

Belgium

Transfer Pricing Country Profile¹

July 2025

		SUMMARY	REFERENCE
The Arm's Length Principle			
1	Does your domestic transfer pricing framework² make reference to the arm's length principle?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Art. 185, §2, BITC 92 – explicit reference to the ALP Art. 26, 54, 79 and 206/3 BITC 92 – implicit reference to the ALP – use of the term “abnormal or benevolent” advantages Art. 344 BITC 92 – implicit reference to the ALP – use of the term “legitimate need of a financial or economic nature”
2	Does your domestic transfer pricing framework give the OECD Transfer Pricing Guidelines any role or status (e.g. legal binding effect, subsidiary application in the absence of domestic legislation, source of interpretation of domestic legislation and/or treaty provisions, other)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<u>Parliamentary memorandum accompanying the Law of June 21st 2004 introducing art. 185, § 2 BITC</u> <u>Circular Letter n° AFZ/98-003 of 28 June 1999</u> <u>Circular Letter n° 2020/C/35 of 25 February 2020</u>

¹ Information in transfer pricing country profiles is provided directly by jurisdictions. By publishing the transfer pricing country profiles on the OECD website, the OECD does not certify the accurateness of the information provided therein. Importantly, transfer pricing country profiles published on the OECD website are made available to stakeholders for information purposes only, and are not intended to be used in substitution to a jurisdiction's legal instruments, jurisprudence, or administrative guidance or practice nor relied on as an accurate and complete description of domestic law.

² For purposes of transfer pricing country profiles, the term “domestic transfer pricing framework” refers to a jurisdiction's domestic legislation, regulations, administrative guidance or practice, jurisprudence or governing general principles in the jurisdiction.

		with respect to transactions that occur prior to its publication, insofar that they provide clarifications of earlier versions. When the new versions contain aspects/concepts that are considered novel, they can only be applied to transactions that occur after the date of publication of the new version. There is no overview of what is considered as a clarification, or as a novelty in newer versions.													
3	Does your domestic transfer pricing framework provide for a definition of related parties applicable for transfer pricing purposes? If so, please provide the definition contained under your domestic transfer pricing framework.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Commentary to art. 26 BITC 92 Art. 10, 11 and 13 of the Belgian Code of Companies												
Transfer Pricing Methods															
4	Does your domestic transfer pricing framework provide for transfer pricing methods to be used in respect of transactions between related parties?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If affirmative, please check those provided for in your legislation: <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>CUP</th> <th>Resale Price</th> <th>Cost Plus</th> <th>TNMM</th> <th>Profit Split</th> <th>Other (<i>If so, please describe</i>)</th> </tr> </thead> <tbody> <tr> <td><input checked="" type="checkbox"/></td> </tr> </tbody> </table>	CUP	Resale Price	Cost Plus	TNMM	Profit Split	Other (<i>If so, please describe</i>)	<input checked="" type="checkbox"/>	§ 29 of the Circular Letter n° 2020/C/35 of 25 February 2020					
CUP	Resale Price	Cost Plus	TNMM	Profit Split	Other (<i>If so, please describe</i>)										
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>										
5	Which criterion is provided for in your domestic transfer pricing framework for the application of transfer pricing methods?	Please check all that apply: <input type="checkbox"/> Hierarchy of methods <input checked="" type="checkbox"/> Most appropriate method <input type="checkbox"/> Other (<i>if so, please explain</i>)	§ 22 of the Circular Letter n° 2020/C/35 of 25 February 2020												
		Circular letter n° 2020/C/35 of 25 February 2020 refers to the most appropriate method.													

6	<p>Does your domestic transfer pricing framework contain specific guidance on commodity transactions?</p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> For controlled transactions involving commodities, the guidance contained in paragraphs 2.18-2.22 of the TPG is followed.</p> <p><input type="checkbox"/> Domestic transfer pricing framework provides for the use of a specific method for controlled transactions involving commodities (<i>if so, please explain</i>)</p> <p><input type="checkbox"/> No</p>	<p>§ 34 of the Circular Letter n° 2020/C/35 of 25 February 2020</p>
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Comparability Analysis

