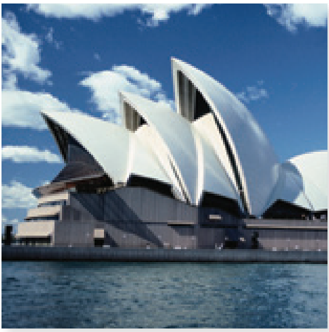
PKF



Belgium Tax Guide 2013

FOREWORD

A country's tax regime is always a key factor for any business considering moving into new markets. What is the corporate tax rate? Are there any incentives for overseas businesses? Are there double tax treaties in place? How will foreign source income be taxed?

Since 1994, the PKF network of independent member firms, administered by PKF International Limited, has produced the PKF Worldwide Tax Guide (WWTG) to provide international businesses with the answers to these key tax questions. This handy reference guide provides clients and professional practitioners with comprehensive tax and business information for over 90 countries throughout the world.

As you will appreciate, the production of the WWTG is a huge team effort and I would like to thank all tax experts within PFK member firms who gave up their time to contribute the vital information on their country's taxes that forms the heart of this publication.

I hope that the combination of the WWTG and assistance from your local PKF member firm will provide you with the advice you need to make the right decisions for your international business.

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PREFACE

The PKF Worldwide Tax Guide 2013 (WWTG) is an annual publication that provides an overview of the taxation and business regulation regimes of the world's most significant trading countries. In compiling this publication, member firms of the PKF network have based their summaries on information current on 1 January 2013, while also noting imminent changes where necessary.

On a country-by-country basis, each summary addresses the major taxes applicable to business; how taxable income is determined; sundry other related taxation and business issues; and the country's personal tax regime. The final section of each country summary sets out the Double Tax Treaty and Non-Treaty rates of tax withholding relating to the payment of dividends, interest, royalties and other related payments.

While the WWTG should not to be regarded as offering a complete explanation of the taxation issues in each country, we hope readers will use the publication as their first point of reference and then use the services of their local PKF member firm to provide specific information and advice.

In addition to the printed version of the WWTG, individual country taxation guides are available in PDF format which can be downloaded from the PKF website at www.pkf.com

PKF INTERNATIONAL LIMITED
MAY 2013

ABOUT PKF INTERNATIONAL LIMITED

PKF International Limited (PKFI) administers the PKF network of legally independent member firms. There are around 300 member firms and correspondents in 440 locations in around 125 countries providing accounting and business advisory services. PKFI member firms employ around 2,270 partners and more than 22,000 staff. PKFI is the 11th largest global accountancy network and its member firms have $2.68 billion aggregate fee income (year end June 2012). The network is a member of the Forum of Firms, an organisation dedicated to consistent and high quality standards of financial reporting and auditing practices worldwide.

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Please visit www.pkf.com for more information.

STRUCTURE OF COUNTRY DESCRIPTIONS

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FRINGE BENEFITS TAX
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DEPRECIATION
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I. TREATY AND NON-TREATY WITHHOLDING TAX RATES

INTERNATIONAL TIME ZONES

AT 12 NOON, GREENWICH MEAN TIME, THE STANDARD TIME ELSEWHERE IS:

A

Algeria	1 pm
Angola	1 pm
Argentina	9 am
Australia -	
Melbourne	10 pm
Sydney	10 pm
Adelaide	9.30 pm
Perth	8 pm
Austria	1 pm

B

Bahamas	7 am
Bahrain	3 pm
Belgium	1 pm
Belize	6 am
Bermuda	8 am
Brazil	7 am
British Virgin Islands	8 am

C

Canada -	
Toronto	7 am
Winnipeg	6 am
Calgary	5 am
Vancouver	4 am
Cayman Islands	7 am
Chile	8 am
China - Beijing	10 pm
Colombia	7 am
Cyprus	2 pm
Czech Republic	1 pm

