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Can directors claim a royalty from their company ?

In Belgian law, there is a **favorable tax regime** for personal income resulting from the **transfer or assignment of copyrights**, provided that some specific conditions are met. While normal professional earnings are subject to the standard progressive tax rates (25% up to 50%), plus social security, this type of income is **classified as 'movable' income** up to €73,070 (tax year 2025), which is **taxed at only 15%** and **not** subject to social security.

In actuality, the tax burden is even lower, because the beneficiary can benefit from **certain lump sum expense deductions** on the royalty payments. Here are the relevant deductions for **income year 2024** (tax year 2025):

Royalty income	Expense deduction	Taxable amount	Income tax due
€0 - €19,480	50% (€9,740)	€9,740	€1,461
€19,480 - €38,970	25% (€4,872.5)	€14,617.5	€2,192.6
€38,970 - €73,070	0%	€34,100	€5,115
> €73,070			standard progressive tax rates

If the taxpayer receives €73,070 in royalties in 2024, he will **pay a total income tax of only €8,768.6**. Any payment above that threshold is considered to be **professional income**, taxed at the above-mentioned progressive tax rates and is liable for social security.

Initially, the intention was to limit this favorable regime to **income generated within a more 'artistic' context** (e.g. writers, graphic designers, journalists, etc.). Its scope quickly became **wider than that** and basically extended to **any type of creation that can benefit from copyright protection**. This is the case if the work is: (i) 'original' (the expression of the author's personal intellectual creation), and (ii) 'materialized' in a concrete, visible or audible form.

In view of this, a **director or manager** who **provides services through their own management company** could potentially benefit from the **royalty tax scheme**, as long as they are the author of some type of copyrighted work. To **avoid improper use**, the tax authorities introduced **some guidelines** to further limit the scope. While no specific sectors or professions have been excluded, there is **no exhaustive list** of who is eligible nowadays, which creates **uncertainty**.

The beneficial regime is **only accessible** if you can present a 'work of art' certificate or can demonstrate that the copyrights have been transferred or licensed to a third party **for communication to the wider public, for public performance or for reproduction**. If services are rendered as well, the ratio of **royalty to total remuneration** must not exceed 40% (2024). Next year (2025) this will be further reduced to 30%. Some further **restrictions** apply.

TAXPATRIA® can check if your company is still eligible to implement a **royalty payment scheme**.