

### **New Annual Securities Account Tax published**

On the 25<sup>th</sup> of February 2021, the new law of February 17, 2021 "introducing an annual tax on securities accounts" was published in the Belgian official gazette. This law will be applicable as from the day after it was published in the official gazette (26 February 2021).

The new tax is due on securities accounts held through an intermediary by residents individuals, as well as companies and legal entities, of which the average value of the taxable financial instruments (excluding nominative securities) exceeds EUR 1 million. In the case of non-residents, the securities account must be held with a Belgian intermediary.

The tax will have the form of a subscription tax, but will not be levied on the holder of the account.

All securities held on the securities account are targeted (shares, bonds, participations in investment funds and investment companies), but also derived products (such as index trackers, turbos and real estate certificates). Securities accounts held by financial undertakings, such as credit institutions, insurance companies, investment companies, brokerage firms and pension funds or collective investment undertakings are exempt, because they hold these securities accounts for their own professional activity. Also, nominative shares are excluded.

However, a securities account that a Belgian insurance company holds for its clients in a branch 23 life insurance (unit linked) is not exempted.

The reference period is a subsequent period of 12 months starting on 1<sup>st</sup> October of a tax year and ending on 30 September of the subsequent year or any earlier date when the account is closed (or the moment when the account holder becomes a resident of a tax treaty country and the tax treaty allocates the taxing rights (on the income) to that other country). The average value is calculated by taking the average of the securities account values on 31 December, 31 March, 30 June and 30 September.

The rate is set at 0.15%, limited to 10% of the difference between the taxable base and EUR 1 million (for the purpose of mitigating the effects of the tax if the average value exceeded the EUR 1 million threshold).

The tax is due on the first day after the reference period and the intermediaries must withhold, declare and pay the tax. The tax must be declared on the 20th day of the third month following the reference period, i.e. generally 20 December. The tax must be paid on the same day. In case the intermediary does not declare and collect the tax, the account holder is liable to declare the tax. The tax is then due by 31 August of the year following the reference period. Account holders can file the tax electronically or by paper form.

Please note also that the new law foresees "anti-abuse rules" in two specific situations :

- 1° in case of the split of a securities account into several securities accounts with the same intermediary;
- 2° when converting taxable financial instruments into registered securities that are not held in a securities account.

Please note that these anti-abuse rules apply retroactively as from 30 October 2020 (to counter restructuring of portfolios to avoid the tax before the law enter into force).

In case of non-declaration, late, inaccurate or incomplete declaration, as well as non-payment or late payment, a penalty varying from 10% to 200% of the tax due can be imposed.

In case account holders do not submit requested information, a penalty varying from EUR 750 to EUR 1,250 can be imposed.

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

Vandendijk & Partners  
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Brussels, 1<sup>st</sup> of March 2021

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