

How is your company's investment portfolio taxed in Belgium ?

If you are a **business owner**, you might wonder what the **tax implications** are if you decide to **actively invest your earnings** instead of keeping your money in a savings account.

Before 2026 private investors in Belgium could usually benefit from a **tax exemption** on their **capital gains**, this was **never** the case for companies. The general rule is that all income realized by a company is taxed **as business income**, either at the standard corporate tax rate of 25% or the reduced SME rate of 20% (on the first € 100k of taxable profit). For certain types of investment income a **different tax treatment** applies.

If your company is an **SME**, you will **lose** the benefit of the reduced tax rate if it is considered to be a so-called '**financial entity**'. A financial entity is every company of which the total investment value of the stock it holds **exceeds half of the company's paid-up share capital, taxed reserves and recorded capital gains**, at the end of the accounting year.

Debt instruments like **fixed-income securities** (e.g. debentures, cash bonds, capitalization bonds, or zero coupon bonds) are subject to a **different** tax regime. The **interest** earned is taxed at the standard rate of 25%. The taxable base is the **gross** interest amount. That amount is deemed to have been **paid or made payable** on the last day of the period to which it relates, even if your company did not actually receive anything. **Capital gains** from fixed-income securities are taxable, while **capital losses** are consequently tax-deductible.

Dividend income is also subject to a **separate tax** regime. In general, the gross amount is taxable at 25%. There is an **important exception**: the so-called '**Dividends-Received Deduction**' (DRD). No corporate tax will be due if the **conditions** for the DRD are met. The DRD is subject to a (i) minimum participation, (ii) permanence, and (iii) taxation condition. Your company should own at least **10% of the shares** or (ii) have a shareholding with an **acquisition value of € 2,500,000 or more**. Because of these strict conditions, the DRD regime **seldom applies** for any individual shares within your company's investment portfolio.

Your company should also own the stock for **at least 12 months** to be able to benefit from the DRD deduction. The same rules apply for any **capital gains realized on shares**. If the conditions of the DRD regime are not met, any capital gains will be taxed as **business income**. Capital losses are, in general, **not tax-deductible**.

The only exception is when you invest in so-called '**DRD-SICAVs**' (*Investment company with Variable Capital*). These are **special investment companies** that can generally benefit from the **DRD regime on their dividends**. If the dividends paid out by a DRD-SICAV are eligible for the DRD deduction, any realized **capital gains** will also be fully **tax-exempt**.

Any Belgian **withholding tax deducted at source** on your earnings will be **set off against** the corporate tax due and will be **refunded** to you if the amount withheld exceeds the total tax due. TAXPATRIA® can assist you with your **corporate investment planning** and **tax accounting**.