

WHAT TO KEEP IN MIND ?

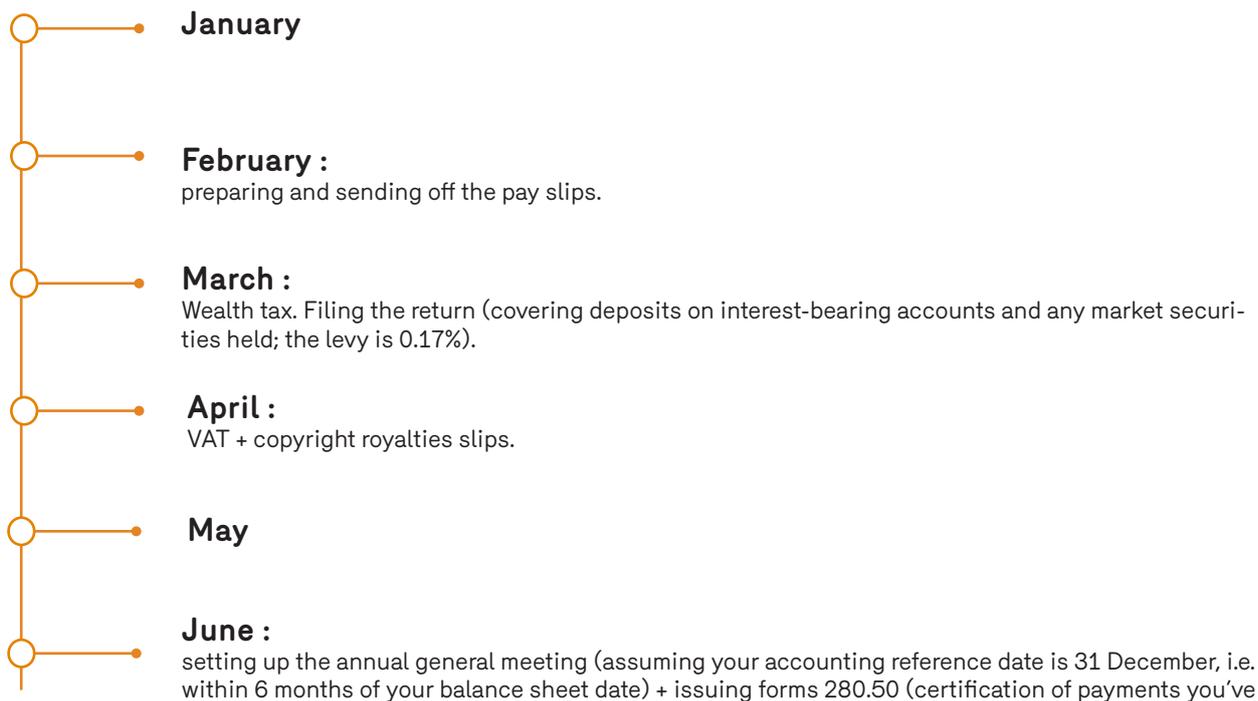
Accounting and tax obligations:

Under Belgian law, an association is treated as a “legal person”, which means that you have legal existence, you enjoy rights and you owe obligations, you possess assets and are due liabilities (together, “net assets”), and even have a name and an address.

One of the obligations you’re under is “keeping the books” and, as an international non-profit association, just some of the duties you’ll sooner or later be getting to grips with are:

- contacting a “business registration agent” to get your vatable status up and running;
- submitting VAT returns at the start of each new quarter (the duty becomes a monthly one if you turn over sales in excess of 2½ million euros annually);
- filing a wealth tax return (the levy is due on net assets held as savings account deposits, stocks, bonds and so on);
- organizing an annual general meeting (or AGM) of your members, which needs to be held within 6 months of the balance sheet date;
- arranging publication of your balance sheet within a month of holding the AGM (by sending it to the National Bank of Belgium);
- filing a “legal entities tax” return, and, with all that done,
- planning your budget for next year (and the year after that).

A “duty roster” for international associations:



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made to suppliers that aren't otherwise vouched by documents requiring to be filed for tax purposes – like invoices or fee notes).

July :

VAT + and publishing the balance sheet (within a month of your AGM); in effect, the annual accounts bundle is filed with the National Bank of Belgium, for which there's currently a charge of 50 euros.

August

September (- october) :

Filing the legal entities tax return. The association won't be paying tax on profits.

October :

More VAT; and you ought to begin thinking about next year's budget.

November

December :

As a rule (exceptions are permitted and do occur, but are rare) your accounting reference date will be 31 December, which is when your books are closed off and the accounts brought down to.

Worth knowing:

- All non-profits, whether international or not, are under an annual obligation to prepare a budget and accounts. Their additional duties, in terms of bookkeeping, annual accounts, audits and public intimations, vary depending on size (from small, through large, to very large).
- Most international non-profits will run double-entry bookkeeping (no matter your size or sales). So, you'll have assets and liabilities. Keep a careful eye on what is purchases, sales, financials.
- Are you in a vatable trade? Why does it matter? When might it be good to have vatable status? And when is it a drag? If all you take in are membership subs and donations, you won't register for VAT. But if you engage in "commerce", even, say, doing lunches, breakfasts, selling publications, you'll be liable for collecting and remitting VAT.
- You'll be required to file VAT returns within a grace period after the end of each quarter and pay the VAT balance due to the Treasury (by the 20th of the succeeding month). Those turning over more than 2.5 million euros must shift to monthly returns (same grace period).
- Forms 280.50: a form 280.50 is a return to the tax office (copied to the supplier) of all fees or services for which you've paid that supplier in the last year. There is a slightly different form if they're established outside Belgium. They cover the case of Belgian nationals, entities and associations that do not themselves file VAT returns or balance sheets (and therefore don't keep double-entry books).
- If you turn over less than 25,000 euros annually, you can apply for "dispensation status", under which you're not obliged to bill VAT and pay it on to the Treasury, though nor can you claim its deduction when you have outlays of your own. Getting your VAT status organized is best done through a business registration agent (in French a "guichet d'entreprise"; in Dutch an "ondernemingsloket").

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