D

Denmark	1 pm
Dominican Republic	7 am

E

Ecuador	7 am
Egypt	2 pm
El Salvador	6 am
Estonia	2 pm

F

Fiji	12 midnight
Finland	2 pm
France	1 pm

G

Gambia (The)	12 noon
Germany	1 pm
Ghana	12 noon
Greece	2 pm
Grenada	8 am
Guatemala	6 am
Guernsey	12 noon
Guyana	7 am

H

Hong Kong	8 pm
Hungary	1 pm

I

India	5.30 pm
Indonesia	7 pm
Ireland	12 noon
Isle of Man	12 noon
Israel	2 pm
Italy	1 pm

J

Jamaica	7 am
Japan	9 pm
Jordan	2 pm

K

Kenya	3 pm

L

Latvia	2 pm
Lebanon	2 pm
Luxembourg	1 pm

M

Malaysia	8 pm
Malta	1 pm
Mexico	6 am
Morocco	12 noon

N

Namibia	2 pm
Netherlands (The)	1 pm
New Zealand	12 midnight
Nigeria	1 pm
Norway	1 pm

O

Oman	4 pm

P

Panama	7 am
Papua New Guinea	10 pm
Peru	7 am
Philippines	8 pm
Poland	1 pm
Portugal	1 pm

Q

Qatar	8 am

R

Romania	2 pm

Russia -

Moscow . . . . .3 pm
St Petersburg. . . . . .3 pm

S

Singapore . . . . .7 pm
Slovak Republic . . . . .1 pm
Slovenia . . . . .1 pm
South Africa. . . . . .2 pm
Spain . . . . .1 pm
Sweden. . . . . .1 pm
Switzerland . . . . .1 pm

T

Taiwan .8 pm
Thailand . . . . .8 pm
Tunisia . . . . 12 noon
Turkey. .2 pm
Turks and Caicos Islands . . . . . . .7 am

U

Uganda .3 pm
Ukraine .2 pm
United Arab Emirates . . . . .4 pm
United Kingdom . . . .(GMT) 12 noon
United States of America -

New York City. . . . . .7 am
Washington, D.C. . . . . .7 am
Chicago. . . . . .6 am
Houston. . . . . .6 am
Denver . . . . .5 am
Los Angeles. . . . . .4 am
San Francisco . . . . .4 am

Uruguay . . . . .9 am

V

Venezuela . . . . .8 am

Z

Zimbabwe . . . . .2 pm

BELGIUM

Currency: Euro (EUR) Dial Code To: 32 Dial Code Out: 00

Please email Oliver Grosse-Brauckmann, PKF International EMEI Director at oliver.grosse-brauckmann@pkf.com for details of Finnish tax contacts.

A. TAXES PAYABLE

FEDERAL TAXES AND LEVIES

COMPANY TAX

A resident company is liable to corporation tax on its worldwide profits. A company is resident in Belgium if its registered office or centre of management is situated in Belgium. The place of incorporation is irrelevant.

The basic rate of corporation tax is 33%, increased by a 3% surcharge (33.99%).

Reduced progressive rates apply only if the following conditions are satisfied:

- the company does not distribute dividends during the year that exceed 13% of the paid-up capital at the start of the year
- the profits of the company do not exceed EUR 322,500
- the company pays an annual taxable income of at least EUR 36,000 to at least one director
- the company does not belong to a group of companies with an approved Belgian co-ordination centre
- the company is not a holding company
- the company is not 50% or more owned by one or more companies.

These reduced rates are as follows:

Band of taxable profit EUR	Rate applicable to band (%)
0 – 25,000	24.25 + 3% surcharge (24.98%)
25,001 – 90,000	31 + 3% surcharge (31.93%)
90,001 – 322,500	34.50 + 3% surcharge (35.54%)

The tax rate is the same whether profits are distributed or retained.

A non-resident company is liable to the non-residents' tax or to the various withholding taxes levied on Belgian-sourced income or to both, instead of corporation tax. If a non-resident company has a permanent establishment in Belgium, it is liable to non-residents' tax on profits attributable to the permanent establishment, plus any other business income arising in Belgium and income from Belgian real estate. Its Belgian-sourced dividends, interest and royalties, if any, will normally be subject to a final withholding tax.