7	<p>Does your jurisdiction follow (or largely follow) the guidance on comparability analysis outlined in Chapter III of the TPG?</p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>	<p>§§ 69 – 126 of the Circular Letter n° 2020/C/35 of 25 February 2020</p>
8	<p>Is there a preference in your jurisdiction for domestic comparables over foreign comparables?</p>	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>	
9	<p>Does your domestic transfer pricing framework permit the use of secret comparables for transfer pricing assessment purposes?</p>	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>	
10	<p>Does your domestic transfer pricing framework allow or require the use of an arm's length range and/or statistical measure (e.g. the interquartile range or other percentiles) for determining arm's length remuneration?</p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>The Belgian administration follows the guidance of the OECD TPG and allows for the use of an arm's length range.</p> <p>Only in exceptional circumstances (when all comparables have a very high degree of comparability), the use of the full range will be accepted. If those exceptional</p>	<p>§§ 123 – 126 of the Circular Letter n° 2020/C/35 of 25 February 2020</p>

		<p>circumstances are not met, the Belgian administration will require the use of the interquartile range.</p> <p>When the transfer price falls outside the (interquartile) range that has been accepted, the Belgian administration will generally correct towards the median of the accepted (interquartile) range.</p>	
11	Are comparability adjustments required under your domestic transfer pricing framework?	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>	<p>§§ 118 – 122 of the Circular Letter n° 2020/C/35 of 25 February 2020</p>
Intangible Property			
12	Does your domestic transfer pricing framework contain guidance specific to the pricing of controlled transactions involving intangibles?	<p><input checked="" type="checkbox"/> Yes. If so, does your domestic transfer pricing framework follow (or largely follow) the guidance in Chapter VI of the TPG?</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No (please provide further explanations below)</p> <p><input type="checkbox"/> No</p>	<p>§§ 129 – 163 of the Circular Letter n° 2020/C/35 of 25 February 2020</p>
Hard-to-Value Intangibles			
14		<p><input checked="" type="checkbox"/> Yes. If so, does your domestic transfer pricing framework follow the guidance on HTVI in Chapter VI of the TPG?</p> <p><input checked="" type="checkbox"/> Yes</p>	<p>§§ 153 – 163 of the Circular Letter n° 2020/C/35 of 25 February 2020</p>

	<p>Does your domestic transfer pricing framework contain guidance specific to hard-to-value intangibles (HTVI)?³</p>	<p><input type="checkbox"/> No (please provide further explanations below)</p> <p><input type="checkbox"/> No</p> <p>The Circular letter n° 2020/C/35 of 25 February 2020 allows the Belgian tax administration to apply the guidance contained in §§ 6.186 – 6.194 of the OECD TPG.</p>	
15	<p>If your jurisdiction applies the HTVI approach, what are the conditions for the application of the HTVI approach?</p>	<p>Circular letter n° 2020/C/35 of 25 February 2020 defines a HTVI as an intangible for which (i) no reliable comparables exists, and (ii) at the time of the transaction was entered into, the projections of future cash flows or the assumptions used in valuing the intangible are highly uncertain (cf. § 6.189 OECD TPG).</p> <p>Furthermore, the limitations contained in § 6.193 of the OECD TPG apply.</p>	<p>§§ 153 – 163 of the Circular Letter n° 2020/C/35 of 25 February 2020</p>
16	<p>Are transactions falling within the scope of the HTVI approach subject to a transfer pricing analysis different from the one established in Chapters I and VI, or to other compliance requirements specifically applicable to transfer prices (e.g. domestic anti-abuse rules)?</p>	<p>No</p>	
17	<p>What is the statute of limitations applicable to transactions falling within the scope of the HTVI approach in your domestic transfer pricing framework? Does this statute of limitations differ from those applicable to other transactions?</p>	<p>The statute of limitations for HTVI is the same as for the general transfer pricing audits, namely 6 years (10 years in the case of tax fraud).</p>	
18	<p>Can taxpayers request a bilateral or multilateral advance pricing agreement (“APA”) for transactions falling within the scope of the HTVI approach under your domestic transfer pricing framework?</p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>	

³ In the case of jurisdictions that do not apply the HTVI approach (i.e. they responded “no” to question 14), it is not necessary to respond to the remaining questions in the HTVI section and these questions will not be published as part of jurisdiction’s transfer pricing country profile.

