NEW BELGIAN FEDERAL GOVERNMENT ANNOUNCES SIGNIFICANT NEW TAX MEASURES

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INTRODUCTION

Following the Belgian general elections of June 9, 2024, five political parties negotiated a new federal government agreement (the "Government Agreement"). The government formation was led by Bart De Wever, president of the largest political party, N-VA, who was sworn in as Prime Minister on February 3, 2025, by King Philip, of Belgium. The new Government Agreement consists of more than 200 pages in one language only and contains many significant tax measures.

This article contains an overview of new tax measures that are relevant for businesses in Belgium, other than employment tax measures. Many of the tax measures discussed below are described only briefly and in general terms in the Government Agreement. Advisers must wait for the publication of draft legislation to determine the potential impact of many of the rules that have been announced. Also, the Government Agreement does not contain a single, clear effective date for the new tax measures. The new government has expressed the ambition to have the bulk of the announced tax measures passed by Parliament before the summer recess, usually starting around Independence Day, July 21.

DIVIDENDS RECEIVED DEDUCTION

Current Rules

The Belgian participation exemption system currently consists of three separate rules:

- The first rule is that all dividends received are initially included in taxable income of the recipient corporation. In a later stage of the corporate tax computation, up to 100% of the qualifying dividends are deducted under the Dividends Received Deduction ("D.R.D.").
- The second rule is that capital gains on the disposal of qualifying shares are fully exempt from corporate income tax.
- The third rule is that the distribution of dividends by a Belgian corporation are exempt from dividend withholding tax, subject to a number of conditions that are similar to the conditions under which dividends received may enjoy the D.R.D.

In order for dividends received to be eligible for the D.R.D., the Belgian corporate shareholder must hold a participation of at least 10% of the shares for an uninterrupted holding period of at least one year. If the Belgian corporate shareholder's participation is less than 10%, the D.R.D. is available if the tax book value of the

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participation is at least €2.5 million. These minimum thresholds are usually referred to as the "quantitative rule."

As for dividend withholding tax, the current rule is that no withholding tax is imposed when the corporate shareholder holds a participation of at least 10% of the shares. percent. If this is not the case, a Belgian corporate shareholder is allowed to credit the dividend withholding tax against its mainstream corporate income tax liability.

Announced New Rules

It is proposed that the two-step process of inclusion of all dividend income into taxable income followed by a conditional deduction of qualifying dividends will be replaced by a simple exemption for qualifying dividend income, akin to the system that is currently in place for the exemption of capital gains on qualifying shares. This should lead to a substantial simplification, and is also in line with the E.U. Parent & Subsidiary Directive.

The required tax book value under alternative threshold will be increased to €4.0 million. The Government Agreement states that an exception will be provided for small and medium size businesses ("S.M.E.'s").

It is also proposed that an additional condition will be introduced for the application of the D.R.D. The participation must be booked by the corporate shareholder as a financial fixed asset rather than a portfolio investment. This additional test will apply only if the following two conditions are met. First, the participation is worth at least €4 million. Second both the distributing corporation and the corporate shareholder are large enterprises rather than S.M.E.'s.

A third amendment to the D.R.D. regime will apply to a participation in an investment company. A 5% tax will be imposed on the capital gain upon exit. In addition, there the credit for dividend withholding tax disallowed, except when the investor company employs at least one director or manager and the annual compensation paid to at least one of the directors or managers is at least €50,000 annum to at least one of its managers or directors in the taxable period in which the dividend is declared. The €50,000 compensation base will be indexed for inflation.

IMPROVEMENT OF THE GROUP CONTRIBUTION REGIME

Current Rules

Even though Belgium does not have a full-fledged tax consolidation regime, it has a group contribution regime that is similar to the Swedish system. Under the regime, a profitable group corporation is allowed to transfer all or part of its profits to a qualifying group entity, provided that several conditions are met. The losses in the transferee group corporation may be used to offset the profits, provided both are recognized in the same taxable period. The transfer of losses is possible only when there is a direct participation of at least 90% between the transferor and transferee group members.

Under the current group contribution regime, if in any taxable period, a group entity earns dividends which it cannot deduct by virtue of the D.R.D. (see preceding section), the same entity cannot utilize any group contribution received from a related

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taxpayer to use the D.R.D. in the same taxable period. As a result, the unused D.R.D. will be carried forward to future taxable periods, thereby reducing its net present value, due not only to the timing difference, but also stricter rules that often apply when unused tax attributes are carried forward.

