



TAX INCENTIVES FOR INNOVATIVE COMPANIES

in Lifesciences,
(Bio)pharma
& Health Tech

2020

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What is innovation?

**IN THE BROAD SENSE =
NOVELTY**

**IN THE STRICT SENSE =
RESEARCH AND DEVELOPMENT**

- Innovative compared to existing knowledge and expertise in the corporate sector
- Scientific and/or technical progress
- Overcoming an uncertain outcome



Investment deduction for research and development

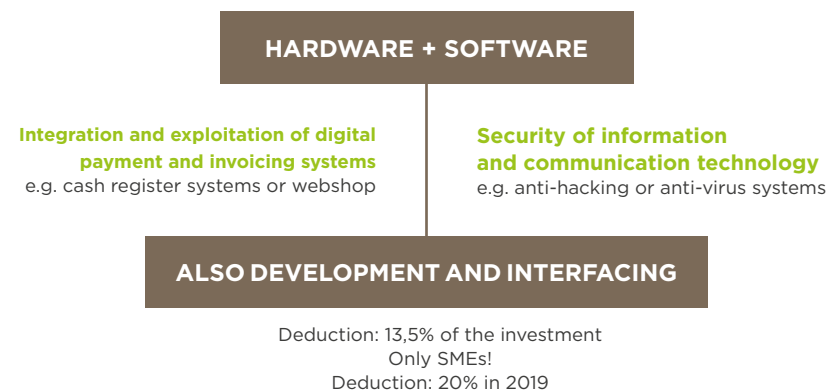
- Tax deduction for eco-friendly investments in research and development
- Investments used to create, develop or improve new production techniques, equipment, processes, products or raw materials
- Broad scope of application
 - Laboratory equipment, personnel costs for researchers and engineers, rental workspace, financing costs, proportional share of overheads, licenses and patents, etc.
- Fiscal recovery of 4% to 6% of the investment
- Conditions
 - Capitalisation of costs > **Tax optimization.**
 - Note: only capitalized to the extent of a conservative estimation of the utility value or future return on investment
 - Research costs (as opposed to development costs) may no longer be capitalized and amortized on the balance sheet. For tax purposes, these costs may still be eligible for the investment deduction
- Annual tax certificate to be requested from the Flemish government (timing!)

ONE-OFF	13,5% x acquisition value or manufacturing price
	<p>R&D investment = 100.000 EUR x 13,5% deduction = 13.500 EUR x 29,58% tax rate = 3.993 EUR (4%)</p>
SPREAD	20,5% x annual amortization
	<p>R&D investment = 100.000 EUR Amortization 3 years = 3.333 EUR x 20,5% deduction = 6.833 EUR x 29,58% tax rate = 2.021 EUR x 3 financial years = 6.063 EUR (6%)</p>

Tax credit for research and development

- Investment deduction x 29,58% (financial year 2019)
 - And **REPAYABLE** if not used during 5 years (e.g. due to losses or insufficient taxable profit)
- Always more advantageous for start-ups and SMEs (never SME rate of 20,4%)
- Complex application in tax return + tax certificate
- **BETTER BALANCE SHEET PRESENTATION** (recorded as operating income)
- Important for long-term R&D-project and/or historical tax loss position
- Elimination of a possible minimum taxable base

Investment deduction for digital assets (SMEs)



Accelerated amortization

- Accelerated amortizations (income recognition) of intangible assets (R&D costs, licences, etc.)
- Minimum 3 years for R&D investments
- Minimum 5 years in other cases

Increased investment deduction for SMEs

- SME companies (art. 1:24 CCA)
- Increased deduction of 20% (instead of 8%) only for calendar years 2018 and 2019
 - E.g. investment as of 1 January 2019 in broken financial year per 30 June 2019

TAX SIGNIFICANCE INCREASED

E.g. investment of 100.000 EUR x 20% deduction x 20,4% SME rate
= 4.080 EUR or approx. 4% tax saving

E.g. investment of 100.000 EUR x 20% deduction x 29,58%
= 5.916 EUR or approx. 6% tax saving

- The investments should pertain to tangible fixed assets, that are newly created or achieved, and to new intangible fixed assets. These assets have to be used solely for carrying out professional activities and must be depreciable within at least three years