19	What measures exist or approaches have been adopted to avoid the use of hindsight (e.g. training of tax administrators, internal circulars/informative notes)?	Circular letter n° 2020/C/35 of 25 February 2020 describes the HTVI approach. Further, regular trainings are provided for tax auditors in order to avoid the use of hindsight.	
20	Is it possible for your tax administration to make adjustments under the HTVI approach in open years amounts pertaining to closed years?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
21	Does your domestic transfer pricing framework allow the tax administration to make corresponding adjustments under the HTVI approach in open years for amounts pertaining to closed years?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
22	Is it possible for your tax administration to make several adjustments for one single HTVI transaction under the HTVI approach?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

Intra-group Services

23	Does your domestic transfer pricing framework provide guidance specific to intra-group services transactions?	<input checked="" type="checkbox"/> Yes. If so, does your domestic transfer pricing framework follow (or largely follow) the guidance in Chapter VII of the TPG? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (please provide further explanations below)	§§ 164 – 189 of the Circular Letter n° 2020/C/35 of 25 February 2020
		Chapter VII of Circular letter n° 2020/C/35 of 25 February 2020 summarizes the guidance of Chapter VII of the OECD TPG and where deemed opportune, describes the Belgian position.	
24	Does your domestic transfer pricing framework provide for or allow the	<input checked="" type="checkbox"/> Yes. If so, does it follow (largely follow) the low value-adding services approach in Chapter VII?	§§ 182 – 188 of the Circular Letter n° 2020/C/35 of 25 February 2020

	<p>application of a simplified approach for low value-adding intra-group services?</p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No (please provide further explanations below)</p> <p><input type="checkbox"/> No</p>	
		<p>Circular letter n° 2020/C/35 of 25 February 2020 allows for the application of the simplified approach for low value-adding intra-group services.</p> <p>The mark-up applied is 5% on relevant costs.</p>	
25	<p>Are there any other rules outside your transfer pricing framework for pricing intragroup services?</p>	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>	
Financial Transactions			
26	<p>Does your domestic transfer pricing framework provide guidance specific to financial transactions?</p>	<p><input checked="" type="checkbox"/> Yes. If so, does your domestic transfer pricing framework follow (or largely follow) the guidance in Chapter X of the TPG?</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No (please provide further explanations below)</p> <p><input type="checkbox"/> No</p>	<p>§§ 245 – 267 of the Circular Letter n° 2020/C/35 of 25 February 2020</p>
27	<p>Are there any other rules outside your transfer pricing framework that are relevant for the tax treatment of financial transactions? (e.g. whether your jurisdiction has implemented the measures in BEPS Action 4 to limit interest deductions and other financial payments or any similar rules)</p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>	<p>See respectively:</p> <ul style="list-style-type: none"> - Art. 54 BITC 92 - Art. 55 BITC 92 - Art. 198, §1, 11° BITC 92 - Art. 198/1 BITC 92

		<ul style="list-style-type: none"> - Non-deductibility of exceeding interests paid to an entity located in a low-taxed jurisdiction that has a thin cap ratio of 5:1 or higher; - Non-deductibility of the exceeding borrowing costs paid to an associated enterprise that exceed 30% of its EBITDA or 3 million EUR (cf. BEPS Action 4 & EU Directive 2016/1164). 	
Cost Contribution Arrangements			
28	Does your jurisdiction allow cost contribution arrangements?	<p><input checked="" type="checkbox"/> Yes. If so, does your domestic transfer pricing framework follow (or largely follow) the guidance in Chapter VIII of the TPG?</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No (please provide further explanations below)</p> <p><input type="checkbox"/> No</p>	§§ 190 – 211 of the Circular Letter n° 2020/C/35 of 25 February 2020
Transfer Pricing Documentation			
29	Does your domestic transfer pricing framework require the taxpayer to prepare transfer pricing documentation?	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p><i>If affirmative, please check all that apply:</i></p> <p><input checked="" type="checkbox"/> Master file consistent with Annex I to Chapter V of the TPG</p> <p><input checked="" type="checkbox"/> Local file consistent with Annex II to Chapter V of the TPG</p> <p><input checked="" type="checkbox"/> Country-by-country report consistent with Annex III to Chapter V of the TPG</p> <p><input checked="" type="checkbox"/> Specific transfer pricing returns (separate or annexed to the tax return)</p> <p><input type="checkbox"/> Other (specify):</p>	

