

Tax on the securities accounts

Belgium introduces a new tax on wealth: securities accounts are subject to a tax of 0.15% if their value reaches at least € 500.000.

1. Intended persons and chargeable event

Only physical persons (i.e. legal entities excluded), Belgian resident taxpayers¹ or not², are subject to taxation if they hold one or more securities accounts opened with one or more financial intermediaries (e.g. bank) of which the aggregate average value of the taxable financial instruments held on these accounts is at least € 500.000³.

The reference period to examine whether the limit of € 500.000 has been reached is a period of twelve consecutive months ending on 30 September divided by four quarters which constitute the reference point⁴. The first period starts at the 10th of March 2018 and ends at the 30th of September 2018.

2. Financial instruments

Shares, bonds, units in special investment funds, savings bonds and warrants qualify a.o. as financial instruments. Are excluded: options, futures, swaps, life insurance products (branches 21 and 23), pension savings funds and unlisted securities⁵.

3. Formalities on the tax on the securities account

Regarding securities accounts opened with a Belgian financial intermediary, the latter will retain a withholding tax if the limit of € 500.000 has been reached. Therefore, the taxpayer is in principle exempted from undertaking any actions (with the exception of the formalities in the individual income tax, as set out below).

In the case that the securities account does not reach the limit of € 500.000, the taxpayer can require the Belgian financial intermediary to retain the withholding tax if he believes that the tax on the securities accounts is due (e.g. he holds several accounts of which the aggregate value exceeds € 500.000). If the taxpayer does not choose to rely on the financial intermediary to withhold the tax, the taxpayer himself will be obligated to file the specific tax return and pay the tax.

Regarding securities accounts opened abroad and reaching the limit of € 500.000, the foreign financial intermediaries are not subject to the obligation of retaining a withholding tax. In this case, the Belgian resident taxpayer has to fill out a specific tax return and pay the tax.

¹ Resident taxpayers are subject to taxation on their worldwide securities accounts.

² Non-resident taxpayers are subject to taxation on their Belgian securities accounts.

³ Code Differed Taxes ("CDT"), artt. 151 and 152, 1°.

⁴ CDT, art. 152, 6°.

⁵ CDT, art. 152, 2° and Parl. Doc., Chambers, 2017-2018, N°54-2837/001, pp. 4 and 12.

4. Formalities on the individual income tax

To ensure the collection of the tax, taxpayers are obliged to declare their securities account(s) in their annual Belgian individual income tax return⁶.

Should you have any question on the above or need any additional information in this respect, please do not hesitate to contact us.

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⁶ Income Tax Code 92, art. 307.