The rate of non-residents' tax is 33% plus the 3% surcharge. Reduced rates apply under certain conditions.

CAPITAL GAINS TAX

Capital gains are normally treated as ordinary business income and are taxable at the normal corporation tax rates. However, there are exceptions such as gains on shares qualifying for the participation exemption.

BRANCH PROFITS TAX

There is no separate branch profits tax in Belgium. Trading profits and capital gains of the Belgian branch of a foreign company are calculated and taxed on the same basis as those of a Belgian resident company.

SALES TAX/VALUE ADDED TAX (VAT)

VAT has to be charged by registered suppliers of goods and services in Belgium unless those supplies are 'zero-rated', 'exempt' or outside the scope of VAT. In general, the rate is 21%. For certain supplies a rate of 6% or 12% is applicable.

LOCAL TAXES

Several local taxes of varying rates apply for advertising, machinery, unimproved real estate, office furniture, producing copies, and enterprises that pollute the environment. Unlike the individual income tax, there is no additional local tax as a surcharge on company income taxes.

OTHER TAXES

REGISTRATION DUTY

Certain legal transactions are subject to registration duties. Transactions that are subject to proportional duties include sales of real estate situated in Belgium. A registration duty of 12.5% (10% in the Flemish Region) applies to the price or market value of the real estate.

REAL ESTATE TAX

Owners of real estate located in Belgium pay real estate taxes on the deemed rental value of their property. The applicable rate depends on the location and use of the property.

B. DETERMINATION OF TAXABLE INCOME

The profit disclosed by a financial statement is adjusted for disallowable expenditure, exempt profits, special deductions and losses carried forward to arrive at taxable profit. The most important adjustments are described below.

INVESTMENT ALLOWANCE

Companies may claim an investment deduction amounting to a certain basic percentage of the acquisition or investment value of certain fixed assets.

For assessment year 2013, the following rates apply:

- with respect to energy-saving investments, investments in environmental research and development and patents: 15.5%
- with respect to investments in safety measures by SMEs: 22.5%
- with respect to investments contributing towards the re-utilisation of the packaging of beverages and industrial products: 3%.

If no, or insufficient, taxable profit is realised in the year in which the company made the investment, the allowable deduction can be carried forward indefinitely.

DEPRECIATION

Generally, all assets, tangible and intangible, new and used, owned by the company for the purposes of its business, and whose value diminishes with time, are depreciable. The straight-line depreciation method and the declining-balance method are equally widely used. The declining-balance rate may not exceed twice the straight-line rate. Also, for tax purposes, the declining-balance rate may not exceed 40% of the investment value.

Declining-balance rate does not apply to:

- fixed assets which are rented to third parties
- motor cars, cars for double use and mini-vans, except taxis.

Depreciation periods and rates are normally set by agreement between the taxpayer and the tax authorities. However, for some assets, rates are set by administrative instructions (e.g. commercial buildings 3%, industrial buildings 5%, machinery and equipment 10% to 33% depending on the type).

STOCK INVENTORY

Stocks should be valued at the lower of acquisition cost or year-end market value. The acceptable methods of determining acquisition cost are actual cost, FIFO, LIFO and weighted average. The Revenue administration requires that the method chosen is justified and applied consistently.

CAPITAL GAINS AND LOSSES

Capital gains are treated as ordinary business income taxable at normal corporation tax rates. However, there are a few exceptions:

- under certain conditions, rollover relief is granted for gains on fixed assets held for business purposes for more than five years
- unrealised gains are exempt provided they are credited to a specific non-distributable reserve
- realised capital gains on shares are exempt from tax if dividends on the shares qualify for the participation exemption. As a result of the new Belgian budget measures, a realised capital gain will be taxed at a rate of 25.75 % if shares are sold before a minimum holding period of one year is reached.
  From assessment year 2014 onwards, large and medium-sized enterprises realising capital gains on the disposal of shares will be subject to an additional tax at a rate

of 0.4% provided the dividends on the shares qualify for the participation exemption and are held by the company for a minimum period of one year. If the participation exemption is not met, the company is not subject to the additional 0.4% tax and will instead pay normal corporation tax on those gains at a rate of 33.99%. If the one year holding period requirement is not met, the company is not subject to the additional 0.4% tax and will instead pay normal corporation tax on those gains at a rate of 25.75%..

