectors identified as essential by the national cybersecurity authority	

The obligations and supervision for an entity under NIS2 depend on the category!

Supervision: conformity assessment

Only for the essential entities. The important entities can voluntarily submit!

Supervisory framework: *ex ante* and *ex post*

01 Assessment based on reference frameworks

- Reference frameworks set out the modalities for the assessment of measures taken in the context of cybersecurity management.
- Maturity levels:
    - Essential
    - Important
    - Basic
    - Small
- Based on audit, the entity will receive certification/verification at the required level. It is possible to request an assessment at a lower level if justified by the entity.
- Assessment by entities recognized by the national cybersecurity authority (CCB) e.g. KPMG Certification BV.

02 Inspections by the CCB

- Supervision conducted in an objective manner.
- Supervision subject to the safeguards of criminal procedure law:
    - Right to be heard,
    - Search warrant , …
- Maximum once a year.

Supervision: conformity assessment

Deadline

Maturity level	To obtain	Deadline
Basic	Basic certification	18 April 2026
Important	Basic or important verification	18 April 2026
	First basic certification, then the important verification	18 April 2027
Essential	Basic or important certification	18 April 2026
	Essential certification	18 April 2027

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02

Pay Transparency

What is Pay Transparency Directive?

Main objectives

A lack of transparency about pay levels within organisations maintains a situation where gender-based pay discrimination can go undetected. The directive drives shifts in how companies communicate about pay, report on pay equity and ensure fairness across their workforce.

Legislation

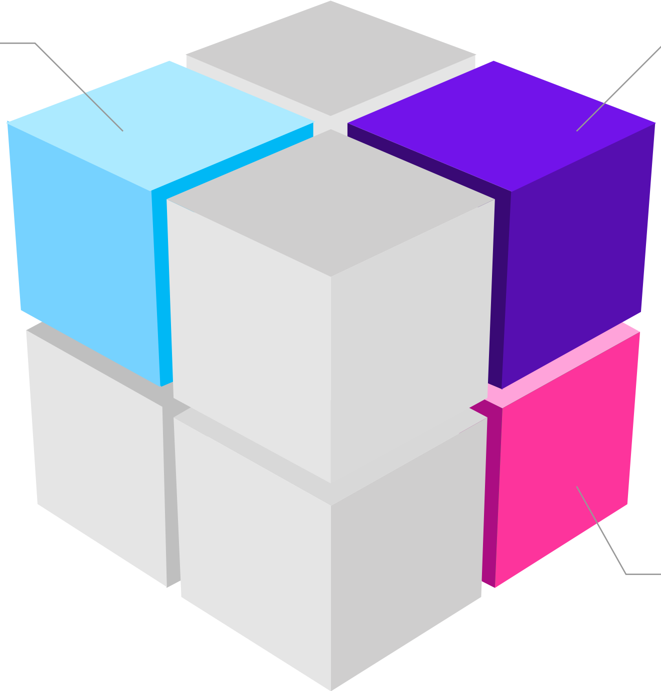
- Directive 2023/970
- Transposition into national law before 7 June 2026

Obligations

Equal pay for equal work

(i) employers must have pay structures ensuring equal pay for equal work

(ii) authorities shall provide the analytic tools to support the comparison



Transparency

- Pay transparency prior to employment
- Transparency of pay setting and pay progression policy
- Workers have the right to request and receive information on their individual pay level and the average pay levels

Reporting

Employers will provide information concerning the gender pay gap, the median gender pay gap, the proportion of female and male workers etc

Deadline:

- Employer with fewer than 100 workers: voluntary basis unless Member State requires differently
- Employer with 100-149 workers: 7 June 2031
- Employer with 150 or more workers: 7 June 2027

Directive provides minimum requirements: Member States may introduce provisions more favourable to workers!

