



## Which expats can benefit from a special tax regime ?

Based on an **administrative practice** that has been in place since the 1980s, **expats** who come to work in Belgium and who meet certain conditions, are entitled to reduced **income taxes and social security contributions** on their Belgian salary.

The expats who can benefit from this regime are **foreign executives, specialists, and researchers**. Only those who **do not have the Belgian nationality** are eligible. While this is quite a controversial requirement, the status is therefore only accessible for **non-Belgian nationals**.

The tax status can be applied for by the **following categories** of expats:

- (i) foreign **executives** who are working in a managerial position in a Belgian branch or Belgian company, without necessarily being considered an employee;
- (ii) foreign **specialists** who have special knowledge or specialist skills that are very difficult or impossible to find on the Belgian labour market;
- (iii) foreign **researchers** who work in Belgium as scientists in a recognized scientific research centre or laboratory.

The expatriate must obligatorily have been **directly recruited abroad** by a Belgian company **or temporarily assigned from abroad** to a Belgian entity that is part of an international group. A company is considered to be '**international**' when it has an entity in at least one country other than Belgium or at least 50% of the shares of the Belgian entity are held by a foreign shareholder.

**Research centres or laboratories** must not be part of an international group but must be exclusively engaged in scientific or technical research in any type of area. Simply collecting information or documentation **is not enough** to qualify as a **research centre**, except when this activity is carried out with a view to creating new regulations or to developing new manufacturing methods or products.

If the expat earns a gross remuneration of **at least €50,000 per year**, the tax office automatically presumes that the employee has **special skills**. If the annual salary is **lower**, it is still possible to apply for the expat status, but any special knowledge or experience **must be demonstrated** in that case. This can be done on the basis of your degree or previous job experience.

The employment in Belgium should also be **temporary**, which has nothing to do with the duration of the Belgian employment (which can even be an **indefinite term contract**), but is demonstrated by the fact that the expat must maintain his **centre of personal and economic interests outside Belgium**, and therefore qualify as a **non-resident taxpayer**. If this condition is no longer met, the tax office can at any point in time decide to **revoke** your expat status.

TAXPATRIA® can check if you are **eligible to apply** for the expat status and assist with **filing your application** with the Belgian tax authorities.