



KPMG's Tax Compass

**Trends that need to be
on your Tax Radar**

kpmg.com/be/tax



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Dear reader,

The world of tax is constantly changing. New tax regulations, a stronger focus on indirect tax, increased scrutiny on intercompany financing combined with an increased focus on tax transparency and reporting requirements, all present new challenges for corporations. This changing landscape of tax can also provide opportunities to maximize your tax benefits through business choices, like becoming more sustainable. On either side, challenges or opportunities, local and global companies alike, need quality advice to guide them through these new tax trends.

Using the most up-to-date technology, KPMG Tax Advisers can help you across the board as you tackle any challenge your business may face. Our goal is to help you stay competitive and compliant in this ever changing world.

This KPMG Tax Compass brochure will present the latest trends in tax, the challenges they could present to you, and how we can help you approach each issue. Supported by our global network, we are ready to help prepare your company for your tax future in Belgium and across borders; enhancing your compliance, maximizing your opportunities, and minimizing your risks.

KPMG Tax Advisers are here to help you navigate these newest tax trends.

Best regards,



Koen Maerevoet,
Head of Tax & Legal

Our services- KPMG Tax Advisers

Tax issues are complicated and are often the subject of great concern for many companies. KPMG Tax Advisers understand your tax needs and our tax specialists can offer you a broad range of fully integrated tax services. Our experts take a pragmatic approach to tax and focus on what, you, the client wants to achieve. We formulate individualized tax models based on the best interests of our clients.

Corporate Tax

Our Corporate Tax department can help you by providing advice and assistance for various areas of specialization: banking, insurance, leasing, real estate, and other sectors. We can also help you in complex transactions, such as dealing with the tax and legal aspects of cross-border acquisitions or global transfer pricing strategy. Our team can assist you in achieving better tax compliance and managing tax risks, while helping to control costs and raise accountability.

Our practice has accumulated expertise in providing advice on tax and legal issues facing Belgian companies and international concerns with a Belgian branch or European headquarters. Each entity has a particular tax requirement and our team of qualified advisers is ready to work with you to conform to those requirements.

Indirect Tax

Indirect tax liabilities, such as VAT and customs & excise duties change frequently and the number of indirect tax compliance visits and investigations carried out by the VAT administration is increasing. Poor indirect tax management can squeeze cash flow, allow the over or underpayment of tax and attract penalties for non-compliance. KPMG's Indirect tax team can assist you by providing advice on your obligations and work with you on your administrative requirements and contacts with the pertinent tax regulators.

Global Mobility Services

Our Global Mobility Services (GMS) practice provides advisory, compliance and administrative services, along with outstanding technology, to help companies manage an international workforce. Whether you are considering expansion or relocation to a new location, an acquisition or more streamlined processes to manage your existing workforce, our practice can support you.

Our vision

Our vision for tax management is to move away from the comforting rituals of paying taxes in a business-as-usual-manner towards a view of paying taxes based on your fair share of corporate responsibility. We work to increase the understanding of your liabilities and the advantages and consequences that could reveal themselves only with time.

How to deal with the reputational risk associated with tax matters?

The Challenge

Considering the post global financial crisis, the rise of corporate social responsibility, the increased media focus on tax matters, the internationalization of business, and the increasing use of the Internet, we end up with one burning question: 'How to deal with reputational risk associated with tax matters?' Greater transparency is a growing demand and tax directors need to start considering this as part of their overall tax planning strategy.

For many, tax is also becoming a governance and reputational issue. The traditional concept of legality being the appropriate delineation of what is acceptable and what is not, is changing. The reputational question, as vague as it may be, is coming to the forefront, as well as the debate on whether public authorities should embrace greater publication of general, corporate, and individual tax information. However, there is a clear potential for public misunderstanding and misleading comparisons when this information is provided in its raw form.

In the meantime, a large number of initiatives have taken place that will lead to international rules on transfer pricing, base erosion, profit shifting, and transparency measures. Consequently, large corporates need a strategy to explain their tax information and be prepared to respond to public scrutiny based on the released information.

KPMG Approach

At KPMG we advise our clients on the best way to respond to this increasingly complex legal and business environment. Our approach is to monitor and keep abreast of developments which will occur at local country and international forum levels not only in the short term, but also in the long term.