Announced New Rules

Without going into detail, the Government Agreement announces that four changes will be made to the current group contribution regime:

- The regime will be made more flexible and simpler to administer.
- As of the effective date, indirect participations will be taken into account when determining which group members can be transferors and transferees.
- New corporations will no longer be excluded from the group contribution regime. It remains unknown whether only newly incorporated corporations will be allowed to enter an existing group or whether newly acquired corporations will be able to participate.
- Income stemming from a group contribution will no longer be excluded from compensation with any unused D.R.D. in the hands of the recipient corporation.

INVESTMENT DEDUCTION CARRYFORWARD

Current Rule

When a Belgian corporate taxpayer makes certain investments, it can deduct a specified percentage of the investment from its taxable income for the taxable period in which the investment is made (the "Investment Deduction"). If the Belgian investor does not have sufficient taxable income for this period, the unused Investment Deduction can sometimes be carried forward provided that strict conditions are met.

Announced New Rule

The Government Agreement announces that the strict conditions for the transfer of any unused Investment Deduction to future taxable periods will be eliminated.

IMPROVEMENT OF DEPRECIATION RULES

Current Rule

Under current rules, depreciation of capital expenditures ("CAPEX investments") are computed under the straight-line method over a specified number of months.

Announced New Rule

The Government Agreement announces that corporate taxpayers will be allowed to use an accelerated depreciation schemes method, thereby front-loading the amount depreciable. This provision is intended to incentivize CAPEX investments by corporate taxpayers. For large enterprises, depreciation of up to 40% of the investment value is allowed; for S.M.E.s double declining depreciation is allowed.

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SECURITIES ACCOUNTS TAX

Current Rule

Since February 2021, an indirect tax of 0.15% per annum is due on any securities account held by a Belgian taxpayer, whether an individual, corporation, or non-public legal entity or body. The tax base is the average weighed value of the securities account.

Announced New Rule

The tax on securities accounts will stay at 0.15% per annum, but certain loopholes will be eliminated. Until a few days before the final Government Agreement was reached, rumors existed that the rate would be increased to 0.25% per annum).

CAPITAL GAINS TAX ON FINANCIAL ASSETS

Current Rule

Subject to certain rarely applied exceptions, capital gains on financial investments, such as shares of stock, remain untaxed in the hands of private individual taxpayers.

Announced New Rule

Private individual investors will be subject to a capital gains tax on financial assets, defined to include, *inter alia*, shares of stock, bonds and crypto assets. The tax is referred to as a “Solidarity Contribution.” It will be imposed at the rate of 10% of the realized capital gain. For this purpose, assets will be rebased to eliminate existing unrealized gains. A *de minimis* amount of 10,000 euros will be exempt from the Solidarity Contribution.

At the time of writing, several uncertainties exist, including (i) whether certain life insurance contracts or physical gold will be earmarked as financial assets and (ii) whether existing, but rarely applied, capital gains taxes will be retained. The following scenario illustrates the latter issue.

> A private individual shareholder sells a substantial shareholding to a third party and is subject to the new 10% Solidarity Contribution on the realized gain. On audit, the tax inspector takes the view that the sale of the substantial shareholding was a transaction “outside the scope of the seller’s normal management of his personal assets.” A 33% personal income tax is imposed on the same capital gain as it constitutes “miscellaneous income.” (Section 90, first limb, 9º, dash 1, Income Tax Code.) Open questions include:
>
> 1. Can both types of capital gains tax apply to the same transaction?
> 2. If so, is the Solidarity Contribution a deductible item that reduces the base against which the 33% miscellaneous income tax is applied?
> 3. Alternatively, may the Solidarity Contribution constitute a credit that can be applied against the 33% miscellaneous income tax?

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Another private individual shareholder holds more than 25% of the equity of a Belgian corporation. The shares are sold to a corporate buyer established outside the European Economic Area. Apart from the Solidarity Contribution, the seller will, under current rules, be subject to 16.5% capital gains tax. (Section 90, first limb, 9º, dash 2, Income Tax Code.) Open questions include:

1. Will this tax be repealed?
2. If not, is the Solidarity Contribution a deductible item that reduces the base against which the 16.5% capital gains tax is applied?
3. Alternatively, may the Solidarity Contribution constitute a credit that can be applied against the 16.5% capital gains tax?

