

 BELGIUM

BELGIUM - Civil Law (Napoleonic Code)

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Incorporating a company in Belgium

Belgium taxes

This article explains the tax laws in Belgium, you have to know about taxation for a SPRL/BVBA which is the most common company type in Belgium.

Belgium taxes corporate income, whether it is accrued onshore or offshore. The headline estimated rate for income earned abroad, from our research, but seek professional advice, is 33.99%. However Belgium does not have CFC rules and undistributed profits from subsidiaries may not be taxable. Belgium may have certain incentives to transfer in foreign earned profits. Taxes are high in Belgium because the general corporate tax rate is 33%. A 3% surcharge is imposed, resulting an effective tax rate of 33.99%. SME's may be subject to reduced progressive rates under certain conditions. Belgium ranks 161th overall in terms of corp. taxation rate internationally.

The valued added tax rate in Belgium is 21.00%, which ranks Belgium as 155th overall with regards to VAT globally. In terms of other taxation, an employer will contribute 38% to the equivalent of a social security fund and an employee will contribute 13.07%. The overall complexity of the tax system is low. This is measured by average time to comply with a country's labor tax requirements is as it is 40 hours. Contributing to this is the number of yearly labor tax payments, which is 2 in BE.

Thin capitalization restrictions are not in play, except in certain cases. This refers to any sort of restrictions on given company with respect to debt-to-asset ratios.

Dividends received from resident or foreign entities are subject to CIT. However, a 95% deduction may apply if shareholder holds at least 10% of the share capital of the payer company for an uninterrupted period of at least 1 year and payer company is subject to CIT. A dividend is payments of an earnings of the business, passed by the board, to a particular class of shareholders. Dividends can be either cash payments, shares of stock, or other property.

Capital Gains are generally subject to CIT standard rate. However, a tax deferral may be available if capital gains from the disposal of shares of other companies have been subject to tax and shares have been hold for an uninterrupted period of 1 year. Capital Gains CIT exempted are subject to a 0.412% separate tax. Shares sold within one year period are taxed at an effective rate of 25.75%. A capital gains tax is levied on the profits that a corporation or natural person realizes when he or she sells a capital asset for a price that is higher than the purchase price.

The interest withholding tax rate is estimated at 30%. Which means that the tax authorities expects companies to pay tax on at least 30% of payments abroad on interests. A 15% tax rate may apply if interests are derived from certain bonds or savings deposit accounts exceeding certain thresholds. The dividends withholding tax rate is 30%. This should be interpreted usually that the relevant tax authorities expects relevant legal entities to automatically withhold 30% of dividend payments to non-residents. The royalties withholding tax rate is 30% This means that the tax authorities expects to withhold 30% of royalty payments abroad. Certain royalties income are taxed at a 15% tax rate. Payments to residents of EU/EEA or countries which Belgium has concluded a tax treaty with, may be tax exempted or subject to a reduced tax rates. There is no known tax on wealth in Belgium. There are inheritance, transfer and real property taxes in Belgium. There are frequently implemented research and development tax relief in this country.

The above is not tax or legal advice for your particular facts and circumstances. Incorporations.io can refer you to an expert in Belgium who can answer all your questions. Click incorporate now if you are in a hurry, or press the free consultation button above.

The vat rate in Belgium is 21% which ranks 155 in the world.

✘ Patent box

✔ RND credit

✘ Wealth tax

118 Tax treaties

33.99% Offshore Tax

33.99% Corp rate

Belgium Legalese

When looking for a jurisdiction in which to incorporate, the first thing to look at is the legal code. The body of law in BELGIUM is civil law (napoleonic code) law. You will want to get some local advice as to how to best structure a company in BELGIUM. E-signatures are allowed.

The letters BE is for BELGIUM and the most common company type type in BELGIUM is a SPRL, BVBA.

You should expect a wait time of 2 Days to put together the paperwork and file a SPRL, BVBA in BE. The types of consideration you can use to fund your legal entity is most commonly EUR and Any legal tender.

Yes, one is allowed to re-domicile a SPRL, BVBA from BE. You are usually allowed to change the jurisdiction of the company, pending certain procedures.

There must be at least 1 shareholder. This makes it possible for you to own a SPRL, BVBA in BE by yourself. Corporate Shareholders are encouraged, which means you can have a corporate shareholder. Foreign ownership is permitted, up to 100% of the total equity of the company.

A legal entity is only required to have 1 director on the board. Furthermore, corporate directors are permitted. Directors should not expect to be private, as they are disclosed. There is a body of law which requires companies to hold an annual meetings of shareholders.

A registered legal firm must be retained for an address, paid by the company on an annual basis, for an agent which can receive any official legal correspondance on behalf of the business. However, a company secretary is not required in BE, which can save the company money if you can perform basic corporate governance internally.

There is a legal obligation to file accounts on a yearly basis. Consequently, there is oftentimes a requirement to have these accounts audited.

Overall we think Belgium is a good option and have given it a score of 75 as an IO score, using the Incorporations.IO proprietary formula.

- ✗ **Directors not disclosed in a public registry**
- ✗ **Shareholders not disclosed in a public registry**
- ✓ **Redomiciliation permitted**
- ✓ **Registered office required**
- ✓ **Corporate director permitted**
- ✗ **Local Secretary not required**
- ✓ **Local Director not required**
- ✓ **Electronic signature**

- 1 Shareholders required**
- 1 Directors required**
- 2 Days to form**



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Country Info



🚩 National Flag of

Königreich Belgien
(deu)

Royaume de Belgique
(fra)

Koninkrijk België (nld)

💰 Currency

EUR

☎ Area Code

+32

🏛 Capital

Brussels

📍 Region

Western Europe

🗣 Native Languages

German

French

Dutch