Capital losses are tax-deductible if they relate to fixed assets used for business purposes. Unrealised capital losses on shares (booked devaluations) are not tax-deductible.

Realised capital losses on shares are generally not deductible. Capital losses realised on the liquidation of a company are deductible up to the value of the capital actually paid-up.

DIVIDENDS

Dividends received by a company with a participation of at least 10% or an investment of at least EUR 2.5 million in the distributing company are 95% deductible from the fiscal profits of the recipient if the shares have been held for an uninterrupted period of at least one year. The remaining 5% is taxable at normal corporation tax rates as part of the overall taxable profits of the company. Where the deduction exceeds realised profits, the unused portion can be carried forward indefinitely to the extent that it relates to “qualifying dividends” (i.e. those received from companies established in the European Economic Area or, in some cases, a country with which Belgium has entered into a double tax treaty).

The 95% deduction is not available where the profits of the payer are subject to a tax regime which is substantially more advantageous than the Belgian tax regime. This will be deemed to be the case if the effective tax rate suffered by the company making the distribution is less than 15%. However, this criterion does not apply to companies established in the European Union.

INTEREST DEDUCTIONS

Interest on capital borrowed for business purposes is normally deductible. However, tax deduction will be disallowed to the extent that the interest rate exceeds the market rate (taking into account the specific circumstances of the loan). This restriction does not apply to interest paid to a Belgian bank or to another financial institution nor to interest on publicly issued bonds. Moreover, a re-qualification from interest into dividend may occur under certain conditions. A 1:1 debt-equity ratio applies to loans granted by individual directors and shareholders to the company.

Interest paid to related non-resident persons or to residents in countries with a favourable tax regime may be disallowed, as described in the section on ‘Related Party Transactions’.

The total interest paid by a company to another company, where the funds are used to make the loan benefit directly or indirectly from a special tax regime in the hands of the lender, will constitute a non-deductible expense to the extent that the total loan exceeds seven times the sum of the paid-up capital and the taxed reserves (7:1 debt-equity ratio). A general 5:1 debt-equity ratio requirement has been introduced from assessment year 2013. This will only be applicable to intra-group financing (not to loans from third parties) or where the beneficiary is located in a tax haven.

NOTIONAL INTEREST DEDUCTION (NID)

The notional interest deduction regime provides a tax deduction calculated as a percentage of the ‘qualifying’ equity of a Belgian company or branch. This ‘qualifying’ equity is multiplied by the monthly average interest rate for long-term Belgian government bonds over the calendar year prior to the year for which the deduction is claimed. The deduction is granted annually and can be used to set off operational or financial income of any kind.

For assessment year 2013, the percentage used for calculating the NID is 3.0% for large companies and 3.5% for small and medium-sized enterprises. For assessment year 2014, the percentage will be 2.742% for large companies and 3.242% for small and medium-sized enterprises.

Any amount of notional interest deduction that cannot be used in the current year is available for carry-forward for up to seven years, although any new notional interest arising from the assessment year 2013 onwards cannot be carried forward. Any excess of notional interest deduction generated before the assessment year 2013 is subject to the following limitations:

- Amounts up to EUR 1m can be carried forward with no limitations
- Only 60% of any amount carried forward in excess of EUR 1m can be used in any one year. The remaining 40% must be carried forward to the next year.

PATENT INCOME DEDUCTION (PID)

The patent income deduction regime provides a tax exemption of 80% for earned patent income. Consequently, only 20% of the patent income is taxable at the normal corporate tax rate of 33.99%.

Although some neighbouring countries also have some incentives for intellectual property, Belgium has a favourable regime because:

- Patent income relates to income from self-developed patents or additional protective certificates and patents or certificates acquired or licensed
- There is no cap on the amount of deduction that can be claimed
- A deemed deduction of profits applies for patents that are used in production
- The regime is applicable to patent income received from any related company (inter-company transaction).

