

The Belgian special tax regimes for inbound taxpayers and inbound researchers



Belgium introduced attractive special tax regimes for inbound taxpayers and inbound researchers, offering significant benefits and decreasing the cost of employing individuals in Belgium.

Although similar, both regimes are not identical. The regime for inbound taxpayers requires a minimum annual gross salary but has no degree requirements. There is no minimum salary threshold for inbound researchers but they require a PhD or Master in STEM sciences or equivalent experience.

This leaflet provides an overview of the benefits and the conditions of both special tax regimes. KPMG's People Services will be happy to assist you in this respect.

Qualifying Employee/Employer

The employee or director must carry out a remunerated activity in Belgium and must be either:

- directly recruited abroad by:
 - a domestic company,
 - a Belgian establishment of a foreign company, or
 - a national or international non-profit association
- seconded by a foreign company that is part of a multinational group to:
 - one or more domestic companies, or
 - one or more Belgian establishments of a foreign company, which is a part of the same multinational group, or
 - a national or international non-profit association.

or

Company directors of "category 1" (director mandate and similar functions) and also certain company directors of "category 2" (individuals who perform a leading function/activity of daily management of a commercial, financial, or technical nature) can qualify for the special tax regime for inbound taxpayers but not for inbound researchers. The company director should in any case be involved in the daily management of the company.

Conditions to qualify for the special tax regime for inbound taxpayers

The taxpayer must comply with several cumulative conditions:

- For the 60 months prior to the start of employment in Belgium:
 - they have not been a Belgian resident
 - they have not been living within a distance of 150 km from the Belgian border
 - they have not been subject to tax as a non-resident for professional income in Belgium;
- They must receive a remuneration of more than EUR 75,000 (amount subject to indexation) for services rendered in Belgium per calendar year. The salary threshold is not applicable for inbound researchers; and
- They must receive approval from the tax authorities (see below on procedure to obtain special tax regime).

The EUR 75,000 threshold mentioned above is the employee's gross remuneration (including vacation pay, 13th month, benefits-in-kind, etc.) before deductions for social security contributions, but excluding severance pay, compensation for temporary loss of remuneration,

the so-called social benefits and cost proper to the employer. The costs proper to the employer related to the special tax regime (see below) are excluded as well.

Specific rules exist with respect to the calculation of the minimum salary requirement of EUR 75,000 in partial tax years (prorated based on days of employment in Belgium).

No conditions exist regarding nationality. Belgian nationals, foreign nationals, or dual nationals are eligible.

The taxpayer will be subject to the normal residence rules unless a tax residence certificate from the home country can be provided. Taxpayers will need to report worldwide income in their annual Belgian resident income tax return.

Inbound researchers

A separate special tax regime was introduced for qualifying inbound researchers.

An inbound researcher is every employee who:

- alone or in a group, carries out research activities of a scientific, fundamental, industrial, or technical character, in a laboratory or an enterprise carrying out one or more programs for research and development during at least 80% of the working time



- holds a PhD or Master's Degree in STEM disciplines OR can demonstrate at least 10 years of relevant experience.

A minimal gross annual remuneration is not required for inbound researchers. Directors (categories 1 and 2) are excluded from the special tax regime for inbound researchers.

All other conditions are identical to those for the special tax regime for inbound taxpayers.

Benefits of the special tax regimes for inbound taxpayers and inbound researchers

Recurring expenses at the cost of the employer, which arise directly from secondment or employment of the inbound taxpayer/researcher in Belgium, can be considered tax-free. These costs proper to the employer may amount to maximum 30 percent of the gross remuneration with a cap of EUR 90,000 per year (amount subject to indexation). The payment of these costs proper to the employer are in addition to the individual's gross remuneration.

The maximum cap of EUR 90,000 for tax-free payment of recurring expenses is to be prorated in case of incomplete tax years.

Subject to certain conditions/caps, the following additional costs proper to the employer - which are directly paid by the employer or reimbursed by the employer - are also tax-free:

- costs relating to relocation to Belgium;
- costs relating to furnishing of the home in Belgium in the first 6 months after the move and with a maximum of EUR 1,500; and
- costs tied to school fees for children in Belgium.

The taxpayer must prove the reality and the amount of these expenses by means of supporting documents.

Duration of special tax regime for inbound taxpayers and inbound researchers

The special tax regime for inbound taxpayers and inbound researchers will be applicable for an initial period of five years, with the possibility of extension by three years.

The special tax regime will terminate for qualifying individuals during the five-year employment period (or during the extended three-year period, if applicable) if the employer/company conditions or, for inbound taxpayers, the minimum remuneration threshold condition of EUR 75,000 is not met.

Procedure to obtain the special tax regime for inbound taxpayers and inbound researchers

An electronic application will have to be filed by the employer within three months following the start of the individual's employment and, if applicable, within three months after the expiration of the first five years of employment.

The tax authorities will decide on the request within a period of three months from the receipt of the application. In the event of a positive decision by the authorities, the special tax regime will apply as of the start of the employment period in Belgium.

Specific rules exist in case of a change of employer within the period of employment in Belgium.

Transitional measures

Individuals who are benefiting from the old expatriate tax regime can opt-in to the new special tax regime if certain conditions are fulfilled. The application for an opt-in should be filed by 30 September 2022.



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