

TAX TREATMENT OF RESTRICTED STOCK & RSUS

BELGIUM



	EMPLOYEE	EMPLOYER
GRANT DATE	<p>Restricted stock: Taxed at grant if award is unconditional. The taxable amount is the market value of the shares.</p> <p>Restricted Stock Units (RSUs): No tax consequences.</p>	No tax consequences.
VESTING DATE	<p>Restricted stock: Taxed on vest. The taxable amount is the market value of the shares on vesting.</p> <p>RSUs: Taxed on vest. The taxable amount is the market value of the shares on vesting.</p>	No tax consequences.
WITHHOLDING & PAYMENT OF TAX	The employee's income tax liability on vest (and grant, if appropriate) may be subject to withholding taxes by the employer.	Income tax must be withheld by the Belgian employing company if the local employer grants the awards or is involved in the administration of the plan. The withholding taxes must be remitted to the tax authorities within 15 days following the end of the month in which the taxable event takes place.
SOCIAL SECURITY	The taxable income will be subject to Belgian social security contributions for the employee if the options are granted by the Belgian employer. If the options are granted by a foreign company, they will still be considered as being granted by the Belgian company if the latter actively intervenes in the stock option allocation process or if the costs related to the stock option plan are charged by the foreign entity to the Belgian company.	If due, employee social security contributions must be withheld and remitted to the social security authorities together with the employer's social security contributions.
REPORTING	The employee must report details of taxable income on the annual individual income tax return.	If the grant is made by the Belgian employer, that company must report grants of restricted stock and restricted stock units. Details must be reported in the monthly wage income tax return and in annual summary statements.

For further information and to register for future updates contact:

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Defined terms used in this summary:

Restricted Stock - Issued shares transferred to employees on the date of grant which are typically subject to restrictions on sale or forfeiture for example if performance targets are not met.

Restricted Stock Units - Awards where employees receive a right to acquire shares. Shares are only issued following vesting and attainment of performance targets, if applicable.

Information contained herein is intended to reflect present law and provides only a general outline of the subjects covered. Material discussed herein is meant for general informational purposes only and should not be relied on as professional advice. As such you should consult your own tax advisor regarding your specific tax matters.

This summary has been prepared on the basis that employees are resident in Belgium throughout the period from grant of stock awards until the shares are sold and that the employee is employed by a local employer in Belgium, which is a subsidiary of an overseas parent. The potential tax consequences may vary greatly depending on your company's equity plan's design, administration, as well as many other factors.

Should you have a need for a trusted advisor in this area, please contact BDO's Global Equity team.

This information is current as of August 2016.

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	EMPLOYEE	EMPLOYER
SALE OF SHARES	No tax consequences.	No tax consequences.
IS A CORPORATION TAX DEDUCTION AVAILABLE?	Possibly, under certain conditions.	
"QUALIFYING" PLANS AVAILABLE?	Not available.	
INTERNATIONALLY MOBILE EMPLOYEES	<p>The above summary has been prepared on the basis that employees are resident in Belgium throughout the period from the grant of the stock award until the shares are sold.</p> <p>The rules for internationally mobile employees are complex and there are specific rules applicable to non-resident individuals. Generally, Belgium will have the right to tax the gain if there is a link between the shares which the employee has received and the work of the employee performed in Belgium. Belgium broadly sources equity income based on the period between grant and vesting. It is highly recommended that advice is sought on an individual case by case basis.</p>	
OTHER POINTS FOR CONSIDERATION	<p>This summary is provided by BDO for informational purposes only to provide an outline of the general tax and social security position based on current tax law.</p> <p>There are also a number of legal and regulatory issues to consider on the implementation of any employee equity plan including, but not limited to, employee entitlement claims, exchange controls, securities restrictions, prospectus requirements and data protection regulations. We recommend that legal advice is obtained prior to the implementation of any employee equity plan.</p>	
KEY ACTION POINTS	<ul style="list-style-type: none"> ✓ Employers are responsible for the withholding of tax and social security on the employee equity awards. Companies should review their systems to ensure that they are sufficiently robust to be able to capture, process and report Restricted Stock grants and RSU vests through the payroll. ✓ There are specific rules applicable for Internationally Mobile Employees holding equity in Belgium. We recommend that Companies review their systems to ensure that Internationally Mobile Employees moving in or out of Belgium whilst holding equity can be identified to ensure correct compliance and identify any potential trailing liabilities. 	