LOSSES

Losses can be carried forward indefinitely. However, this rule will no longer apply if there is a change in the control of a company which cannot be justified by financial or economic reasons other than the recapture of losses.

Losses cannot be carried back.

Previous and current losses may not be set off against income from abnormal or gratuitous advantages granted by enterprises that are related to the company receiving the benefit.

FOREIGN SOURCE INCOME

There are no provisions similar to the UK's controlled foreign company rules. Foreign-sourced income and capital gains are normally subject to Belgian corporate income tax, unless exempt by treaty provisions.

INCENTIVES

There are special tax regimes for foreign sales corporations, distribution centres, co-ordination centres and service centres. There are also exemptions from real property tax and accelerated depreciation.

C. FOREIGN TAX RELIEF

For foreign dividends received by a Belgian company, a 95% exemption system is available under certain conditions. For foreign interest and royalties on which foreign tax has been levied, there is a fixed foreign tax credit. In the case of interest, however, the tax credit is variable but subject to a maximum rate (15%). The tax credit is not refundable. The 'fixed' foreign tax credit will be limited to the amount of Belgian tax related to the net foreign income. In case of royalties, the tax credit is 15/85 of the royalties net of foreign tax.

D. CORPORATE GROUPS

Belgian tax law contains no special provisions for groups of companies. A Belgian company is always treated as an independent unit. Consolidated tax returns are not allowed.

E. RELATED PARTY TRANSACTIONS

A 'recapture of profits' is imposed where two related companies enter into commercial or financial relations on non-arm's length terms.

Interest, royalties and fees paid to a non-resident holding company or recipient in a tax haven may be disallowed for tax purposes unless the transaction is genuine and not excessive. Transfers of certain assets to a non-resident company or recipient in a tax haven may be disregarded for tax purposes unless the transaction is for legitimate business purposes and consideration was received which is taxed in Belgium.

F. WITHHOLDING TAX

Belgian withholding tax on dividends is 25% or 21%. Full withholding tax exemption can be obtained for dividends paid by a Belgian resident company to a parent company resident in another EU Member State, subject to certain minimum holding requirements, in accordance with the Parent-Subsidiary Directive. Furthermore, an exemption from withholding tax is granted on dividend distributions on substantial participations held by foreign companies that reside in a country which has concluded a bilateral tax treaty with Belgium.

Interest payments are subject to a withholding tax, although there are several exemptions. The tax rate is also generally 25% or 21% (depending on whether or not the loan is contracted before or after 1 March 1990). Under certain conditions, the tax does not apply to interest payments distributed to EU-resident companies.

Belgian tax residents (natural persons) will have to pay an additional tax of 4% on certain movable income as from 1 January 2012.

The additional tax of 4% is applicable to interest and dividends that exceed a threshold of 20,020 euros per year.

Payments of royalties are normally subject to a withholding tax at the rate of 15%. Tax treaties negotiated by Belgium generally exempt royalty payments from withholding tax or reduce the withholding tax rate. In accordance with the EU Interest and Royalty Directive, royalty payments by a Belgian resident company to a related company in another EU Member State are, under certain conditions, exempt from withholding tax.

A 15% withholding tax applies to income from the granting of cessions or licences on copyrights and similar rights. If the income constitutes business income or professional income, the 15% withholding tax only applies if the income does not exceed EUR 54,890 (tax year 2012). Otherwise, the income is taxed at the corporate income tax rate of 33.99% or the progressive individual income tax rate. The income received from the granting of cessions or licences on copyrights is reduced by a lump-sum cost deduction of:
- 50% on income up to EUR 14,640
- 25% on income between EUR 14,640 and EUR 28,280.

As from 1 January 2013 the flat rate of 25% will be applicable to movable income with the exception of (e.g).
- 10% on liquidation bonuses
- 15% on non-exempt interest from regulated saving accounts.
- 15% on real estate investment trusts
- 15% on income from the granting of cessions or licences on copyrights and similar rights (threshold of EUR 56.450)
- 15% on Leterme state bonds.