We plan for public discussion. A management plan needs to be set in place to ensure that senior management is aware of the potential risks of a company's tax affairs becoming a point of public discussion. Furthermore, we advise developing the narrative behind your tax numbers and being prepared to communicate this. Make sure the story is balanced, supportable, and that it deals with a proper time horizon. Be certain that decisions are made taking into account potential reputational risks, and not simply whether the tax law in various jurisdictions has been complied with. And finally, prepare for discussions with tax authorities, putting in place processes to support these discussions. The costs of early preparation tend to be significantly smaller than a path of long-term conflict and litigation.

The Benefits

Full tax disclosure will become an unconditional requirement, whether as a result of regulation or stakeholders demands. Our team of tax experts can help you successfully manage the balance between tax planning, tax transparency, and corporate reputation. Think about the reputational implications of your company being perceived as not paying its 'fair share' or engaging in questionable tax planning if this is highlighted on Facebook, Twitter, or the front page of the newspaper.



How to use flexible reward plans in effective remuneration strategies?

The Challenge

Today's talent market is highly competitive. Attracting and keeping top talent is becoming more and more difficult. Employees want flexibility, but sometimes offering them flexible compensation plans can be time consuming and add heavy administrative, tax, and legal burdens.

With our KPMG Flex RewardTool offering, we help you simplify the process, reduce the burdens and extra work, and provide your employees with the ease and flexibility of choosing their own rewards. Our Flexible Reward Plan offers you a comprehensive and easy-to-use platform that makes offering a "cafeteria plan" for compensation look easy.

Why should you implement a Flexible Reward Plan?

- Attract and keep the best talent on the market by offering them the incentive of designing their own rewards package
- Gain the freedom to shape compensation packages to your employees' individual and often shifting needs
- Reduce costs with no or limited net impact for the employees
- Option to include a mobility package to encourage employees to use other mobility measures

KPMG Approach

KPMG's Reward Practice specializes in advising companies on effective remuneration strategies. Our team has not only extensive experience with compensation and benefits plans, but a deep understanding of the policies and structures behind remuneration. We bring technical knowledge, and practical expertise in all aspects of flexible reward plans; from tax, and labor law to the process and IT requirements.

The Benefits

Your benefits from using KPMG for the implementation of your Flexible Reward Plan:

- Development of an individual strategy for your company and remuneration needs
- Help with all technical aspects of assessment, planning, and implementation
- Assessment of tax, legal, and cost implications
- Work with any payroll provider that you choose
- Use of our user-friendly web-based tool with the following features:
 - **The key asset of our tool is flexibility:** We adapt our tool based on your needs.
 - **Simulation tool:** To enable your employees to individually shape their compensation and benefits package and immediately see the impact of their choice on their gross and net salary
 - **Communication tool:** Central portal to share information with employees. Communication about rewards is key and our tool can be used to enhance this communication.
 - **HR tool:** Our tool significantly decreases the administrative burden by automating processes. All data is stored in a central (exportable) database. We offer the possibility to link this database with internal or external parties. Other features are also available, such as the automatic draft of an annex to the employment contract based on the choice of the employee, and a HR access page with possibilities for HR to update basic data and access reports.
 - **The tool takes into account all tax and social security calculations** (including individual income tax, VAT and corporate income tax)

A flavor for every employee



www.cafeteriaplan.be



How to realize your online ambitions?

www.easye-commerce.be

The Challenge

Whether you do business in a B2B or B2C environment, you can no longer ignore it: an online presence is essential. What's more, not having an online presence is no longer an option if you want your business to have a healthy future.

While it may seem straight-forward to start an online store, as shown in recent studies, many web shops don't pass basic e-commerce security tests.

To be successful you need to build a simple, attractive, and reliable online store. You need to take into account a whole host of tax and legal regulations in this respect. In addition, you must not lose sight of logistical issues. After all, logistics is an extension of your service to the end customer. An online store without a professional marketing strategy behind it doesn't stand a chance in the long term. Digital marketing is therefore one of the priorities for success online. In short, developing a good online store requires the necessary know-how.

KPMG Approach

Based on our integrated method from start to finish, we can help you every step of the way on your e-commerce journey.

We start off by looking at your offline business model, what you want to achieve online and your budget. Next, we draw up a plan for you to build your online store. Here, we carefully consider the tax and legal considerations of setting up an online store. We then focus, down to the minor details, on the logistical considerations, the integration of logistics with your store, digital marketing, online payments, customer support, and more.

