Belgian branches are subject to the Belgian Accountancy Act of 17 July 1975 (sec 1(2)). Consequently, they are obliged to keep a separate bookkeeping and to organise their accounting books and records according to Belgian legal requirements. If the branch does not comply with Belgian law, it could result in serious penalties. PwC offers a range of services that can help you ensure compliance.

Did you know that Belgian branches need to comply with the following rules?

Statutory accounts
Branches have to draw up annual statutory accounts, including notes and valuation rules (RD of 30 January 2001, sec. 22) for their Belgian activities, except where the branch has no income of its own AND the operational costs are fully borne by its head office (Acc. Act of 17 July 1975, sec. 10(5°)).

The statutory accounts will be enclosed with the branch’s non-resident tax return and have to be included in the inventory book. There is no obligation to publish the Belgian statutory accounts.

Filing with the National Bank of Belgium
Any foreign company that has a branch in Belgium has to file the following with the National Bank of Belgium in the official language of the branch:

- page 1 of its Belgian statutory accounts;
- its Belgian social balance sheet;
- its annual accounts;
- its annual report;
- if applicable, its consolidated accounts in the standard official form in which they have been drawn up, audited and published according to the law applicable to the parent company. They must be published in the branch’s official language, be it French, Dutch or German.

Documents
All books, accounting records and documents, charts of accounts, legal books and legal printouts need to be kept and retained in Belgium. Accounting information should be directly accessible in Belgium.
Did you know that Belgian branches need to comply with the following rules?

Tax services

Belgian branches have to comply with the Belgian tax rules, meaning that they have to file a non-resident corporate income tax return with the competent tax office.

Depending on the costs incurred in the Belgian branch, other formalities need to be complied with as well.

Besides (legal) branches, establishments that are considered to be permanent establishments from a corporate tax viewpoint are also obliged to comply with the above formalities. Whether or not an entity has a Belgian permanent establishment will depend on the activities being performed in Belgium.

Legal penalties

- A fine of EUR 50 to 10,000 (to be multiplied by 5) can be imposed.
- There can be liability to a term of imprisonment and a fine if the company has acted with fraudulent intent.
- Legal representatives are jointly and personally liable.

What can PwC offer you?

PwC can assist you in ensuring your Belgian branches comply with the Belgian Accountancy Act of 17 July 1975 (sec. 1(2)) by:

- updating accounting records and preparing VAT returns;
- assisting with year-end closing;
- assisting with the preparation of annual statutory accounts;
- assisting with the preparation of management reports and group reporting forms;
- assisting with the completion of the inventory book and centralisation journals;
- providing advice and assistance regarding compliance;
- making an assessment of the conformity of (foreign) accounting software with Belgian requirements;
- taking over Belgian administrative tasks on an outsourcing basis;
- analysis of the activities performed in Belgium in view of the Permanent Establishment exposure;
- assistance in preparing the Belgian non-resident corporate income tax returns;
- assistance in calculating advance tax payments;
- assistance in preparing fee forms 281.50;
- assistance in completing withholding tax formalities.