Based on the text of the Government Agreement, no distinction will be made for purposes of the Solidarity Contribution between shares of Belgian and non-Belgian corporations. However, it can be expected that the Belgian Revenue Service will not systematically be informed of any sales of shares of foreign corporations by Belgian residents, notwithstanding the existing network of international agreements on the automatic exchange of information.

Capital losses will be deductible but only against capital gains realized during the same taxable period. If the taxpayer ends the taxable period with an overall capital loss, the loss will not be carried back or forward to other taxable periods.

Specifically for individual shareholders holding a substantial participation, a staggered rate of Solidarity Contribution will apply.

A substantial participation means a participation of 20 percent or greater. If the shareholder realizes a capital gain on shares pertaining to a substantial participation, the rates are as follows:

Tranche of Capital Gain (€)	Rate of Solidarity Tax
0 - 1,000,000	Exempt (0%)
1,000,001 - 2,500,000	1.25%
2,500,001 - 5,000,000	2.25%
5,000,001 - 10,000,000	5.00%
> 10,000,000	10.00%

It is unclear whether shareholdings of family members will be aggregated to determine whether the selling shareholder has a substantial participation.

The Solidarity Contribution will impact the pricing of acquisitions of Belgian companies held by private individual shareholders. Under existing law, by and large such shareholders are not taxed on any capital gain realized upon the sale of their shareholdings. Going forward, those individuals will be subject to the Solidarity

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Contribution. Such sellers may take into account the Solidarity Contribution when setting the sales price for their shareholdings.

DISALLOWED EXPENSES

Current Rules

Disallowed expenses are one of three types of "income" that form the tax base for a Belgian corporation. The other two are the increase or decrease of retained earnings ("Reserves") and the distributed profit ("Dividends"). Over the years, the number of various disallowed expenses and the complexity of the rules to determine their amounts have mushroomed, and pose a huge problem for tax return preparers. Sometimes they impact an otherwise legitimate form of tax planning.

Announced New Rules

Without going into detail, the Government Agreement states that the rules on disallowed expenses will be revised and simplified where possible in combination with an optional regime for a simplified reporting mechanism.

CARRIED INTEREST

> ***"The Government Agreement announces that the new government will introduce a tailor-made tax regime for carried interests that is intended to be competitive with the carried interest regimes of other European countries."***

Current Rules

Belgium does not have a specific tax regime in place for carried interests held by managers of investment funds. Most structures that are in place today make use of a taxable partnership (a "*commanditaire vennootschap*" or a "*société en commandite*") set up by the fund managers in such a way that the partnership enjoys the participation exemption with respect to income and gains from the shares in managed funds. Upon distribution of income and gains by the taxable partnership to the fund managers, 30% dividend withholding tax is due, which is the final tax for the Belgian individual fund managers.

Announced New Rules

The Government Agreement announces that the new government will introduce a tailor-made tax regime for carried interests that is intended to be competitive with the carried interest regimes of other European countries. The newly-to-be designed regime should respect existing carried interest schemes and will provide for a tax rate not exceeding 30% for carried interest income.

EXIT TAX FOR CORPORATIONS

Current Rules

Under the currently prevailing corporate income tax rules, the emigration of a Belgian corporation constitutes a deemed liquidation, but only with respect to the corporate income tax rules. Assets of the migrating corporation are deemed to be realized at arm's length value and any deemed capital gain is taxed as if it were a realized capital gain. In most instances, deemed capital gains on shares remain untaxed to

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the extent that the exemption for capital gains applies, as discussed above. However, since no cash or other cash-like items are extracted from the corporation due to its emigration, no dividend withholding tax applies. Also, legal entities other than corporations are not subject to the exit tax.

Announced New Rules

In a draft version of the Government Agreement, it was announced that upon emigration of a Belgian corporation the deemed liquidation regime would be extended to the dividend withholding tax. In principle, 30% dividend withholding tax would be levied on retained earnings as well as on capital gains that were deemed realized at the time of emigration, even though they are not distributed to shareholders.

Nonetheless, this rule is not retained in the final version of the Government Agreement. According to one of the ghostwriters of the Government Agreement, the purpose is to extend the taxation upon emigration to the dividend withholding tax. The topic is quite sensitive, as in most instances the compatibility of such an additional tax with the E.U. Parent & Subsidiary Directive and/or Belgium's bilateral tax treaties must be taken into account.