G. EXCHANGE CONTROL

There are no exchange controls in Belgium.

H. PERSONAL TAX

An individual resident in Belgium is liable to personal income tax on his worldwide income and on certain capital gains. Special rules apply to foreign employees temporarily resident in Belgium. An individual is regarded as resident only if he spends a certain period of time in Belgium and has his main home or his centre of economic interest in Belgium.

A non-resident individual is liable to tax on his Belgian-sourced income only.

Total taxable income is the aggregate of net income or profits arising from an occupation or business, real estate, personal property, and miscellaneous sources, reduced by deductions that may be set against total income.

The personal tax rates for the assessment year 2012 (i.e. on 2011 income) are:

Annual income (Euros)	Tax rate (%)
0 to 8,350	25.00
8,350 to 11,890	30.00
11,890 to 19,810	40.00
19,810 to 36,300	45.00
Income above 36,300	50.00

Municipalities (local government areas) are entitled to levy an additional tax on taxpayers resident in their area which generally varies from 5% to 8% of income tax payable, with a few municipalities levying no additional tax at all.

Individual resident taxpayers have to report the existence of accounts with financial institutions in foreign countries annually.

I. TREATY AND NON-TREATY WITHHOLDING TAX RATES

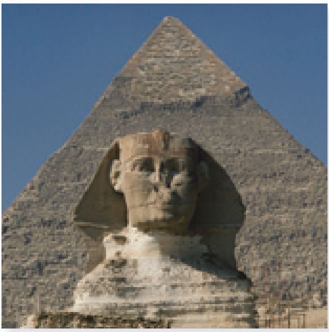
	Dividends (%)	(1)	Interest (%)	(2) (4)	Royalties (%)	(3) (4)
Non-Treaty Countries:	25/21		15/21/25		15	
Treaty Countries:						
Albania	5/15	(5)	5		5	
Algeria	15		15		5/15	(6)
Argentina	15/10	(5)	12		3/5/10/15	(8)
Armenia	15/5	(8)	0/10	(9)	8	
Australia	15		10		10	
Austria	15		15		0/10	(11)
Azerbaijan	15/5/10	(11)	10/0	(13)	5/10	(14)
Bangladesh	15		15		10	
Belarus	5/15	(5)	10		5	
Bosnia-Herzegovina	10/15		15		10	
Brazil	10/15		0/10/15	(15)	10/15/25	(16)
Bulgaria	10		10		5	
Canada	15/5	(8)	10		0/10	(17)
Chile	15/0		15/5		10/5	(20)
China	10		10		10	(18)
Croatia	15/5	(8)	0/10	(19)	0	
Cyprus	10/15	(5)	10		0	
Czech Republic	5/15	(5)	10		10/5	(20)
Democratic Republic of Congo	5/10	(12)	0/10		10	
Denmark	15/0	(5)	10		0	
Ecuador	15		10		10	
Egypt	15/20	(5)	15		15/25	(21)
Estonia	5/15	(5)	10		5/10	(22)
Finland	5/15	(5)	10		5	
France	10/15	(8)	15		0	
Gabon	15/18	(23)	15		10	
Georgia	5/15	(5)	10		5/10	(24)
Germany	15		15		0	
Ghana	15/5	(8)	10		10	
Greece	15/5	(5)	5/10		5	
Hong Kong	5/15	(5)	10		5	
Hungary	10		15		0	
Iceland	5/15		10		0	
India	15		10/15	(25)	20	
Indonesia	15/10	(5)	10		10	
Ireland	15		15		0	
Israel	15		15		0/10	(26)
Italy	15		15		5	
Ivory Cost	15		16		10	