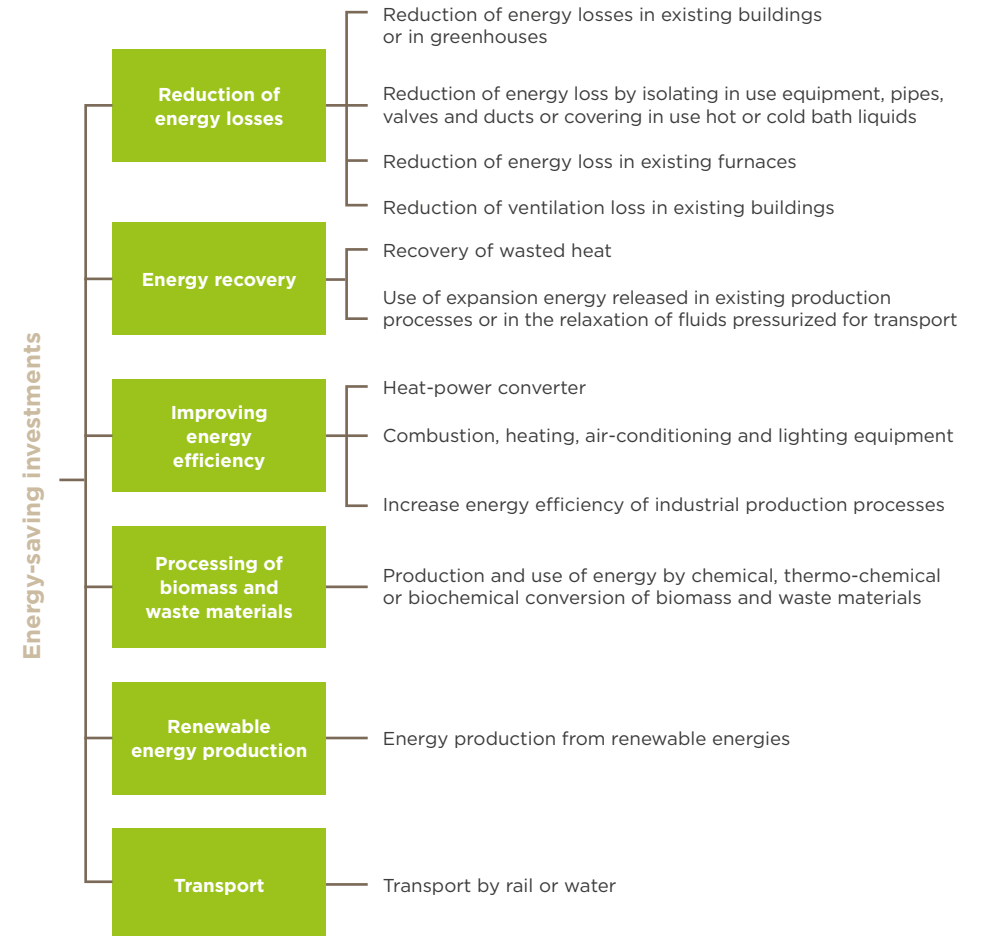


Also applicable to capitalisation of R&D personnel costs as intangible fixed assets (if all conditions are met).

Only transferable to the **next** taxable period.

Investment deduction for energy-saving investments

- Additional deduction of 13,5% from the acquisition value
 - Fiscal recovery of 4% of the investment
- Condition:
 - Request a certificate from the Flemish government within **3 months after the end of the financial year in which the fixed assets were acquired or established**



Patent income deduction

The patent income deduction has been abolished as from the 1st of July 2016, but can still be applied until the 30th of June 2021 for patents filed before July 1, 2016 or obtained before July 1, 2016.

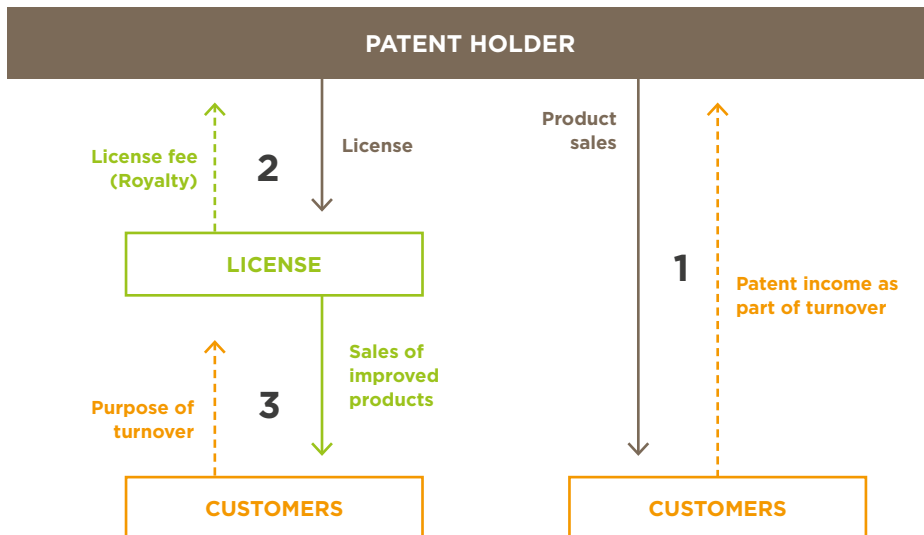
- 80% of patent income exempt from Belgian corporate income tax
 - Effective tax expense of max. 5,9% (instead of 29,58%)
- Conditions:
 - Owner or licensee of approved patent
 - Patents developed in whole or in part OR acquired and further improved
 - In a research center inside or outside Belgium
 - No research center required for SMEs ('research in the workplace' suffices)

Patent application in the country of production is often the most beneficial from a tax point of view

- Worldwide turnover is taken into account

What kind of income will qualify?

- Patent income included in turnover (sales price)
- License fees (royalties)



Patent income included in sales price (reflects at arm's length license fee?)