30	<p>Please briefly explain the relevant requirements related to each transfer pricing documentation requirement (i.e. timing for preparation or submission, languages, etc.)</p>	<p>The Country-by-Country Reporting Framework follows the guidance of the OECD TPG.</p> <p>Reporting entities:</p> <p>The Master File & Local File need to be filed by Belgian group entities that are part of a MNE that has:</p> <ul style="list-style-type: none"> - An operational turnover of more than 50 million EUR; or - A balance sheet total of more than 1 billion EUR; or - A staff headcount of more than 100 FTE. <p>Timing:</p> <p>The Master File has to be introduced at the latest 12 months after the end of the fiscal year of the MNE group.</p> <p>The Local File has to be introduced together with the annual tax return of the Belgian entity.</p> <p>Accepted languages:</p> <p>All returns may be completed in English, French, Dutch or German.</p> <p>Other elements:</p> <p>The Local File contains an additional return that has to be completed when a relevant business unit has intra-group transactions with a value of more than 1 million EUR.</p>	<p>Art. 321/1 – 321/7 BITC 92</p> <p>Circular Letter 2017/C/56 from 4 September 2017</p> <p>Circular Letter 2019/C/14 from 8 February 2019</p> <p>BEPS Action 13 website</p>
31	<p>Does your domestic transfer pricing framework provide for specific transfer pricing penalties and/or compliance incentives regarding transfer pricing documentation?</p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>	<p>Art. 445bis, §3 BITC 92</p>
32	<p>Does your domestic transfer pricing framework provide for exemption</p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>	

	<p>from transfer pricing documentation obligations?</p>	<p>The Local File contains an additional return that has to be completed when a relevant business unit has intra-group transactions with a value of more than 1 million EUR.</p>	
Administrative Approaches to Avoiding and Resolving Disputes			
33	<p>Which mechanisms are available in your jurisdiction to prevent and/or resolve transfer pricing disputes?</p>	<p>Please check those that apply:</p> <p><input checked="" type="checkbox"/> Rulings</p> <p><input checked="" type="checkbox"/> Enhanced engagement or cooperative compliance programmes</p> <p><input checked="" type="checkbox"/> Advance Pricing Agreements (APA)</p> <p><input checked="" type="checkbox"/> Unilateral APAs</p> <p><input checked="" type="checkbox"/> Bilateral APAs</p> <p><input checked="" type="checkbox"/> Multilateral APAs</p> <p><input checked="" type="checkbox"/> International Compliance Assurance Programme (ICAP)</p> <p><input checked="" type="checkbox"/> Mutual Agreement Procedures</p> <p><input checked="" type="checkbox"/> Other: Belgium is a participating administration in the ETACA project</p>	
<p>We refer to the Belgian MAP Profile for relevant details concerning rulings, APAs and MAPs.</p> <p>Belgium has a Co-operative Tax Compliance Programme (CTCP). Relevant information can be found on the dedicated web page.</p> <p>Belgium is a participating administration in the OECD ICAP.</p>			
Simplified and Streamlined Approach for Baseline Marketing and Distribution Activities			
34	<p>Does your domestic transfer pricing framework allow the application of the simplified and streamlined approach for baseline marketing and</p>	<p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p><input checked="" type="checkbox"/> Other (please elaborate)</p>	

	distribution activities in the relevant Annex of Chapter IV of the TPG?⁴	Belgium implements the simplified and streamlined approach as agreed within the framework of its political commitment at the level of the OECD.	
35	If your domestic transfer pricing framework allows the application of the simplified and streamlined approach, how is it implemented?	<input type="checkbox"/> In-scope tested parties resident within the jurisdiction can elect to apply the simplified and streamlined approach (i.e. safe harbour) <input type="checkbox"/> In-scope tested parties resident within the jurisdiction are required to follow the simplified and streamlined approach for in-scope qualified transactions and tax administrations are allowed to impose the application of the simplified and streamlined approach to in-scope qualified transactions of tested parties resident within their jurisdiction (i.e. rule) <input checked="" type="checkbox"/> N/A	
36	If your domestic transfer pricing framework allows the application of the simplified and streamlined approach, what is the operating expense to sales (OES) upper bound chosen by your jurisdiction regarding scoping criterion 13.b?	<input type="checkbox"/> 20% <input type="checkbox"/> 30% <input type="checkbox"/> Other (please specify) <input checked="" type="checkbox"/> N/A	
37	Does your jurisdiction respect the outcome of the application of the simplified and streamlined approach by a covered jurisdiction in line with the Inclusive Framework political commitment?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