From the word go, you can rely on receiving personalized advice and working with a team of dedicated experts, who will help you every step of the way. We'll closely monitor your online business even after it goes live.

In an effort to spare you from having to rely on many different service providers in order to gather the necessary

expertise, KPMG has done everything in its power to guide you all the way, from start to finish. We work with the best third party suppliers to make sure you have everything you need to get through the process of opening your online store.

This approach combines our e-commerce tax and legal expertise, with our partners' expertise in e-commerce, and gives you just one partner to work with, namely us, that will coordinate everything for you. We firmly believe that this approach leads to success.

The Benefits

Whether you're working hard to build your online store or already have one and have questions (such as the legal or tax aspects of your online business), we will be happy to provide the following services to you in a customized fashion and with personal guidance.

We can help you from A to Z, guiding you through the entire process:

1. Developing strategies and building online stores
2. Content management
3. Digital marketing
4. Web fulfillment and distribution
5. Legal and tax services
6. Other advisory solutions

How to benefit from the Belgian tax opportunities for Research & Development?

The Challenge

Since the introduction of the notional interest deduction and the patent income deduction, Belgium continues to increase its attractiveness as a prime location for companies involved in research and development activities, and in the exploitation of patents. If your company has patents or other intellectual property, if it is active in the development of innovative products or processes (not limited to research facilities and laboratories), or if it has a staff with 'scientific' degrees, there is a full range of tax incentives that Belgium offers. A thorough look at these incentives can enable you to structure your R&D activities, as well as the valorization of the intellectual property resulting from R&D activities, in a tax efficient way.

KPMG Approach

KPMG's R&D Incentives Group has experience in identifying and valorizing tax savings resulting from innovation, especially if these activities occur outside traditional product development or R&D departments these opportunities are sometimes overlooked. We assist organizations in accessing R&D and innovation tax benefits they are eligible to receive.

We help you to :

- Identify and access R&D tax incentives keeping, while keeping abreast of international evolutions
- Evaluate R&D projects for tax efficient outcomes and quantify potential savings
- Develop supporting documentation required for tax and regulatory purposes, including transfer pricing
- Provide access to our global network of R&D tax incentive specialists



The Benefits

Scientific personnel for R&D

Employing scientific personnel offers interesting tax deduction opportunities. For example, companies with employees that perform research and development activities can keep up to 80% of the withholding tax on their wages. This results in an immediate cash savings for the company, without any impact for the employee.



Investments in patents and new assets

R&D related investments in patents and new assets related to R&D can lead to an increased investment deduction or tax credit, e.g. 13,5% of the invested amount or 20,5% of the annual depreciation (fiscal year 2016). It is also possible to convert the deduction into a tax credit (at 33,99%), which is cash refundable if not used during the four subsequent tax assessment years.



Tax deduction for patent income

80% of qualifying patent income is deductible from the taxable basis. This not only for royalties, but also for income from patents integrated in products and services ('embedded royalties'). This can result in an effective tax rate of 6,8% or less on qualifying income.



Modified Nexus Approach

Following the OECD BEPS discussions (especially on Action 5) and the agreement at the European Code of Conduct Group regarding patent box regimes, the Belgian legislator is committed to bring the regime in line with the newly accepted international standard. At the same time, further improvements to the regime within this standard may be anticipated. The modified regime should be applicable as of mid-2016 and will provide a grandfathering period for existing IP benefiting from the PID. More information on the exact changes and transitional measures are expected late 2015.

How to lift your tax (compliance) function to the next level?

The Challenge

Globalization, ever-changing tax laws and accounting standards, increasing reporting and compliance requirements from the tax authorities, and the digitalization of the tax environment, all announce the start of a new era for tax departments of global companies.

Against this background the direct and indirect tax responsible is evolving from a tax technical expert to a management role being faced with new challenges:

- Avoid data from different sources piling up without any coordination
- Assure data is qualitative and compatible with your ERP systems
- Move from paper filings to digitized ones
- Develop effective tax processes combining human resources and tools
- Identify, resolve and monitor compliance risk areas
- Develop an appropriate organizational model for the tax function

All too often, tax responsables are struggling to find time and resources to tackle these new issues in combination with their traditional roles and responsibilities.

