

## R&D INDICATORS

- Patents and other intellectual property on the balance sheet
- Development of innovative products or processes – not limited to research facilities and laboratories
- Staff with “scientific” degrees

## R&D TAX INCENTIVES

### Wage Withholding Tax Exemption

- Companies with employees that perform “R&D” can keep up to 80% of the withholding tax on these wages
- Immediate cash saving for the company while no impact for employee
- Full or part time R&D, on project base or continuously, provided employees have qualifying scientific degree
- At least for R&D projects dated before 2014, possibility of retrospective application up to 5 years
- Mandatory notification of R&D projects or programs with the Belgian Federal Science Policy department as from 1 January 2014

### Increased Investment Deduction or Tax Credit

- Deduction from the taxable basis for investments in patents and new assets related to R&D (13,5% of invested amount or 20,5% of annual depreciation - FY 2016)
- Possibility to convert the deduction in a tax credit (at 33,99%) which is cash refundable if not used during 4 subsequent tax assessment years

### Patent Income Deduction

- 80% of qualifying patent income deductible from taxable basis
- Effective tax rate of maximum 6,8% on qualifying income
- Not only for royalties but also covers remuneration for patents integrated in products and services (“embedded royalties”)

### Tax exemption R&D subsidies

- Qualifying regional R&D subsidies exempt from corporate income tax, maximizing the benefit of the grants

## CONTACTS

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