R&D INTENSIVE		patent-income
Turnover	1.000	1.000
Purchases of trade goods Account 60	-500	-550
Operating costs (excl. R&D) Account 61 - 64	-200	-220
Costs for R&D	-200	-
Accounting profit (EBIT)	100	230
Profit margin	10%	23%

Patent deduction = $(1.000 \times 23\%) \times 80\% = 184$ tax-free turnover

LESS R&D INTENSIVE		patent-income
Turnover	1.000	1.000
Purchases of trade goods Rack 60	-500	-550
Operating costs (excl. R&D) Rack 61 - 64	-300	-330
R&D costs	-100	-
Accounting profit (EBIT)	100	120
Profit margin	10%	12%

Patent deduction = $(1.000 \times 12\%) \times 80\% = 96$ tax-free turnover

- License fees received from third parties are fully eligible for patent income deduction
- Optimisation of group structure
 - Research, production, commercialisation and patent applications in which countries?
 - R&D activity through a separate licensed company or by virtue of production/distribution entity itself
 - Please note: unused patent income deduction is NOT transferable to subsequent years in the case of insufficient taxable profit
 - Transfer pricing: substantiation of at arm's length pricing of intra-group transactions and license fees
 - Sufficient economic substance abroad?

Innovation income deduction

Revenue as from 1 July 2016

- Extended scope of application. Eligible:
 - Patents
 - Intellectual property on computer software
 - Breeders' rights
 - Orphan medicinal products
 - Government-allocated data market exclusivity
- **Remains excluded:** all marketing related intellectual property rights (e.g. trademarks)
- 85% of innovation income is exempted from corporate income tax
 - Effective tax expense of at least 4,4% (instead of 29,58%)
 - Current patent application suffices → temporary exemption
 - Also copyrighted software (without patent)
 - Calculated on net income (after deduction of R&D cost)
 - 'Research center' no longer required
 - Unlimited transferable in the event of insufficient taxable profit
 - Country of protection no longer relevant
- Copyrighted software
 - No requirement of patent protection
 - Computer programs must result from research or development projects or programs
 - Computer programs that have not generated revenue before 1 July 2016 (condition of novelty)
 - Revenue from new derivative works and (fundamental) improvements to existing computer programs



What income?

- License fees
- Part of sales price (turnover) = 'license fee included'
- Sales price of intellectual property rights subject to reinvestment condition within 5 years
- Indemnifications



Internal process innovation

- Does not always lead to a higher price for product or service
- "Part of margin corresponding to compensation which a third party would pay for following the protected supply- or production- process"
- Protected method + using covered products in the process

$$\text{INNOVATION INCOME DEDUCTION} = \left(\text{PROFIT FROM INNOVATION} - \text{R\&D COSTS} \right) \times 0,85 \times \text{NEXUS FRACTURE}$$

- Substantiation of innovation revenues & expenses ('track & trace' - mapping)
 - Deduction to be determined per intellectual property right unless difficult to enforce (type or group of products/services)
 - Extended documentation obligation (value of acquired intellectual property, calculation amount of net innovation income, R&D costs, etc.)
 - Frame within transfer pricing (documentation) in an international context
 - Opportunity/necessity for binding advice from BELSPO and/or Ruling Commission?

Qualifying (gross) innovation income

Minus: Innovation income before 1 July 2016

Minus: Pro rata allocation of all (in)direct costs turnover (excluding R&D costs)

Min: Routine margin for sales (6-10%)

Minus: Margin for other intellectual property (e.g. brand name)

Gross innovation income

Min. R&D costs of the financial year

Min. 'Historical' R&D costs for financial years as from 1 July 2016 (option to spread over 7 years)

Net innovation income

X Nexus fracture

X 85% INNOVATION INCOME DEDUCTION



Track & Trace calculation tool

Transfer pricing

In view of R&D related intangibles resulting out of R&D activities, it is outmost important that intra-group R&D arrangements are regulated by a solid intra group agreement. In this agreement, a provision needs to be included regarding any potential intellectual property created, including to which party the IP belongs or should be assigned to and remuneration in line with arm's length terms.

Depending on the set-up of the R&D activities, the involving R&D entities might be eligible to benefit from several R&D tax credit and incentives.

Tax benefits	R&D center owning the IP rights*	Contract R&D center**	R&D Cost-sharing arrangements
Investment deduction for research and development	✓	✓	✓
Tax credit for research and development	✓	✓	✓
Investment deduction for digital assets (SMEs)	✓	✓	✓
Accelerated amortization	✓	✓	✓
Increased investment deduction for SMEs	✓	✓	✓
Investment deduction for energy-saving investments	✓	✓	✓
Patent income deduction	✓	✗	✓
Innovation income deduction	✓	✗	✓