	Dividends (%)	(1)	Interest (%)	(2) (4)	Royalties (%)	(3) (4)
Japan	5/15	(5)	10		10	
Kazakhstan	15/5	(8)	10		10	
Korea	15		10		10	
Kyrgyzstan	15		15		0	
Kuwait	10/0	(27)	0		10	
Latvia	5/15	(5)	10		5/10	(28)
Lithuania	5/15	(5)	10		5/10	(33)
Luxembourg	10/15	(5)	0/15	(29)	0	
Macedonia	15/		15		10	
Malaysia	15		10		10	
Malta	15		10		10	
Mauritius	5/10	(8)	10		0	
Mexico	5/15	(5)	15/10		10	
Moldova	15		15		0	
Mongolia	5/15	(8)	10		5	
Montenegro	15/10	(5)	15		10	
Morocco	10/6.5	(5)	10		10	
Netherlands	5/15		10		0	
New Zealand	15		10		10	
Nigeria	15/12.5	(8)	12.5		12.5	
Norway	5/15	(5)	15		0	
Pakistan	15		15		0/15/20	(30)
Philippines	15/10	(8)	10		15	
Poland	15/5	(31)	5		5	
Portugal	15		15		10	
Romania	5/15	(5)	10		5	
Russia	10		10		0	
Rwanda	0/15		10		10	
San Marino	0/5/15	(32)	10		5	
Senegal	15		15		10	
Serbia	10/15	(5)	15		10	
Singapore	15/5	(8)	5		5	(33)
Slovak Republic	5/15	(5)	10		5	
Slovenia	15/5		10		5	
South Africa	5/15	(5)	10		0	
Spain	15/0	(5)	10		5	
Sri Lanka	15		10		10	
Sweden	5/15	(5)	10	(9)	0	
Switzerland	10/15	(5)	10	(9)	0	
Taiwan	10		0/10	(34)	10	
Tajikistan	15		15		0	
Thailand	20/15	(5)	10/25		5/15	
Tunisia	15/5	(9)	10		11	

	Dividends (%)	(1)	Interest (%)	(2) (4)	Royalties (%)	(3) (4)
Turkey	15/20	(8)	15		10	
Turkmenistan	15		15		0	
Ukraine	5/15	(5)	2/10		0/10	
United Arab Emirates	5/10	(5)	5		5	(35)
United Kingdom	5/10	(5)	15		0	
United States	5/15	(8)	0/15	(36)	0	
Uzbekistan	5/15	(8)	10		5	
Venezuela	5/15	(5)	0/10	(9)	5	
Vietnam	5/10/15	(8)	10		5/10/15	(37)

1 Where both the recipient and the company paying the dividend are subject to Belgium's corporate income tax, the dividend is exempt from withholding tax provided a minimum of at least 20% shareholding which was or will be held uninterruptedly for a minimum period of one year. Where a Belgian subsidiary distributes profits to an EU parent company, an exemption from withholding tax applies where:
   (i) the parent and the subsidiary have one of the legal forms described in the EU Directive
   (ii) both are subject to corporate income tax
   (iii) a minimum of at least 20% shareholding which was, or will be, held uninterruptedly for a minimum period of one year.
2 The following types of interest are not subject to withholding tax:
   (i) interest paid by Belgian banks to foreign banks
   (ii) interest on commercial debts.
3 No withholding tax, or the lowest withholding tax rate, applies to copyright royalties (an exception is possible with respect to film royalties).
4 Under most tax treaties, however, there is a provision that the normal withholding tax rate applies in the case of excessive interest and royalties.
5 The lower rate generally applies if the recipient has a minimum holding of 25% of the share capital or voting power of the paying company (the treaty should be checked to confirm the exact nature of the relationship required).
6 The 5% rate applies to literary, artistic, and scientific copyright royalties; the 15% rate applies in all other cases.
7 The 3% rate applies to news royalties; the 5% to literary, artistic, and scientific copyright royalties; the 10% rate applies to computer software, patent, trademark, and industrial, commercial, and scientific equipment royalties; and the 15% rate applies in other cases.
8 A minimum holding of 10% is required.
9 The 0% rate applies to the sale on credit of industrial, commercial, scientific equipment, and capital goods, and interest on loans granted by banking enterprises. The 10% rate applies in other cases.
10 The 10% rate applies if the recipient owns more than 50% of the capital of the distributing company.
11 The rate is 5% if the Azerbaijani company (a) owns at least 30% of the capital in the Belgian company and has invested at least US $500,000 in that company or (b) has invested at least US $10 million in the Belgian company. The rate is 10% if the Azerbaijani company owns at least 10% of the capital in the Belgian company and has invested at least US $75,000 in that company.
12 The zero rate applies to interest on commercial debt-claims, including debt-claims represented by commercial paper, resulting from deferred payments for goods, merchandise, or services supplies by an enterprise.
13 The 5% rate applies if the beneficial owner has a minimum holding of 25% of the capital of the company paying the dividends. The 10% rate applies in other cases.
14 The 5% rate applies to literary or artistic copyright royalties and the 10% rate applies in other cases.
15 The 0% rate applies to government debt; the 10% rate applies to loans granted for a minimum term of 7 years for the sale of capital goods, industrial and scientific complexes, and public works; the 15% rate applies in other cases.
16 The 10% rate applies to literary, artistic and scientific work copyright royalties; the 20% rate applies to trademark royalties; and the 15 percent rate applies in other cases.
17 A 0% rate applies to literary, dramatic, musical and artistic copyright royalties.
18 For industrial, commercial, and scientific equipment royalties, the 10% rate applies to the adjusted amount of the royalties (60% of the gross amount of the royalties).
19 The 0% rate applies to commercial debt claims for goods, merchandise, and