BENEFICIAL TAX REGIMES FOR REPATRIATING CORPORATE PROFITS TO INDIVIDUAL SHAREHOLDERS

Current Rules

Today, two beneficial tax systems exist for Belgian individual shareholders to take earnings and profits out of their corporation. The default rule is that the distribution of a dividend is subject to 30% dividend withholding tax. As mentioned above, this is the final tax for Belgian individual shareholders. However, subject to several conditions, this tax can be reduced to 13.64% or to 15% depending on the system that is used, either the "V.V.P.R.bis" system or "liquidation reserve" system.

Announced New Rule

The Government Agreement announces that both systems will be harmonized at the 15% rate. Distributions within three years will be excluded from the harmonized regime. They will be subject to the default withholding tax rate of 30%.

CORPORATE TAX RATE FOR S.M.E.'S

Current Rule

Belgian corporations qualifying as S.M.E.'s enjoy several tax benefits, including a reduced headline corporate tax rate of 20 percent instead of 25 percent on the first €100,000 of taxable income. One of the conditions for a corporation to qualify as an S.M.E. is that it must pay at least €45,000 in compensation to at least one of its corporate officers. This threshold is not indexed for inflation.

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Announced New Rule

The new Government Agreement provides that the minimum compensation will be raised to €50,000 per annum, which will be indexed for inflation on an annual basis.

SECURING TAX POSITION FOR CORPORATIONS ENGAGED IN R&D ACTIVITIES

Current Rules

In order to enjoy the Investment Deduction with respect to R&D related investments, Belgian corporations and branches of non-Belgian corporations need a certificate issued by the region where they are established, being Flanders, Brussels or Wallonia.

When applying for an exoneration from wage withholding tax of up to 80% on salaries paid to R&D workers, Belgian corporate taxpayers must register with a governmental body called the Belgian Science Policy Office ("Belspo"). Taxpayers can also apply for an exemption from Belspo to secure their eligibility for the wage withholding tax exemption. In recent years, the Belgian Revenue Service often challenged the exemption claimed by many corporate taxpayers engaged in R&D activities, claiming that their registration with Belspo is strictly not compliant with the statutory rules or is flawed due to inaccuracies by Belspo. Many corporate taxpayers have litigated the restated wage withholding tax assessments, finding it to be a painstakingly long and cumbersome procedure.

Announced New Rules

The Government Agreement announces that the regional certificates for the R&D investment deductions will be scrapped and that the interaction between Belspo and the Belgian Revenue Service will be improved.

With respect to all categories of the 80% exemption from wage withholding tax, the Government Agreement confirms that these tax incentives will continue to exist, even though the new government will run spending reviews to assess their effectiveness. Also, the Government Agreement announces that, for ongoing litigation concerning the 80% exemption of wage withholding tax, a more transparent communication with the Belgian Revenue Service will be adopted.

INCENTIVIZING INVESTMENTS IN EQUITY INSTRUMENTS

Current Rules

Under current rules, there are only very limited incentives for individual investors to invest in "risk-taking" capital or equity. Even though dividends stem from income that is taxed at the level of the distributing corporation, the individual income tax rate is the same as for passive interest income, 30% with no underlying tax credit.

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Announced New Rules

The Government Agreement announces that a new specific tax regime will be proposed to incentivize the investment by private individuals in equity of Belgian corporations.

In the mid-1980's, a highly successful regime was available. Subject to certain investment obligations, Belgian corporations were exempt from corporate income tax on dividend distributions to the extent that distributions did not exceed 13% or 8% of the earmarked share capital stemming from fresh capital contributions made in covered years1982 or 1983. This exemption was valid for 10 or 5 consecutive years. At the same time, the personal income tax rate for such dividends was limited to the dividend withholding tax which was not the default rule at that time. In addition, families were granted a tax deduction for up to BF40,000 (approximately €1,000) + BF10,000 (approximately €250) per dependent family member of investment in qualifying newly issued shares. Adjusted for inflation, (i) €1,000 in 1982 correspond to approximately €3,000 in 2025, and (ii) €250 in 1982 correspond to approximately €750 in 2025.

No further details are provided in the Government Agreement regarding the new tax incentive that is announced. One question that comes to mind is whether this new incentive will be restricted to equity investments in Belgian corporations. At first glance, it would appear that any such restriction would constitute an infringement of the freedom of establishment or the free movement of capital in the E.U. By the same token, this type of incentive could constitute impermissible state aid under E.U. rules.