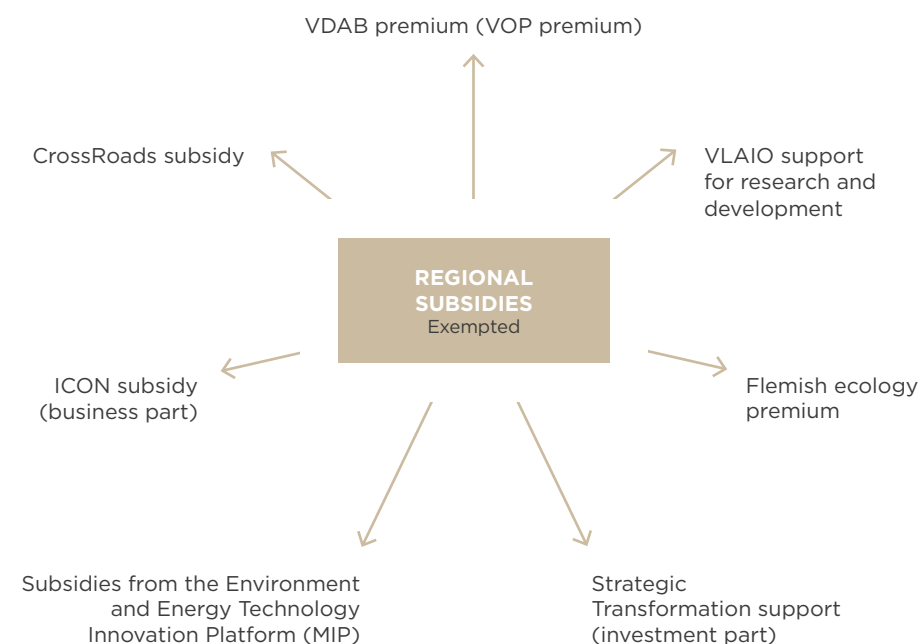
* Acting in its own name on its own behalf, owning the developed IP

** Acting on behalf of another party, not owning the developed IP

*** Partially owning the developed IP

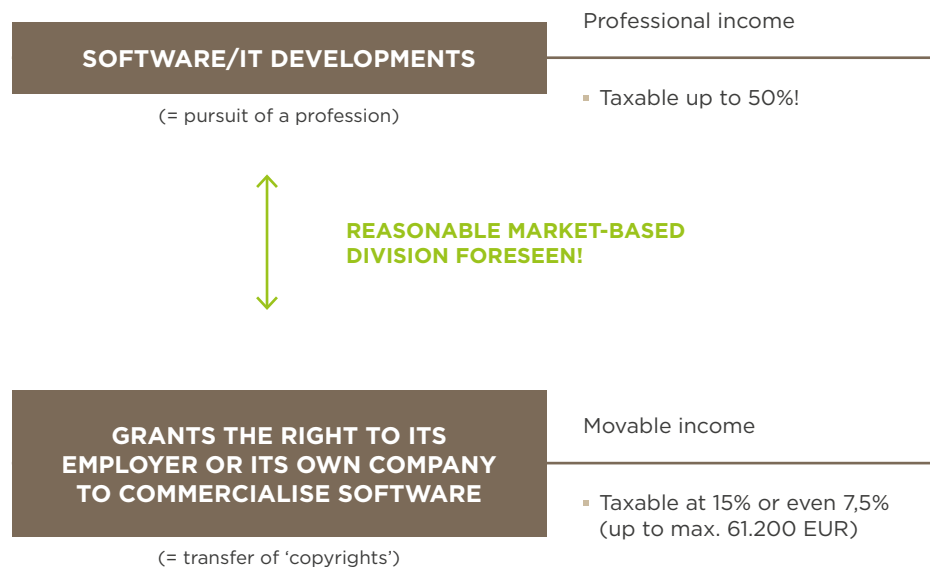
Exempted regional grants

- Regional grants exempted from corporate income tax
- Not exempt: European and federal grants (29,58% corporation income tax)



Tax-friendly regime for transfer of copyrights (software and marketing)

- Income from transfer of 'copyrights' are taxed very favourably
- Creation of a protected work (requirement of originality)
- Transfer of property rights contractually foreseen
 - Addendum to employment contract or separate contract for freelancers
 - E.g. distribution right, reproduction right, publishing right of self-developed software, computer models, designs, algorithms, etc.
- Attention with respect to social security contributions and wage withholding tax formalities
- Optimization also possible via management company



Employee remuneration package optimization (e.g. researchers, software developers)

CURRENT SITUATION

100%	Gross monthly salary	3.000
<hr/>		
	- 13,07% NSSO	-392
	- Wage withholding tax	-636
	- Special. contribution soc. sec.	-28
<hr/>		
	Net	1.668
<hr/>		
	Total net	1.945

OPTIMALIZATION

80%	Professional income	2.400
20%	Copyright transfer fee	600
<hr/>		
80%	Professional income	2.400
	- 13,07% NSSO	- 314
	- Wage withholding tax (progressive)	- 390
	- Special contribution soc. sec.	- 28
<hr/>		
	Net	1.668
<hr/>		
20%	Copyright transfer fee	600
	- 13,07% NSSO	-78
	- 7,5% RH (15% x 50% flat-rate)	-39
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	Net	483
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	Total net	2.151
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	Net benefit on a monthly basis	206