KPMG Approach

KPMG Belgium offers a unique multidisciplinary approach to the above challenges. Our dedicated Tax Management & Compliance Services (TMCS) team includes specialists with experience in the following areas:

- Tax process efficiency: design, set up, and improvement of tax processes that meet risk and control requirements
- Tax function effectiveness: support clients to build up and improve their tax function
- Direct and indirect tax compliance outsourcing on a local and global scale

- Tax /VAT Enterprise Resource Planning services
- Tax technology: return automation, tax reporting solutions, paperless tax office ...

Our team can help you through your local and global requirements, avoiding any pitfalls through the usage of our tax tools and multidisciplinary experience. In the digital age, having the right approach, team, and tools for the job can make the difference.

The Benefits

We can provide your enterprise with excellent local and global Corporate Tax and VAT compliance services, or coordinate your compliance on a group level. Our extensive ERP experience even allows us to enhance the performance of your ERP system.

Our multidisciplinary team of specialists can help you to organize, manage, and evaluate your existing compliance processes, and recommend optimization to increase productivity. KPMG also offers a large number of tax tools which can be tailored to automate the preparation, filing of multiple type returns, and respond to tax technology requirements imposed by the tax and VAT authorities.

We can assist your tax function to reach the next maturity level, realizing time and cost efficiencies, while greatly improving quality and risk controls!



How to benefit from the Belgian Tax Shelter through investment in audiovisual work and films?

The Challenge

More than a decade ago, the Belgian government introduced a special tax regime in order to encourage the production of Belgian audiovisual work and films. The regime, commonly referred to as the Belgian 'tax shelter' gives a tax exemption to companies or permanent establishments investing in the production of a Belgian audiovisual work. Over 450 million has already been invested in the Belgian audiovisual industry via the tax shelter.

KPMG Approach

Given the complex tax and legal environment we believe that guidance in evaluating a tax shelter investment and the implementation of such an investment afterwards is paramount. KPMG can use its broad expertise with tax shelter offerings, to help you in the investment process.


The Benefits

In order to have a more transparent regime there have been important changes to the legal framework.

In respect of framework agreements concluded January 1, 2015 investors are entitled to deduct up to a maximum of 310% of their investment from their taxable basis. Hence, the investor may recover 105,37% ($310\% \times 33,99\%$) of the investment directly through a relief of its corporate income tax burden. In other words, the tax shelter gives the investor the opportunity to reduce its corporate tax liability, resulting in significant tax savings and cash flow advantages. Contrary to the regime which was in place before January 1, 2015, the investor will no longer benefit from the earnings of the production, but will be entitled to receive an interest remuneration on the total of the invested sum.

The tax shelter can function as a cash planning tool since a tax benefit becomes available as of the moment the investment agreement is concluded (notwithstanding that the invested sum has to be paid within three months). Furthermore, it offers the opportunity to make a solid return on investment. In practice an IRR between 5% and 10% is offered. Finally it can be used as a marketing tool, taking into account that investors are commonly on the closing titles of the related audiovisual productions.





How to get ready for Base Erosion and Profit Shifting?

The Challenge

In October 2015, the Organization for Economic Co-operation and Development (OECD) released its 14 final reports in relation to the 15 Base Erosion and Profit Shifting (BEPS) action points tackled in the 2013 BEPS action plan. European governments have all expressed their commitment to end BEPS and are eager to help shape and refine the plan. Now that the final reports have been issued, governments are making changes to their tax codes in order to be aligned with the new recommendations and regulations.

Equally concerned with BEPS, the European Commission also issued a draft BEPS Directive on January 28, 2016, hereby laying down rules against tax avoidance practices that directly affect the functioning of the internal market. The proposed Directive includes far-reaching elements related to a range of topics including deductibility of interests, exit taxation, use of switch-over clauses, general anti-abuse rules, CFC rules, a framework to tackle hybrid mismatches, mandatory exchange of information regarding Country-by-Country reporting, treaty abuse provisions and permanent establishment definitions.

Never before multinational enterprises have been confronted with such a massive amount of changes on such a short period of time. From greater requirements for transparency and more stringent transfer pricing policies, to justifying substance, the impacts is tremendous for every country and every multinational company.

Given the fact that some countries are forging ahead at full speed, while others are taking a more cautious approach, what should a multinational corporation do now? How can it maintain tax efficiency without running afoul of tax authorities in this new reality?

