



Taxation relating to the investment funds is usually considered on the basis of four pillars:

The taxation of the investment fund in its domicile jurisdiction

The taxation of investment made by an investment fund in the originate country of income

The taxation and the related requirements of the investment fund in each distribution market

The taxation of the investor

The focus is made on the Belgium taxation and the related requirements applicable to foreign funds distributed in Belgium.

Local Taxation

Taxation of the investor

Income tax: Income tax is levied at investor level in relation to any income made from placements in investment funds. Some local tax regulation may provide a reduced rate applicable from time to time subject to specific conditions.

Withholding tax: Withholding tax is levied at fund level on each distribution of dividends from distributed shares/units. Withholding tax is automatically collected in the country of domicile of the investment fund before distribution of the resulting net dividend to the investors.

Taxation of the fund

Taxes may be levied on the basis of the net asset raised into a distribution market. Such net asset taxes are paid by the investment funds to the local tax administration.

Tax complexity

The complexity of the taxation context is considered from the perspective of foreign asset managers distributing funds on cross-border basis in a foreign market. This level of complexity may be expressed by an indicator integrating the complexity of (i) the local taxation regulation, (ii) the related tax requirements, (iii) the obligation to appoint local tax agents, and (iv) the access to tax wrappers.

Tax complexity indicator

A tax complexity indicator (TCI) provides, for each distribution market, a ranking in a scale of five to express the level of complexity of the tax framework applicable to foreign asset managers distributing a fund range on cross-border basis.

The TCI considers impacts from local taxation and local tax requirements perspective; taxation is considered at investor-level and at foreign fund-level.

The Belgian tax framework

The taxation of Belgian residents for placements in investment funds is structured on 3 pillars:

1. Tax on stock exchange transactions ("TOB"), levied upon redemption of capitalisation units/shares
2. Taxation on capital gain from capitalisation units/shares of bond funds or from the bond component of other categories of funds when exceeding 25%
3. Dividend withholding tax, levied on each payment of dividend

Withholding taxes/taxation at source are levied by the financial institution carrying out each transaction subject to taxation.

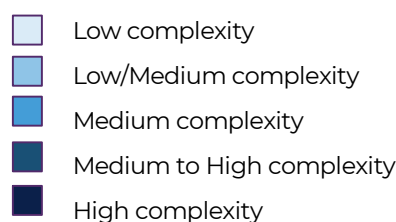
Local tax requirements

Requirements applicable to the fund

Tax agent: local tax regulations may require the appointment of a tax agent. Also, a tax assistance may be appropriate when no tax agent is required.

Disclosure: local tax regulations may also require specific disclosures; tax disclosures require to be made available to the public via appropriate means.

Reporting: local tax regulations may require specific reporting in relation to tax purposes; tax reporting must be filed with the competent authorities to allow investors to benefit from specific tax treatment.



Source: FundGlobam

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TCI analysis

Key tax aspects in relation to the cross-border distribution of French promoters' funds in Belgium

Local Taxation

TCI ¹	Investor Tax		Fund Tax
	Personal Income Tax	Withholding Tax	Belgian annual UCI tax
	MEDIUM+	MEDIUM+	LOW
Key aspects regarding the local taxation of Belgium investors investing in foreign investment funds	<ul style="list-style-type: none"> A 1.32% TOB tax applies on each redemption of capitalisation units/ share classes A 30% capital gain tax applies on capitalisation units/shares of bond funds (or the bond component of other funds exceeding 25% of the portfolio) 	<ul style="list-style-type: none"> A 30% dividend withholding tax applies to each distribution of dividends from investments made by Belgian investors in investment funds 	<ul style="list-style-type: none"> 0,0925% on retail units/share classes, 0,01% on institutional units/share classes

Local tax requirements

TCI ¹	Information		Local presence
	Disclosure requirements	Reporting requirements	Belgium tax agent
	HIGH	MEDIUM	LOW+
Key aspects regarding the local requirements related to the taxation framework applicable to the foreign investment funds distributed in Belgium	<ul style="list-style-type: none"> The BTIS («Belgian Taxation Income per Share») must be disclosed on daily basis 	<ul style="list-style-type: none"> The Net Asset Tax reporting is providing by the Belgian intermediary agent on an annual basis 	<ul style="list-style-type: none"> No tax agent is required for the cross-border distribution of investment funds in Belgium

DISCLAIMER

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