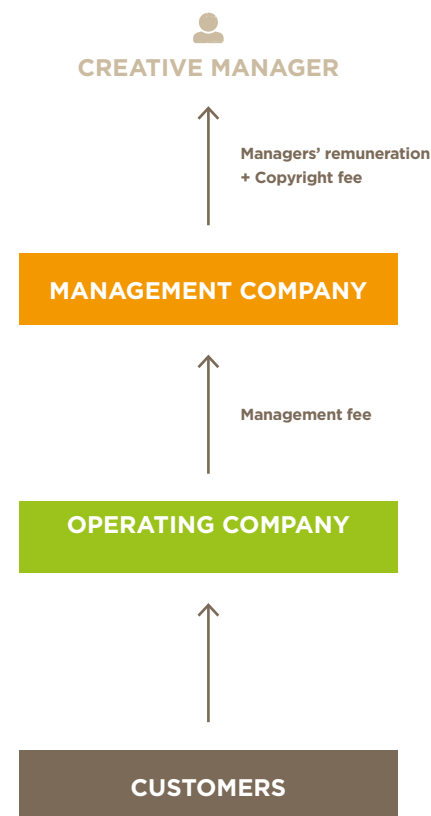
Benefits

- Retention bonus (higher net salary to existing staff without increase in employer's wage costs)
- Attracting new employees at lower labor costs employer
- Catch up on future (tax expensive) salary increases via low taxed remuneration of copyrights

IMPORTANCE OF TIMESHEET (REPORTING)

LINKING TO OTHER ALTERNATIVE REMUNERATION TECHNIQUES (BONUS PLAN, CAFETERIA PLAN, EXPENSE ALLOWANCES, ETC.)

Optimization through own management company - recent ruling practice




Ruling practice today:

- Maintain normal taxed minimum remuneration (45.000 EUR)
- Copyright fee = 12,5% of the net turnover of the exploitation company associated with the exploitation of the copyrighted work
 - Corrected with the copyright fees to employees, subcontractors, freelancers,...
- Maximum: 50% of the recurrent profit of the financial year
- Minimum: 5% of the qualifying net turnover related to the exploitation of the copyrighted work
- 1/2 of the received remuneration should be maintained as a profit margin in the management company. The other 1/2 can be paid out to private.
- Absolute maximum: twice the average copyright remuneration granted to employees
- Absolute limit: 61.200 EUR

Partial exemption of wage withholding tax for research & development

Optimization through own management company - example

Premise: Managers' remuneration from management company (art. 215, 3rd paragraph, 4° BITC92)	€ 45.000,00
Result operating company	€ 70.000,00
Total turnover operating company	€ 300.000,00
Minus correction non-copyright turnover (e.g. 10%)	€ 30.000,00
Qualifying turnover OPERATING COMPANY	€ 270.000,00
Maximum percentage of copyrights granted by operating company to management companies	12,50%
Remuneration of transferred copyrights to management company	€ 33.750,00
If applicable: minus correction for copyright fees transferred to employees and independent employees	
Remuneration of transferred copyrights to management company after adjustment copyright to employees	€ 33.750,00
Maximum: 50% of the profit of the operating company (code 9903 of the financial statements)	€ 35.000,00 (70.000,00 x 50%)
Minimum: the restriction cannot result in the compensation that amounts to less than 5% of the qualifying turnover of the operating company	€ 13.500,00 (270.000,00 x 5%)
Remuneration of transferred copyrights MANAGEMENT COMPANY	€ 33.750,00
Reimbursement of private copyrights (50% retained as profit margin in the management company)	€ 16.875,00 (33.750,00 x 50%)
If applicable: twice the average copyright fee granted to workers as an absolute maximum	
Flat-rate deduction of costs	€ 8.298,75
Taxation: 15% x (16.875,00 - 8.298,75)	€ 1.286,44 Wage withholding tax
Net remuneration	€ 15.588,56

Favourable regime:

- 80% of the withheld wage withholding tax on salaries of R&D personnel is not paid to Belgian Tax Authorities → **CASH REVENUE FOR EMPLOYER**

Who qualifies?

- **Universities, colleges, scientific institutions recognized** by the Minister, the National Fund for Scientific Research (NFSR) and the Fund for Scientific Research-Flanders (FWO)
- Companies paying or assigning remuneration to researchers with a **degree** in PhD, civil engineering, industrial engineering and certain master's degrees
- Companies paying or assigning remuneration to researchers working on research projects under **cooperation agreements** concluded with universities or colleges in the EEA or with recognized scientific institutions
- **Young Innovative Companies** employing scientific personnel (researchers, research technicians, R&D project managers)

Conditions Young Innovative Company (YIC)

- Carrying out research projects
- Has been in existence for less than 10 years before 1 January of the year in which the exemption of wage withholding tax is applied. Was not founded as part of a merger, restructuring, expansion or takeover
- At least 15% of the total costs of the previous year are R&D expenses
- 'Small enterprise' according to the law
 - The last closed financial year may not exceed one of the following thresholds (to be assessed on a consolidated basis):
 - Annual average workforce (FTE): 50
 - Annual turnover (excl. VAT): 9.000.000 EUR
 - Balance sheet total: 4.500.000 EUR

Employees with scientific degrees

DOCTORAL & CIVIL ENGINEERS

Applied Sciences

Exact sciences

Medicine

Veterinary medicine

Pharmaceutical sciences

MASTER OR EQUIVALENT (240 study credits)