KPMG Approach

KPMG can help Tax Directors prepare for a future that is sure to be very different from the present. Therefore, KPMG supports companies in assessing the impact of the BEPS Reports issued by the OECD and the draft BEPS Directive of the European Commission, and in taking steps to make improvements. This includes reviewing the existing tax transactions and structures to identify potential weaknesses, e.g.:

- Movement of functions, assets, and personnel within the group;
- Assessing the impact of the exchange of information and rulings;
- Development of supporting legal, tax, and transfer pricing documentation;
- Preparation of internal controls and working guidelines to mitigate tax risks.

Companies should also prepare to safeguard their reputations and reply to questions, not only from auditors, but also from regulators, investors, media, and the general public. And last but not least, KPMG proposes developing and maintaining sound relationships with the tax authorities.

The Benefits

With adequate preparation multinational corporations will be able to adapt to the new tax landscape, without suffering unwarranted disruptions in business operations or incurring excessive tax costs during the transition, whilst preserving their reputation.

How to benefit from the Mini One Stop Shop?

The Challenge

As from January 1, 2015, the sale of all telecommunication, broadcasting, and electronic services (e.g. mobile telephone services, radio and television broadcasts, hosting of websites, online subscriptions to newspapers, downloads of music, movies, books, games) is considered to be made in the country where the customer is established. Therefore, the VAT rate of the customer's country of establishment is applicable and is to be paid and reported by the supplier regardless of his place of establishment.

With these new rules the taxation in the country of consumption is generalized. Therefore, the supplier needs to determine its customer's place of residence, since he will have to register, report, and pay the VAT in that country. To reduce the administrative burden of the suppliers, the field of application of the already existing Mini One Stop Shop (MOSS) has been broadened. Indeed, this mechanism was already applicable for the supply of electronic services rendered by non-EU suppliers, and as of 2015 it is also applicable to the telecommunication and broadcasting

services (rendered by EU and non-EU suppliers) as well as to electronic services rendered by EU suppliers.

This mechanism is optional and allows the suppliers to use one sole electronic portal in its country of identification (country of establishment for the EU suppliers) to report and pay the VAT in the different Member States of consumption. The supplier thus avoids having to register in each Member State in which its private customers are established. In such cases, the Member State of identification is responsible for collecting and paying the VAT due to each Member State where the service was used.

The new localization rules and the generalization of the taxation at the place of establishment of the customers undoubtedly puts an end to a certain number of cases of discrimination and complications. On the other hand, the new rules bring a few practical problems, notably that of the determining the place of establishment of the private customer.

KPMG Approach

KPMG can support your company by analyzing the impact of these new VAT rules on your business activities and in identifying possible changes that you may need to implement to be compliant. We can also help you identify additional compliance responsibilities that will be created as a result of the new rules. Additionally, we can provide assistance in the MOSS-registration procedure (e.g. determination of your country of identification) and help you adhere to your compliance obligations (e.g. Mini One Stop Shop return, payment).

The Benefits

Registration for the MOSS helps suppliers avoid registering in each Member State of consumption. The compliance obligations will therefore be reduced. It is also important to comply with the new localization rules in order to avoid any fines and late payment interests in the different Member States of consumption.

How to successfully manage your Merger and Acquisition activities?



The Challenge

Successful growth can be created by internal development, but a corporate development strategy may also require a merger or acquisition, a partnership or joint-venture, or even a divestment. In all these scenarios, tax can play an important role and create or destroy value. It is therefore necessary to address the tax aspects of any M&A transaction in a timely and appropriate manner.

KPMG Approach

Typical buy-side M&A tax support includes:

- Tax due diligence
- Modeling of the target business' future tax position
- Assistance with tax matters in the share/asset purchase agreement
- The structuring of the transaction and post-acquisition integration
- Our focus in each of these areas is on value protection and value creation.

During our tax due diligence exercise we identify historical exposures and help you understand the tax profile of the target group. We consider what drives the future tax position

of the business, and explore opportunities to improve the tax position, so that you can adequately reflect this in your valuation. Next, we assist you in finding adequate (financial) protection in the share or asset purchase agreement to avoid unpleasant surprises after completion. We suggest approaches and ideas to avoid the common and hidden pitfalls in these agreements and help you find the right commercial balance. Furthermore, we consider the options for optimizing the funding of the transaction, assist you with enhancing the capacity for servicing external debt, and consider the options to match interest expenses with operational cash-flows. We can also support you in managing withholding taxes on payments such as dividends and interest in order to mitigate any unnecessary leakages.

