

## NEW TAX ON SECURITIES ACCOUNTS FINALLY ADOPTED BY THE BELGIAN FEDERAL PARLIAMENT

On 1 February, the Belgian federal parliament voted a law introducing the tax on securities accounts. This tax will be applicable as of the day of the publication of the law in the Belgian State Gazette.

### SUMMARY

Individuals holding (a share in) one or more securities accounts (in which certain securities are held, including e.g. shares, bonds, shares/units in investment companies/funds etc., but not pension savings or life insurance products) with a total value of at least €500,000 will be taxed on the entire amount of their share in the securities held in such account(s) at a rate of 0.15%.

### FOR WHOM?

- Belgian tax resident individuals holding one (or more) securities account(s) with Belgian and/or banks/intermediaries.
- Non-resident individuals holding one (or more) securities accounts with Belgian banks/intermediaries.
- Legal entities are **not** subject to the tax (subject to an anti-abuse provision, cfr. below).

### FOR WHICH SECURITIES?

- Shares (listed or unlisted) and certificates representing those shares
- Bonds (listed or unlisted) and certificates representing those bonds
- Shares in investment companies and units in investment funds (UCITs, AIFs and similar foreign vehicles)
- Warrants
- *Kasbons / Bons de caisse*
- Trackers and ETFs

### EXCLUSIONS

Pension savings products (such as savings plans) and life insurance products are out of the scope of the TSA, as well as securities (such as shares) that are registered by name but not held in a securities account.

### Key takeaways

- Applies to individuals
- Also applicable to unlisted shares held through a securities account
- 0.15% of the total value held in the securities account(s), provided that this value is at least equal to €500,000.
- Not applicable to pension savings and life insurance products
- Two anti-abuse provisions to fight against certain avoidance mechanisms.

## **ANTI-ABUSE PROVISIONS**

Registered shares (and any other securities) which are not held in a securities account are excluded from the tax. However, an anti-abuse provision is provided to recapture securities which were held in a securities account but which are being removed from it (as from 9 December 2017) to be held as registered securities (i.e. only through a recording in a shareholders' register). These securities will be subject to the tax for the taxable period during which they are removed from the securities account. Following this period, these securities will be excluded from the tax.

A second anti-abuse provision is also introduced to avoid securities accounts being contributed to companies; if such contribution is made (i) as from 1 January 2018, and (ii) with the sole intention of avoiding the application of the tax, the assignment will be disregarded for the application of the tax and the assigning individual will remain subject to the tax as if he/she had continued to be the holder of the securities account.

## **ENTRY INTO FORCE**

The TSA will be applicable as from the publication of the law in the Belgian State Gazette.

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