Science

Applied Sciences

Applied biological sciences

Medicine

Veterinary medicine

Pharmaceutical sciences

Biomedical sciences

Industrial sciences, technology and nautical sciences

Biotechnology

Architecture

Product development

EXCLUDED

Audiovisual and visual art

Commercial sciences and business administration

Music and performing arts

Social Agogic work

Applied linguistics

Archaeology, history, art sciences

Law and criminology

ES and TES

Traffic science

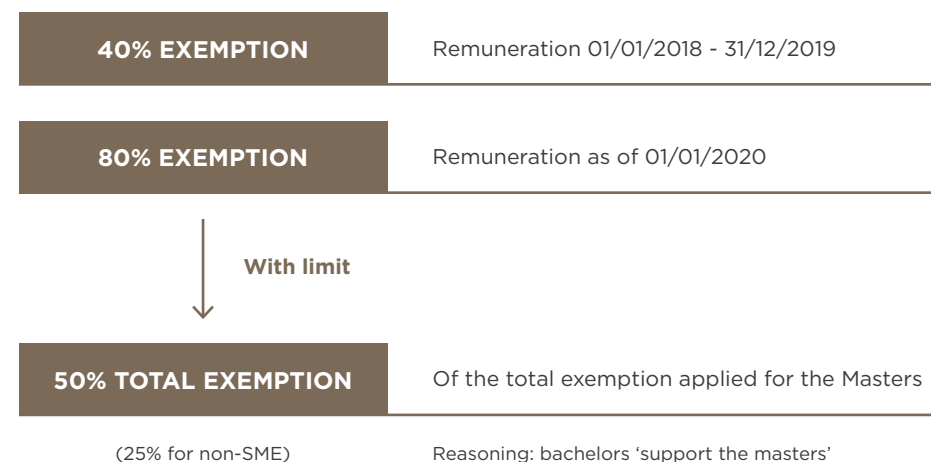
Religion, morality, philosophy

Psychology, pedagogy

Political and social sciences

Expansion to bachelors as from 2018

- Bachelor degree in one of the study fields for Masters, or
- Bachelor degree in one of the following study fields (FL Region):
 - Biotechnology
 - Industrial sciences and technological and nautical sciences
 - Commercial sciences and business administration (only those courses that are mainly focused on informatics and innovation)
 - Healthcare



- Pro-rata restriction
 - Apply the exemption in proportion to the time actually spent by the persons concerned on research or on research and development projects or programs
 - Importance of timesheets!
- Obligatory registration of the R&D activities
 - At the Federal Public Service for Science Policy Programming ('BELSPO')
 - Online registration possible for punctual R&D project
 - One-off registration in consultation with BELSPO for structural/continuous R&D
 - Optional but binding advisory procedure possible

ALSO EXEMPTION FOR EMPLOYEES WHO DEVELOP SOFTWARE

- Scientific or technical progress
- No software maintenance (maintenance & debugging)

What is meant by research and development?

FUNDAMENTAL RESEARCH

Research not involving direct practical applications

R&D

EXPERIMENTAL DEVELOPMENT

Acquiring, combining, shaping and using existing scientific, technical, business and other relevant knowledge and skills for plans, schemes or designs of new, altered or improved products, processes or services, e.g. producing designs, drawings, plans and other documentation or developing commercially usable prototypes and pilot projects.

INDUSTRIAL RESEARCH

Research involving new knowledge and acquire skills with the aim of improving products, processes or services.

Special expatriate tax status

Belgium has an **advantageous special tax regime** for foreign executives and researchers (expatriates) who are temporarily employed in Belgium. This tax regime offers significant tax benefits and decreases the employer's cost when employing executives and researchers. In order to enjoy this special tax regime, both the employee and the employer **must meet a number of conditions**.

CONDITIONS EMPLOYEE (EXECUTIVE / RESEARCHER)

- Only for foreign employees who do not have the Belgian nationality
 - Excluded: dual nationality
- The employee should be an executive or researcher requiring special knowledge, expertise and responsibility (taking into account the employee's degree, salary and former position)
 - Excluded: lower or subordinate function (administrative, secretariat and other similar non-managerial staff)
- The employee should have been directly recruited from abroad or should be assigned to Belgium by a foreign group company
 - Excluded: recruitment of a foreign employee who already lives in Belgium
- The employment in Belgium should have a temporary nature
- The employee should prove that he or she has maintained sufficient personal and economic ties with his home country
 - Taking into account the personal situation e.g.: spouse and children remain in his home country, owning bank accounts, life insurances, group insurances, immovable property in his home country,...

CONDITIONS EMPLOYER

- The employer should be part of an international group of companies
 - A Belgian establishment / branch / subsidiary of a foreign company
 - A Belgian company that is part of an international group or group of companies
 - A Belgian company controlled by a foreign company
 - A (scientific) research center, control or coordination office which operates within an international group

APPLICATION PROCEDURE / FORMALITIES

- A one-off application must be submitted by the employer and the employee to the Belgian Tax Authorities, within six months starting from the first day of the month following the month of the start of the employment or secondment in Belgium
 - The application must be accompanied by a detailed file, showing that all the conditions for the application of the special tax regime are met
 - In case of a late application, the special tax regime can only be granted if no final personal income tax assessment has been established for the employee and only starting from the year following the year in which the late applications was submitted