For buy-out transactions, we help you consider the options for aligning the interests of management and the financial sponsor in a sustainable and tax-efficient manner, and we address the key tax considerations for an exit.

Integrating the acquired business in view of maximizing synergies may present fiscal challenges as well as opportunities. We will assist you with integrating the acquired business with minimal fiscal obstacles, and help you find opportunities to increase the tax-efficiency of your integrated group.

When assisting you as a vendor in an M&A transaction, we focus on giving potential investors and their advisers insight into the tax position of the business to be divested in view of maximizing the value for the vendor. We bring our technical and deal experience to the table, and we help you to manage and mitigate any historical tax exposures where needed.

Finally, business optimizations may also impose internal reorganization transactions such as a merger or demerger. The technical tax rules are often complex and require careful attention. We can help you to manage both the pitfalls and opportunities of such internal reorganization.

The Benefits

Our broad experience with deals and focus on value can help you secure the maximum benefits from your M&A transaction. Having worked on many M&A transactions, we understand the mechanics of acquisitions and disposals in a competitive environment so that we can help you maximize the efficiency of your M&A process. Closely integrated in KPMG's global M&A network, we are not restricted by local knowledge or national borders, and we can help you to address both local as well as cross-border fiscal challenges and opportunities in the area of M&A.



How to help family businesses grow and succeed?

The Challenge

Family businesses are unique. The family dynamics can play a significant role in decision making, and offers both opportunities and challenges. The growth and sustainability of a family business lies in the fine balance between the needs of the business and the expectations of the family members, both active and non-active.

A family business has specific needs; running the day-to-day activities, planning for the sustainability and the future of the company, and keeping the family's presence in mind can raise many crucial questions for the owners. Does everyone in your family share the same vision? Do you have similar or other interests? The task of realizing the full potential of the business while satisfying the current and future expectations of family members can sometimes be challenging, but certainly achievable with the right approach.

KPMG Approach

To support the unique needs of family businesses, KPMG has a dedicated team of specialists who offer relevant information and advice to family-owned companies, their management, and shareholders. We understand that the nature of a family business is inherently different from a non-family business and requires an approach that considers "the family component".

Our advisers work with family businesses in the areas of Succession & Next Generation, (Corporate) Governance, Growth (mergers, acquisitions, ...), Expansion or Exit Strategies, and Wealth Preservation.

The Benefits

From the boardroom to the kitchen table, KPMG's family business specialists bring decades of knowledge and experience to each engagement.

Will AEO become a must under the new Union Customs Code?

The Challenge

Since 2008, European companies which are considered a reliable link in the international trade chain can apply for the status of “Authorized Economic Operator” (AEO). AEO is a quality label for global trade and triggers a “preferred partner status” vis-à-vis the Customs Authorities.

Today, the success of AEO is not always clear-cut, and we see big discrepancies between the EU Member States. For example, in Germany and the Netherlands AEO is considered a huge success, whereas the enthusiasm in Belgium and the UK is less pronounced. The reason for that is quite simple as currently the European legislator left it up to the national Customs Authorities to define and put in practice the specific benefits linked with the AEO status. In our experience, we see that a lot of Belgian companies still consider the application process to be too burdensome and the tangible advantages too limited. But this could very easily change in the near future.

As of 1 May 2016, the new Union Customs Code (‘UCC’) becomes applicable. The UCC will reshape the European customs landscape, and its phased implementation (2016-2020) will be a challenge for both economic operators and Customs Authorities alike. One thing is already sure, the European legislator has decided to take matter into his own hands and has clearly chosen to actively promote the AEO concept. AEO will play a substantial role in the new customs legislation and its benefits will be compulsory and more standardized in all Member States.

In case your organization has (or wants to obtain) customs authorizations or simplifications, but does not yet have AEO status, we would strongly suggest to assess the impact of the new customs legislation on your business setup and supply chain.

KPMG Approach

AEO certificates are not granted lightly, and companies could perceive the application process as complicated and burdensome. And indeed, if not managed correctly, an AEO application could take up many internal resources, mostly due to a lack of experience and streamlined procedures. Assistance from an external provider could help to solve this issue.

Our experienced KPMG Global Trade and Customs team can provide you with step-by-step guidance throughout the whole AEO application procedure; from the project roll-out to the moment the AEO certificate is granted. Our approach is always tailor-made and full-flex; whether you want full assistance or merely a coordination and helpdesk function, we are confident that KPMG will be able to meet your needs.