⁴ In the case of jurisdictions that do not apply the simplified and streamlined approach (i.e. they responded “no” to question 34), it is not necessary to respond to questions 35, 36 and 38 and these questions will not be published as part of jurisdiction’s transfer pricing country profile.

38	<p>If your domestic transfer pricing framework allows the application of the simplified and streamlined approach for resident in-scope tested parties, does your jurisdiction respect the outcome of the application of such approach by another jurisdiction that is not a covered jurisdiction?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	
Safe Harbours and Other Simplification Measures			
39	<p>Does your jurisdiction provide for any safe harbours or other simplification measures in respect of certain industries, types of taxpayers, or types of transactions (not listed in other sections of this questionnaire)?</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Other Legislative Aspects or Administrative Procedures			
40	<p>Does your domestic transfer pricing framework allow downward corresponding adjustments in the absence of a mutual agreement procedure (e.g. unilateral corresponding adjustments)?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Art. 185, § 2, b) and art. 376, § 1 BITC 92
41	<p>Does your domestic transfer pricing framework allow or require taxpayers to make year-end adjustments?</p>	<input type="checkbox"/> Yes. Year-end adjustments are required. <input checked="" type="checkbox"/> Yes. Year-end adjustments are allowed. <input type="checkbox"/> No	

42	<p>Does your domestic transfer pricing framework provide for secondary adjustments?</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Attribution of Profits to Permanent Establishments			
43	<p>Which version of Article 7 of the OECD Model Tax Convention on Income and on Capital do your tax treaties contain?</p>	<input checked="" type="checkbox"/> Article 7 as it read before 2010. <input checked="" type="checkbox"/> If so, please indicate in how many treaties: 91 <input checked="" type="checkbox"/> Article 7 as it reads after 2010. <input checked="" type="checkbox"/> If so, please indicate in how many treaties: 3 <input type="checkbox"/> Other (please provide additional details)	
44	<p>For tax treaties containing Article 7 as it read before 2010, does your jurisdiction apply the authorized OECD approach (AOA)?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (please explain the approach used and which tax treaties are concerned)	<p>Currently, the Kingdom of Belgium has signed several new Agreements that are not yet into force. They contain:</p> <ul style="list-style-type: none"> - Article 7 as it read before 2010: 6 - Article 7 as it read after 2010: 2 (replacing treaties that contain an old art. 7)
			<p>Belgium has concluded a Competent Authority Agreement with the USA whereby both parties commit on the implementation of art. 7 in line with the 2010 AOA.</p> <p>Competent Authorities can agree to apply the 2010 AOA to individual files.</p>

45	<p>Does your domestic transfer pricing framework contain specific guidance for the attribution of profits to permanent establishments of non-resident entities? If so, please provide a summary of the main features of this guidance.</p>	<p><input checked="" type="checkbox"/> Yes, they follow the AOA as described in the 2008 Report on the Attribution of Profits to Permanent Establishments</p> <p><input checked="" type="checkbox"/> Yes, they follow the AOA as described in the 2010 Report on the Attribution of Profits to Permanent Establishments</p> <p><input type="checkbox"/> Yes, they do not follow the AOA (please provide a summary of the main features of these rules)</p> <p><input type="checkbox"/> No</p>	<p>§§ 268 – 286 of the Circular Letter n° 2020/C/35 of 25 February 2020</p>
Other Relevant Information			

46	<p>Other legislative aspects or administrative procedures regarding transfer pricing</p>	<p>N/A</p>	
47	<p>Other relevant information (e.g. whether your jurisdiction is preparing new transfer pricing regulations, or other relevant aspects not addressed in this questionnaire)</p>	<p>N/A</p>	

For more information, please visit: <https://www.oecd.org/en/topics/sub-issues/transfer-pricing/transfer-pricing-country-profiles.html>