Procedural aspects

e.g. Brussels Decree 16 May 2024: amount for moral damage is set at 1.950 - 3.900 EUR

- **Remedies**
  - Right to compensation
  - Penalities on the basis of contracutal or extra-contractual liability
  - Requiring the employer to take structural and organisational measures

- **Proof**
  - Shift of burden of proof: employer has to prove there has been no direct or indirect discrimination in case of a prima facie case of discrimination
  - The assessment of workers in a comparable situation is not limited to situations in which female and male workers work for the same employer

- **Limitation periods**
  - Start: the moment the claimant is aware or can be reasonably be expected to be aware of the infringement
  - Limitation period: no shorter than three (3) years

03

Reform of Civil Code: status update

Legislation procedure

1 January 2025

Entry into force of book 6 ‘extracontractual liability’

20 February 2025

Proposal book 7 ‘special contracts’

1 January 2026

Entry into force book 9, title 1 ‘securities’

Reform of Civil Code – some highlights

- **Book 6: abolition of the quasi-immunity of the accessories**

- **Book 9: personal security**
  - framework for all forms of personal security, including warranty and co-debtorship
  - replacing a gratious surety with a consumer surety

- **Book 7: special contracts**
  - Sale and purchase agreements
  - Lease agreements
  - Services agreements
  - …

04

Liability for defective products

What is the Product Safety Regulation?

Main objectives

To ensure that all products placed on the market are safe for consumers. The Regulation is introduced as a *lex generalis* ensuring a broad safety net where no sector-specific product legislation applies.

Directly applicable across EU since 13 December 2024

Background

The Regulation replaces the General Product Safety Directive from 2001 and provides a new EU general product safety framework to keep up with the challenges of digitalization and the increasing number of products sold online.

What is the Product Liability Directive?

Main objectives

To update and adapt the EU's liability rules for new technologies and global value chains, ensuring better protection for victims and greater legal certainty for economic operators.

Based on two main principles

(i) Each manufacturer is responsible to compensate damage caused by a defect in its product;

(ii) The victim has to prove the product's defectiveness, the damage that was caused and establish that this defectiveness was the cause of the damage.

EU Member States must transpose the Directive into national law by 9 December 2026

Product Safety vs. Product Liability

Legislation	General Product Safety Regulation (EU) n° 2023/988	Product Liability Directive (EU) n° 2024/2853
Purpose	Prevention (*ex ante*)	Liability and compensation for defective products (*ex post*)
Material scope	All products intended to be sold to consumers or likely to be used by them (via all sales channels)	All movable goods (including electricity, raw materials, etc.)
Personal scope	Economic operators, such as manufacturers, importers, and distributors	Economic operators, such as manufacturers, importers, and distributors
Key aspects and novelties	• Broad(er) definition of "products" (e.g., new, used, repaired) • Each product must be safe and compliant, traceable, identifiable and accompanied by instructions and safety information in the language where the product is marketed • Stricter role-specific obligations for each economic operator (e.g., risk assessment, technical documentation, product recalls, etc.) • Enhanced market surveillance	• Broad(er) scope (e.g., smart devices and AI systems) • Liability without fault for defective products (10 years) • A product is defective where it does not provide the safety one is entitled to expect from it or what is required by law • Broader definition of "damage": physical and psychological harm and damage to property • Legal presumptions in favor of consumer (lower burden of proof)
Potential impact	• Sanctions such as administrative fines, product bans, product recalls etc. **Non-compliance**	• Broader liability without fault for defective products and increased risk for liability claims **Presumption of defectiveness**

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Need for action

New rules significantly expand obligations and liability exposure for economic operators across the supply chain

Assess your role within the supply chain

Assess whether your company falls within the scope of the new legislation and if so, qualify your role as an economic operator within the chain to determine which new requirements and obligations apply to your company.

Conduct gap analysis and adjust internal processes where needed

Ensure your company has in place required procedures, such as for pre-market risk assessment, technical documentation, incident monitoring, complaint handling, and recall procedures.

Map commercial relationships and review commercial contracts

Introduce, where possible, contractual safeguards in contracts with other actors across the chain (e.g., integrate future expansion of liability and additional responsibilities in contracts).

Protect IP and competitive position

Strengthen NDAs, non-compete clauses and restrict reverse engineering where legally feasible.