PUBLICLY TRADED SHARES

Announced New Rules

Without going into much detail, the Government Agreement announces several measures to improve the tax regime for publicly traded shares, including the removal of certain existing prohibitive rules for I.P.O.'s.

CLIMATE-FRIENDLY INVESTMENTS

Announced New Rules

Without going into much detail, the Government Agreement announces several measures to streamline and improve the tax regime for climate-friendly investments.

NONDEDUCTIBLE EXPENSES

Current Rules

The current rules on nondeductible expenses for corporations are complex and the number of nondeductible expenses has grown substantially over the years. As previously mentioned, nondeductible expenses are one of three categories of income that comprise the tax base of a Belgian corporation. The other two categories are increases in retained earnings and dividend distributions. Nondeductible expenses

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are primarily a technical tool to tax certain items that do not show up in the taxpayer's financial statements. Over the years, the reporting of nondeductible expenses has become disproportionately complex.

Announced New Rules

As part of an overall attempt to simplify the corporate income tax rules, the Government Agreement announces a simplified but optional system for the reporting of nondeductible expenses of corporations. No further details are known at the time of writing, except that the new government will strive to simplify the rules on nondeductible automobile costs and expenses, which are among the most complex examples of nondeductible expenses.

Among the other simplifications of the corporate income tax return, the Government Agreement announces the scrapping of the tax exemption for (i) social liabilities regarding potential future costs of redundancy of staff), (ii) private personal computers, and (iii) exemptions for capital gains on cars and vehicles.

REDUCED V.A.T. RATES FOR CLIMATE-UNFRIENDLY COSTS AND INVESTMENTS

Announced New Rules

Among the limited indirect tax measures announced in the Government Agreement, is a plan to scrap the reduced V.A.T. rate which typically is 6% instead of the standard rate of 21% for non-climate-friendly costs and investments. Since input-V.A.T. for businesses is by and large deductible against output-V.A.T., these measures will be less relevant for corporate taxpayers. However, the Government Agreement also announces other tax measures to discourage the use of environmentally unfriendly activities, such as the extension of the lump-sum boarding tax for E.U. and non-E.U. flights departing from Belgium and a specific indirect tax on kerosene which is currently zero-rated for V.A.T.-purposes.

INTRODUCTION OF A DIGITAL TAX

Current Rules

Prior to the roll-out of the worldwide minimum tax known as Pillar II, Belgium announced the introduction of a digital tax. Its purpose was to impose corporate tax on digital service providers that have no physical presence and no permanent establishment in the country but generate income from the exploitation of personal data of the users of their digital platforms. When Pillar II was eventually transposed into Belgian law, the plans for the introduction of a digital tax were stalled.

Announced New Rules

The Government Agreement announces that, in addition to Pillar II, Belgium will introduce a digital tax by no later than 2027, with a view to creating a level playing field between Belgium-based and nonresident digital service providers.

Without mentioning it as such, the Government Agreement also seems to confirm that Belgium will align itself with any new O.E.C.D. and E.U. initiatives to harmonize

taxation rules. In principle, it is understood that the competitive position of Belgian businesses will be safeguarded at all times.

ENHANCED LEGAL CERTAINTY

Announced New Measures

With a view to strengthening the position of taxpayers in relation to the Belgian Revenue Service, the Government Agreement announces a number of positive measures. Here is a non-exhaustive list:

"With a view to strengthening the position of taxpayers in relation to the Belgian Revenue Service, the Government Agreement announces a number of positive measures."

- Special attention will be given to applications for Advance Tax Rulings relating to projects that have a substantial impact on investment and employment in Belgium.
- Streamlining of the communication between the taxpayer representatives and the different branches of the Belgian Revenue Service, such as corporate income tax, V.A.T., and wage withholding tax.
- The publication by the Belgian Revenue Service of all case law, including court rulings that are in favor of taxpayers.
- Tax audits will follow a standardized reporting system.
- Administrative guidance will be published faster.
- No disadvantageous tax rules will be introduced with retroactive effect; the government will create a committee to rewrite the Income Tax Code with a view to making the current rules simpler and more transparent.
- A new "charter of the taxpayer" will be adopted to improve the position of the taxpayer in relation to the Belgian Revenue Service, including a procedure for complaints about errors and suboptimal performance within the Belgian Revenue Service.
- Horizontal monitoring will be revitalized.
- The role of the Ruling Commission will be maintained, and the internal functioning will be improved.
- The functioning of the Tax Mediation Service will be assessed and tax inspectors handing disputes will be encouraged to call on the Tax Mediation Service in order to settle disputes with taxpayers out of court.
- Measures are announced to reduce the lead time of tax cases in the courts.
- No penalties will be imposed when a taxpayer makes an initial unintentional mistake.
- Under current rules, no tax attributes can be utilized in any taxable period for which a penalty of 10% or greater is imposed for underreporting- or misreporting. According to the Government Agreement, when a penalty of 10% or greater is imposed, the deduction of tax attributes will again be allowed, with the exception of tax losses incurred during the taxable period.