services, loans guaranteed by a contracting stat to promote export, and loans granted by banks. The 10% rate applies in other cases.
20 The 5% rate applies to industrial, commercial, and scientific equipment royalties; the 10% rate applies in other cases.
21 The 25% rate applies to trade marks and the 15% rate applies in other cases.
22 The 5% rate applies to industrial, commercial, and scientific equipment royalties; a 10% rate applies in other cases.
23 The rate is 15% in Belgium and 18% in Gabon.
24 A 5% rate applies if the beneficial owner is an enterprise of the residence state; a 10% rate applies in other cases.
25 The 10% rate applies to interest paid on a loan granted by a bank, and he 15% rate applies in other cases.
26 The 0% rate applies to literary, dramatic, musical, artistic, and scientific work royalties. The 10% rate applies in other cases.
27 This rate applies to dividends paid to the Kuwaiti government or to a company owned at least 25% by the Kuwaiti government.
28 The 5% rate applies to industrial, commercial and scientific equipment royalties; a 10% rate applies in other cases.
29 To qualify for the reduced withholding rate, the recipient must be a corporation that owns a specified percentage for the voting power of the distributing corporation.
30 The 20% rate applies to patent, trademark, and industrial, commercial, and scientific equipment royalties; the 15% rate applies to technical know-how and information royalties; and a 0% rate applies to literary, dramatic, musical and artistic copyright royalties).
31 The rate applies if the Polish company directly holds: (i) at least 25% of the capital in the Belgian company; or (ii) at least 10% of the capital in the Belgian company and has invested at least EUR 500,000 in it.
32 The 0% rate applies where the company receiving the dividend holds directly at least 25% of the capital of the company paying the dividends for an uninterrupted period of at least 12 months. The 5% rate applies where the company receiving the dividend holds directly at least 10% but less than 25% of the capital of the company paying the dividends for an uninterrupted period of at least 12 months. The 15% rate applies in all other cases.
33 For industrial, commercial, and scientific equipment royalties, the 5% rate applies to the adjusted amount of the royalties (60% of the gross amount of the royalties).
34 The 0% rate applies to interest paid on loans made between banks.
35 The 0% rate applies if the beneficial owner for the royalties is a financial institution. The 5% rate applies in other cases.
36 The United States may impose a withholding tax rate of 15% on contingent interest that not qualify as portfolio interest under United States. Belgium may impose a withholding tax rate of 15% on interest that is determined by reference to receipts, sales, income, profits or other cash flow of the debtor or a related person, or to any change in the value of any property of the debtor to a related person and interest included in a real estate investment conduit. The 0% rate applies in other cases.
37 The 5% rate applies to patent and industrial and scientific information royalties; a 10% rate applies to trademarks; and a 15% rate applies in other cases.



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