In short, our experienced team has a specific offering for every of your needs, and KPMG will guide you smoothly through the process of obtaining an AEO certificate.

The Benefits

In the near future, we expect that AEO will become even more important than it is today, and the introduction of the new Union Customs Code will definitely give a boost to the number of AEO applications in Belgium. Where for the moment companies consider AEO still only as a nice-to-have, the tangible benefits of AEO will certainly grow in the years to come.

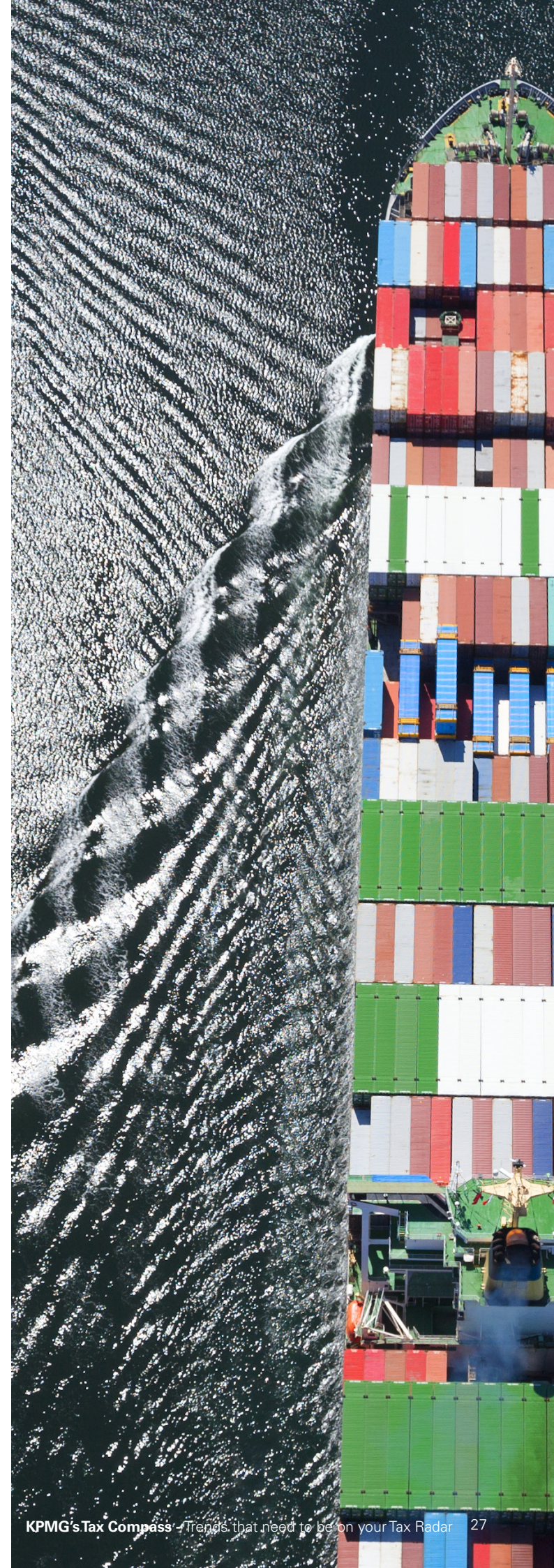
Here are some examples of tangible advantages which will only be granted to companies which are AEO certified or have duly demonstrated that they comply with (some) of the AEO conditions:

- Obtain/retain authorizations for special customs procedures (e.g. warehouse, IPR, etc.);

- Obtain/retain authorizations for using simplified customs procedures such as ‘Entry into the Declarants Records’, including a waiver to physically present your goods to Customs;
- Reduce your amount of customs guarantees;
- Be ready for the next generation of simplifications, such as ‘centralized clearance’, ‘self-assessment’, the ‘green lanes’, etc.
- Etc.

In short, for organizations that want to structure their customs setup in a professional way but do not have the AEO status, it is no longer business as usual. We believe that the Union Customs Code is the beginning of a new era, and that AEO will become a must for companies professionally involved in international trade.

If you would like more information on AEO or on the new customs legislation, please do not hesitate to contact your trusted KPMG adviser.





How to increase tax benefits by making your company more sustainable?