TAX BENEFIT

- The employee is considered to be a non-resident for Belgian income tax purposes:
 - Only the personal income of Belgian source is taxable in Belgium
 - The personal income of non-Belgian source (interest, dividends, real estate income) is not taxable in Belgium
 - Remuneration relating to the days worked outside of Belgium is not taxable and not subject to social security contributions in Belgium ('travel exclusion')
 - Certain expat allowances or expense reimbursements are tax-exempted and not subject to social security contributions since they are considered as 'costs proper to the employer':
 - Non-recurring expenses:
All moving costs to and settling-in costs in Belgium, if certain conditions are fulfilled
 - Recurring expenses:
Housing differential; cost of living differential; annual home leave; tax equalization payments and all school fees paid or reimbursed by the employer, if certain conditions are fulfilled
- Limitations:
- The tax-exempt allowances are subject to a ceiling of 11.250 EUR / year (excluding school fees)
 - The ceiling can be increased to 29.750 EUR / year for activities of a controlling or coordination nature or for scientific research

Upfront certainty

- Written binding advice from the Belgian Ruling Commission
- Often valid for a longer period (e.g. 5 years)
- Binding nature with respect to Belgian Tax Authorities preventing time-consuming tax audits

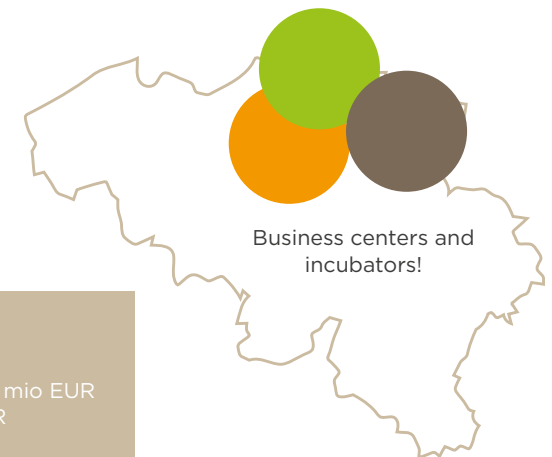
RULING

What's a ruling? An official decision in which the Ruling Commission lays down how the law has to be applied to an individual situation.

- Investment deduction or R&D tax credit
- Exemption wage withholding tax
- Accelerated amortization of intangible assets
- Deduction of innovation income/patent income
- Transfer pricing
- Tax regime for transfer of copyright

Wage withholding tax for zones in economic difficulty

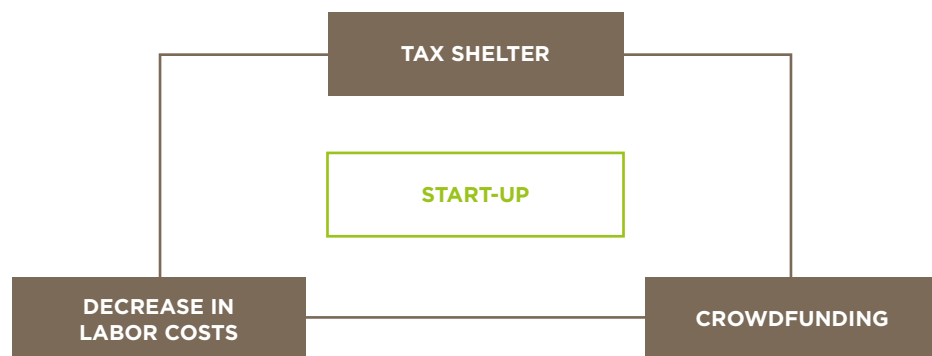
- Employers investing in an establishment located in an envisaged region aimed at creating new jobs (FTE)
 - Also in the event of an acquisition of a company in difficulty
 - Investment can be made by a group company
- 25% exemption of wage withholding tax on wages withheld from new jobs for 2 years
- Maximum: 7.500.000 EUR
- Conditions of employment:
 - SME: maintain a job for 3 years
 - Large enterprise: job retention for 5 years
- Demarcated envisaged regions (business terrains):
 - Envisaged region Limburg ●
 - Assisted area Kempen ●
 - Zaventem-Vilvoorde envisaged region ●
 - www.geopunt.be
 - Distinction between large enterprises and SMEs
- Cumulative with wage withholding tax exemption for start-ups (not with the wage withholding tax discount for researchers)
- Application form no later than 3 months after completion of the investment but before hiring new workers



SME

Employees < 250 FTE
Annual turnover (excl. VAT): < 50 mio EUR
Balance sheet total: < 43 mio EUR

Start-ups: crowdfunding, tax shelter and reduced labor costs



Tax shelter for start-ups

- Tax reduction in personal income tax for participation in capital:
 - For new registered shares as from 1 July 2015
 - Upon setting-up or capital increase within 4 years of setting-up
 - Possibly via a crowdfunding platform (directly or indirectly via a financing vehicle)
 - Also indirect investment through public starters' funds or private starters' Privak which on its turn invests in start-ups
 - Contribution must be fully paid up in cash
- Amount of the tax reduction on the investment:
 - Small enterprise (art. 1:24 CCA): **30%**
 - Micro-enterprise: **45%**
- Attention:
 - If the advantage cannot be fully utilized, there is no credit or transfer!
 - Certificates!

