

15 % instead of 30% withholding tax on French dividends - New circular letter

For several years, there has been discussion in case law and legal doctrine about the withholding tax on dividends of French origin, which finally resulted in a judgment of the Belgian High Court (Court of Cassation). The Double Tax Treaty (DTT) between Belgium and France of 10 March 1964 does foresee a limitation to 15% of the Belgian taxation (article 15 of the DTT).

After the Minister of Finance (and the Administration) had reconciled themselves with this judgment, the Administration formalised their position in Circular 2021/C/49 of 28 May 2021, which has taken the form of a FAQ.

The Belgian tax must therefore be limited to 15% for a Belgian individual (15% (fixed part of the foreign tax) must be deducted from the 30% withholding tax).

There are however some conditions to be met.

Do not hesitate to contact us in case you would have any questions with regard to this new circular.

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