The Challenge

There is a growing call for sustainability; industrial companies nowadays are encouraged to invest in ecological and energy-saving technologies through a number of tax and financial incentives such as:

- Increased investment deduction
- Fading out of immovable withholding tax on industrial equipment
- Engine power tax exemptions
- Sector specific subsidizations

In light of these incentives, as well as the sector specific taxation, it is essential for industrial companies to take the right approach and follow up their investments.

KPMG Approach

In order to assist companies in optimizing these industrial incentives in the most efficient way, the KPMG network in Belgium has composed a multidisciplinary team of tax experts, asset management specialists, and engineers that understand the specific characteristics of the industrial sector and can help clients make the right boardroom decisions, on a technical, as well as a financial level.

Timely reporting of the investment/divestment of a tangible asset (with the qualifying fiscal status) to the tax authorities could result in cash savings. In order to correctly report investments and/or divestments, the information gap between technical documentation and

financial documentation needs to be bridged by means of data registration procedures. The KPMG Optimization Methodology can assist industrial companies in closing this gap.

Quick scan: Our experts will screen the company in the area of industrial incentives and make an analysis of the current situation and the actions required to fully benefit from the optimization potential.

Optimization: In addition to globally mapping the situation regarding industrial taxes, KPMG can also assist with the:

- Optimization of technical inventory and/or list of tangible fixed assets
- Regularization, negotiations with the tax administrations, preparation of protest letters, etc.
- Application for the ecology premium, increased investment deduction and sector specific subsidizations

Internal training: To prepare these companies for the KPMG Optimization Methodology, KPMG provides effective internal training and development. Using real life examples, problems, and challenges, we will make sure that every participant thoroughly understands a topic and enable them to train others.

The Benefits

Our team of tax experts can help you with the right methodology to maximize your tax and financial incentives.

How to ensure compliance before your employees check in for business travel?

The Challenge

In an increasingly global marketplace, opportunities for your business can emerge anywhere. As a company you need to be in the right place at the right time and so do your employees. Business travel is vital to your success.

As your global workforce becomes more diverse and mobile you need to keep on top of a complex and demanding regulatory environment. Now, more than ever, you need to know where your employees are, what activities they are performing, and what the implications are for the individual and the organization.

A lack of formal policies, procedures, and systems can cause companies to overlook payroll, tax, and social security obligations, leading to the creation of permanent establishments, and resulting in immigration non-compliance. Overlooking such compliance issues can have a detrimental domino effect on your organization's ability to operate effectively on a global basis and lead to financial and reputational risks and exposures. Projects and future business may be put at risk.

KPMG Approach

KPMG's Global Mobility Services (GMS) practice brings together a wealth of tax, social security, technology, immigration, and mobile administration services to help manage your global workforce easier, safer, and more efficiently. To this end, we can offer you:

- Technical and practical expertise in all aspects of global mobility, including tax and social security compliance
- A global immigration network offering a broad range of immigration services required to deal with challenges relating to short term business travelers
- Our web-based KPMG LINK Business Traveler tool for tracking business travel and providing greater visibility and control in dealing with the compliance and risk aspects associated with business travel, with minimal interruption to employees and the business

The Benefits

KPMG offers an integrated, centrally managed global compliance process. Our experienced network of professionals can work alongside you for your global mobility needs such as travel policies, payroll requirements, tax returns, certificates of coverage, audits, visas, and work permits.

Our Business Traveler tool can help transform the way your business manages global business travel. Employees can conveniently record travel and receive instant pre-travel instructions, either online or via their mobile, enabling your business to address compliance issues on a timely basis or better, avert an issue before it even arises.



Contact us

KPMG in Belgium

Brussels

Bourgetlaan -
Avenue du Bourget 40
B-1130 Brussels

Ghent

Blue Towers – ‘Schelde’
Sluisweg 2 bus 8
9000 Ghent

Liège

Clos Chanmurly 13
B-4000 Liège

Kortrijk

Beneluxpark 35
B-8500 Kortrijk

Antwerp

Prins Boudewijnlaan 24d
B-2550 Kontich

Hasselt

Herkenrodesingel 6A box 301
B-3500 Hasselt

Louvain-la-Neuve

Axis Parc
Rue Emile Francqui 11
B-1435 Mont-Saint-Guibert

KPMG Tax Advisers

T +32 2 708 38 82

E tax.be@kpmg.com

kpmg.com/be/tax

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