'SME' FULFILLS AT LEAST 2 CRITERIA:

- Balance sheet total: max. 4.500.00 EUR
- Turnover: max. 9.000.000 EUR
- Average FTE: max. 50

'MICRO-ENTERPRISE' FULFILLS AT LEAST 2 CRITERIA:

- Balance sheet total: max. 350.000 EUR
- Turnover: max. 70.000 EUR
- Average FTE: max. 10

START-UP COMPANY:

MAXIMUM AMOUNT TO BE COLLECTED = 250.000 EUR

- No capital decrease or dividends paid out yet
- Do not use sums received for the purchase of shares, distribution of dividends or granting of loans
- No enterprise in difficulty
- No management or asset management company
- Non-listed

PRIVATE INVESTOR:

MAXIMUM INVESTMENT = 100.000 EUR PER YEAR

- Only reduction as long as the participation < 30%
- Retain shares for 4 years!
- Not for managers or management companies acquiring shares of own company
- Cumulative with reduction of wage withholding tax (15% instead of 30%) on dividends following cash contribution as from 1 July 2013
- Reduction neither refundable nor transferable (in the absence of taxable income)

Tax advantage for crowdfunding

Interests on loans granted as from 1 July 2015 by start-up companies in the context of crowdfunding are **tax-free** (exempt from withholding tax, which normally amounts to 30%).

STARTER

- Only companies (no self-employed persons or one-man businesses)
- SME according to art. 1:24 CCA
- < 48 months registered in CBE
- Financing of **new** initiatives

INVESTORS

- Maximum exemption on first tranche of loan of 15.630 EUR (in 2019) for 4 years
- Independent private investor (natural person or company)
- The loan is based on an annually paid interest rate and must have a minimum maturity of 4 years
- The loan must be concluded on a crowdfunding platform acknowledged by the FSMA
- Interest not indicating (unless interests on loan above 15.630 EUR)

Decrease in labor costs

1. EXEMPTION FROM PAYMENT OF WAGE WITHHOLDING TAX

- **Exemption from payment of wage withholding tax** withheld on wages of employees employed by starters as of 1 August 2015
- Amount of exemption from payment of wage withholding tax
 - Small enterprise: **10%**
 - Micro-enterprise: **20%**
- Cumulative with all other exemptions from payment of wage withholding tax (e.g. 80% exemption for research personnel, 25% exemption for 'envisaged regions', etc.).

START-UP COMPANY

- < 48 months registered on CBE
- Private sector
- Companies in difficulty are excluded

2. NSSO REDUCTION FOR FIRST-TIME RECRUITMENTS

- New employer:
 - Never subjected to the NSSO law or at least for 4 successive quarters
- 1st employee:
 - Recruited between 01.01.2016 and 31.12.2020 (!)
 - May not replace personnel who has been active in the same technical business unit during the 12 months preceding

1ST EMPLOYEE	Full exemption - unlimited in time
2ND TO 6TH EMPLOYEE	5 quarters x 1.550 EUR 4 quarters x 1.050 EUR 4 quarters x 450 EUR

Scale-ups: Tax shelter

- Tax reduction in personal income tax for participation in capital increase
 - For contributions in cash in exchange for newly registered shares as of 1 January 2018
 - Full deposit required
 - Possibly via crowdfunding platform or through a financing vehicle
 - Contribution from 5th up to and including 10th year after setting-up
- Amount of the tax reduction on the investment
 - Always 25% (no distinction SME micro-enterprise)

GROWTH COMPANY:

MAXIMUM AMOUNT TO BE COLLECTED = 500.000 EUR

- SME within the meaning of art. 1:24 CCA (at the time of contribution)
- At least 10 employees employed through an employment contract (condition to be fulfilled during 1 year after contribution)
- During 2 assessment years before contribution:
 - Either: annual turnover of the company must be increased by an average of 10% per assessment year.
 - Either: the number of employed FTE through an employment contract must have increased by an average of 10 % per assessment year
- Company has not been set up in the context of a merger or demerger
- No management or asset management company
- Do not use sums received for purchase of shares, distribution of dividends or granting of loans
- No company in difficulty
- Capital reduction has not yet been made nor dividends paid (unless capital reduction represents an absorption of losses)
- Conditions must remain fulfilled for 48 months after contribution!

BASKET OF 500.000 EUR

- Reduced by the capital raised under the system of start-up (max. 250.000 EUR)

PRIVATE INVESTOR:

MAXIMUM INVESTMENT OF 100.000 EUR PER YEAR

- Only reduction as long as participation < 30%
- Not for (in)direct manager or permanent representative
- The tax reduction is neither refundable nor transferable
- Retain shares for 4 years (only after that the benefit is acquired definitively)
- Open to family members of the founders and employees of the company
- Annual certificates

BASKET OF 100.000 EUR

- The investor can invest up to 100.000 EUR per year via the tax shelter for start-ups and scale ups together

Creative and tax-friendly remuneration?



Bonus plans



Profit premiums



Innovation premium



Share options and warrants



Cafeteria plan



Expense reimbursements



Mobility allowance ('cash for car') & mobility budget



Expat status



Salary split



Working with a management company?

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