

1. BELGIUM (UPDATED 6 APRIL 2020)

The federal and regional governments in Belgium have issued various measures to mitigate the economic consequences of the pandemic caused by the novel coronavirus after the government imposed a “lockdown light” as from 18 March 2020, to slow down the spread of COVID-19.

Below is a succinct overview of the most important measures.

1.1. Tax measures

- **Automatic payment reliefs**

The federal government has announced an automatic two-month deferment of payment (without late payment interest becoming due) for **VAT and professional withholding taxes** that would normally be due in March and April.

Also with respect to the payment of **federal income taxes (personal income tax, corporate income tax, legal entities income tax and non-residents income tax)**, the usual payment terms are automatically extended with a period of two months (in addition to the ordinary payment term and without late payment interest becoming due) for all taxes assessed as of 12 March 2020.

Customs & Excises also amended the electronic customs portal PLDA and extended payment terms from one week to four weeks for (a) excise duties and packaging levy on alcohol and alcoholic and non-alcoholic beverages; and (b) import VAT. This extension of payment terms applies until 30 June 2020 and only to the abovementioned taxes in PLDA.

The **Flemish government** has announced that the **road tax** collection for the assessment year 2020 will be postponed for legal entities by four months. In addition, the assessment notices with respect to **real estate tax** which are usually issued in May, will be sent out as from September 2020 for legal entities. In this respect, the Flemish government allows the local authorities to lower their real estate tax surcharge. The Flemish Region also committed to a flexible policy with respect to the **request of payment plans**.

The **Brussels government** grants a relief for the so-called “**Brussels city tax**” on tourist accommodations for the first quarter of 2020. Besides, an exemption is granted for tax year 2020 for the **tax on taxi services and cars with driver**. Furthermore, the government announced that an automatic extension of two months would be granted for the payment of **real estate tax**.

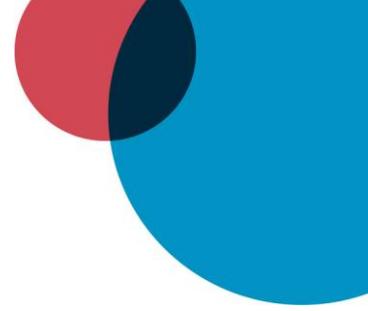
The **Walloon Government** has indicated in a press release of 18 March 2020, that **local taxes**, which are to be levied in the hands of enterprises which activities are impacted by the safety measures are suspended during the period of said measure. The government will grant a financial compensation to local governments to compensate their financial losses as a result of the suspended taxes. Moreover, taxpayers are granted a **payment deferral** during the COVID-19 crisis.

- **Federal payment reliefs upon request**

Additional support measures can be granted upon request to **enterprises which can demonstrate that they are affected by the spread of the coronavirus**. It concerns further deferrals of payment as well as waivers of late payment interest and fines with respect to corporate income tax, personal income tax, legal entities tax, VAT and professional withholding tax.

- **Accelerated refund of VAT credit for monthly filers**

Taxable persons that file their VAT returns on a monthly basis, are granted an accelerated refund of their VAT credit. The refund has to be requested in the VAT return, and will be paid on April 30th at the latest.



- **Postponement of filing deadlines**

The federal tax authorities have announced a **general extension of filing deadlines** for income tax returns that were due between 16 March and 30 April. With respect to VAT, automatic extensions are granted for the periodic VAT returns that were due in March and April 2020 as well as for client and intra-community listings.

The **Flemish government** also provide an additional period of two months for several obligations regarding **registration and inheritance duties**.

- **Corona crisis as a justification for write-downs of trade receivables**

In a Circular Letter of 23 March 2020, the federal tax authorities confirmed that the corona crisis constitutes a special circumstance which justifies (under certain conditions) the deductibility of the write-downs of trade receivables on companies which are facing financial difficulties due to the measures taken by the National Security Council and laid down in the ministerial decree of 18 March 2020.

- **Encouraging donations of medical supplies**

Specific VAT and income tax measures encourage donations of medical supplies to listed healthcare institutions. For individuals, a tax deduction applies under certain conditions with respect to donations in kind made towards university hospitals and hospitals related to the Public Centre of Social Welfare.

- **Suspension of tax audits on the premises of the taxpayer**

The federal tax authorities announced a **suspension of non-essential or non-urgent tax audits at the premises of the taxpayer**. Only tax audits which are of interest for the financial needs of the Belgian State will be further carried out. Audits that are carried out remotely in principle continue.

The **Walloon government** has also indicated to suspend tax audits carried out physically or through mail and e-mail.

- **Advance tax payments**

The federal tax authorities increased the rates of the advantages obtained through advance tax payments made by self-employed individuals and companies for the third and fourth quarter of 2020 so that the postponement of advance tax payments is less disadvantageous.

1.2. Social measures (including HR Tax)

- **Social security – payment deferrals**

Also the different social security authorities have taken several measures to alleviate the consequences of the crises, including various possibilities for affected companies to request payment deferrals.

- **Temporary unemployment**

The conditions for the application of temporary unemployment due to *force majeure* have been relaxed, and a bridging right is available for the self-employed.

- **Temporary home working allowance**

As long as the “lockdown light” measures are in force, employers may grant a temporary home working allowance to their employees. This monthly allowance of maximum EUR 126.94 is free of tax and social security contributions.

Every employee who works from home can benefit from this allowance, regardless of their position. Please note that for employees who already receive an expense allowance for telework, double use must be avoided.

These allowances are tax exempt in the hands of the employee and constitute a deductible expense in the hands of the employer. The ruling commission has published a model of a ruling request for employers who wish to request a ruling in this matter.

- **Telework & impact on cross-border employment**

The ministerial decree of 18 March 2020 forces all enterprises to facilitate teleworking, to the extent possible.

This measure impacts multiple frontier workers which are from now on obliged to (tele)work from their resident state. Hence, the applicability of tax regimes foreseen by certain double tax treaties to facilitate the taxation of the professional income of frontier workers could be impacted. The Belgian government has announced that the corona crisis constitutes a case of *force majeure* with respect to the specific regimes entered into with France and Luxembourg.

1.3. Financial measures

The federal and regional governments are taking several financial measures in the framework of the COVID-19 crisis, including:

- A federal **EUR 50 billion guarantee scheme** to ensure that lending to private individuals, the self-employed and business is continued.
- The credit institutions committed to provide business and mortgage borrowers **postponement of payment** until 30 September 2020 without charge in case of liquidity problems due to the Corona crisis.
- The regional governments provide nuisance provide **premiums for business that have to stay closed** as a consequence of the lockdown light imposed by the federal government.

Useful links:

- Federal Ministry of Finance's website: click [here](#).
- Federal Social security authorities' website: click [here](#).
- Brussels tax authorities' website: click [here](#).
- Flemish tax authorities' website: click [here](#).
- Walloon authorities' press release: click [here](#).

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