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- Efforts will be made to reduce the number of disputes that are submitted to the courts; one such measure is the introduction of binding arbitration in tax matters; according to one of the ghostwriters of the Government Agreement, this would only be possible for disputes with a certain – yet to be determined – amount of disputed taxes at stake.
- The legal status of unlawfully obtained information will be regulated.
- Procedures and due dates will be harmonized for direct tax and V.A.T., whereby a level playing field will be created between the Belgian Revenue Service and the taxpayer.
- The standard term for the Belgian Revenue Service to investigate and adjust tax returns will continue to be to three years, in general, and four years for complex and semi-complex returns. This is down from six years. When there are indications of tax fraud, the standard term for investigation and adjustment will be reduced to seven years, in general, and eight years for semi-complex and complex tax returns. This is down from ten years.
- Lists of tax havens will be established on January 1 of each year and will not be updated during the taxable year. Jurisdictions that are not on the list on January 1 will not become tax havens during the balance of the taxable year.

Several other measures will be taken to ensure proper tax reporting and assessment:

- Accounts containing cryptocurrency will be open for inspection by the Belgian Revenue Service.
- Belgium will endeavor to enter into as many treaties for cross-border exchanges of information as possible, especially with emerging economies.
- Exchanges of information between various divisions of the Belgian Revenue Service be amplified.
- The federal government commits to help the regions of Flanders, Brussels, and Wallonia to fight against share deals for real estate corporations.
- The government commits to transposing the F.A.S.T.E.R. Directive into Belgian national law. The F.A.S.T.E.R. Directive aims to facilitate a speedier reimbursement and recovery of excessive withholding taxes levied at source on intra-E.U. payments of passive income such as interest, dividends and royalties. The directive was adopted by the Council of Ministers of the E.U. on December 10, 2024, and must be transposed into national law of the Member States by December 31, 2028.

CUSTOMS DUTIES

Announced New Measures

Among the new measures announced in the field of customs duties is the possibility of requesting binding information on the applicable tariffs for the importation of goods into the E.U.

TAX ON PUBLIC TRADING OF SECURITIES

Announced New Rule

The tax on public trading of securities will be modernized and simplified in order to eliminate existing issues and to create a level playing field for securities, corporations, and funds. The rules for funds-of-funds will be revamped. Formalities and regulations regarding I.P.O.s will be reduced and simplified.

IMPROVEMENT OF THE PRIVATE P.R.I.V.A.K. FUND ANNOUNCED

Announced New Rule

Shortcomings in the current regulatory regime for Private P.R.I.V.A.K. Funds will be remedied, such as the limited duration of a Private P.R.I.V.A.K., the number of shareholders, and the scope of permitted investments.

Conversely, the deductibility for a private individual investor of any capital loss upon the liquidation of a Private P.R.I.V.A.K. will be scrapped.

INVESTMENT IN SHARES OF STOCK FOR INSTITUTIONAL INVESTORS

Announced New Rule

For institutional investors such as insurance companies and pension funds, the limitation on investment in equity instruments will be softened, in order to allow those investors to invest easily in the real economy.

CONCLUSION

The new government in Belgium has announced ambitious plans to modernize the tax law and the operations of the Belgium Revenue Service. To date, details have been limited. As a result, it is difficult to tell which portion of the Government Agreement reflects must-have items and which portion reflects hopes and dreams. According to people close to the legislative process, the aim is to have the initial draft legislative text ready around Easter. The aim is to enact final legislation before the summer recess in mid-July. The people close to the legislative process have also committed to be open to input and comments from stakeholders once the first draft texts are available pursuant to the public consultation process.

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