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# Compensation of legal entities appointed as director or liquidator subject to VAT as from 1 January 2015

December 2014

Until now, natural persons who or legal entities which exercise a mandate as director or liquidator of a Belgian company had a freedom of choice as to whether or not their activities are subject to the VAT regime.

However, this option system was abolished by the VAT administration on 20 November 2014. The activities of legal entities which exercise a mandate as director or liquidator of a Belgian company shall be mandatorily subject to VAT beginning as of 1 January 2015. Concretely this means for legal entities that they must charge 21% VAT on compensations for services delivered as of 1 January 2015.

Profit distributions to a director ("tantièmes") which are attributed by vote of a general meeting that takes place in 2015 will also be fully subject to VAT. Moreover, according to the VAT administration, it is irrelevant whether the services or the work to which the distributions relate were delivered or performed prior to 1 January 2015.

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The recent decision of the VAT administration has no consequences for natural persons who exercise a mandate as director or liquidator of a Belgian company. These persons continue to be regarded as not being mandatorily subject to VAT tax. For them, the current option system thus remains in full application until further notice.

Source:

- [Decision no. E.T.125.80 dated 20 November 2014 \(NL\)](#)
- [Decision no. E.T.125.180 dated 20 November 2014 \(FR\)](#)