

GMS Flash Alert



2021-107 | April 8, 2021

Belgium – COVID-19: France, Germany Mutual Arrangements Extended

The Belgian tax authorities announced that mutual agreements with France and Germany have been extended until 30 June 2021.¹ This development follows on the heels of our earlier report ([GMS Flash Alert 2021-083](#), 15 March 2021) concerning mutual agreements with Luxembourg and The Netherlands.

These extensions have been deemed necessary as the COVID-19 pandemic continues to impact public health.¹

WHY THIS MATTERS

The COVID-19 mutual agreements Belgium concluded in 2020 with neighbouring countries France, Luxembourg, Germany, and The Netherlands aim to avoid the negative tax consequences for cross-border workers at risk of having their employment income become fully taxable in their states of residence. (For more details on the aims of the mutual agreements, see [GMS Flash Alert 2021-083](#).) Cross-border workers and their employers concerned about their tax treatment may find some relief in the extension of the application of these particular agreements.

Companies should carefully consider the situations of individuals working in more than one country or individuals that regularly worked from home or in third countries prior to the COVID-19 pandemic.

KPMG NOTE

Belgium had previously extended until 30 June 2021, its policy of disregarding situations in which cross-border workers and multi-state workers increased the amount of time they work in their home country due to COVID-19 for social security purposes. (For prior coverage, see [GMS Flash Alert 2020-480](#), 4 December 2020.)

FOOTNOTE:

1 The announcements can be found (in Dutch and French) at:

<https://eservices.minfin.fgov.be/myminfin-web/pages/fisconet/document/e3b34a78-7c83-4ecc-8cbf-17e4023a0eba> and

<https://eservices.minfin.fgov.be/myminfin-web/pages/fisconet/document/93580f10-55db-4425-9042-11d15467f858> .

These agreements had been extended several times to 31 March 2021. (For prior coverage, see the following issues of *GMS Flash Alert*: [2020-230](#) (13 May 2020), [2020-247](#) (22 May 2020) and [2020-302](#) (7 July 2020).)

* * * *

Contact us

For additional information or assistance, please contact your local GMS or People Services professional or one of the following professionals with the KPMG International member firm in Belgium:



Ferdy Foubert
Partner
Tel. + 32 2708 3817
ferdyfoubert@kpmg.com



Ilse De Mesmaeker
Senior Tax Manager
Tel. + 32 2708 3737
idemesimaeker@kpmg.com

The information contained in this newsletter was submitted by the KPMG International member firm in Belgium.

© 2021 KPMG Central Services, a Belgian Economic Interest Grouping ("ESV/GIE") and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

www.kpmg.com

kpmg.com/socialmedia



© 2021 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The KPMG name and logo are registered trademarks or trademarks of KPMG International. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

KPMG LLP is the U.S. firm of the KPMG global organization of independent professional services firms providing Audit, Tax and Advisory services. The KPMG global organization operates in 147 countries and territories and has more than 219,000 people working in member firms around the world.

Each KPMG firm is a legally distinct and separate entity and describes itself as such. KPMG International Limited is a private English company limited by guarantee. KPMG International Limited and its related entities do not provide services to clients.

Flash Alert is a GMS publication of KPMG LLP's Washington National Tax practice. To view this publication or recent prior issues online, please click here. To learn more about our GMS practice, please visit us on the Internet: click here or go to <http://www.kpmg.com>.