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THE BELGIAN COALITION AGREEMENT 2025-2029

What to expect for your business
in the next five years?

Dear Reader,

Belgium has a new federal government led by Prime Minister Bart De Wever. After seven months of negotiations, the new government has reached a coalition agreement for the period 2025-2029.

At Simont Braun, we have analysed the coalition agreement and aim to provide you with a comprehensive summary, highlighting the key points that may impact businesses operating in Belgium over the next five years.

While many principles require further legislative implementation, the coalition agreement also contains concrete measures and sets out the government's direction. The challenges are considerable, but the coalition agreement shows ambition.

We hope you find this overview useful. For any questions or more information, please contact us.

Enjoy reading,

The Simont Braun Team

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LABOR LAW REFORM

Probation period and (protection against) dismissal

- The probation period would be reinstated by no later than 31 December 2025. Each party will be entitled to terminate the employment contract with a notice period of one week during the first six months of employment.

Seniority	Current termination by the employee	Current termination by the employer	by 31/12/2025 at the latest
Less than 3 months	1 week	1 week	1 week
3 months - less than 4 months	2 weeks	3 weeks	1 week
4 months – less than 5 months	2 weeks	4 weeks	1 week
5 months - less than 6 months	2 weeks	5 weeks	1 week
6 months	2 weeks	6 weeks	1 week

- **Termination indemnities:** For new hires, the notice period will be capped at 52 weeks, equivalent to the notice for 17 years of service under current rules.
- **Dismissal protection indemnities** will be reduced, but specific details are not yet provided.
- **Candidate employee representatives:** Protection for non-elected candidates will decrease from 2 years to 6 months.

Working time and enhanced flexibility

- The obligation to include all working hours in the work regulations will be cancelled, provided that overall flexibility limits are clearly defined.
- Administrative obligations for part-time work will be simplified.
- The minimum threshold of one-third of a full-time work schedule for part-time employment contracts will be abolished.
- **End of career:** Older employees will continue to have the possibility to work part-time (either half-time or four-fifths) starting from the age of 55, given that, starting in 2025, they have completed a career spanning at least 30 years, each year comprising a minimum of 156 worked days. This requirement will gradually increase to 35 years by 2030.
- **Stelsel Werkloosheid met Bedrijfstoeslag/Régime de Chômage avec complement d'entreprise:** As of the date of the government agreement, no new entrants will be admitted, except for medical reasons.
- A regime allowing for 360 voluntary overtime hours will apply across all sectors (for the hospitality sector, 450 voluntary overtime hours can be performed). For 240 of these 360 overtime hours, gross pay will be equivalent to net pay (i.e., exempt from social security contributions and tax). An agreement in writing between the employer and the employee should be concluded, which may be terminated at any time (thus eliminating the agreement's previous maximum duration of six months).

Unemployment and (complementary) pension

- **Employees with at least 10 years of service** can resign and receive unemployment benefits for up to six months.
- From **1 January 2027, employees aged 60+ with a 42-year career** can retire early. A career year requires at least 234 working days.
- By 2035, each employee should have a **pension plan with a minimum employer contribution of 3%**. Sectors falling short are encouraged to meet this in their agreements.

Sickness and incapacity

- Employees will regain the right to 30 days of guaranteed salary only after **8 weeks** of work resumption, instead of the current 14 calendar days.
- During the **first two months of primary incapacity for work following the period of guaranteed salary,** employers (excluding SMEs) will be required to contribute to the state an amount equal to 30% of the allowance borne by the INAMI for this group. This measure replaces the current penalties imposed on companies with a relatively high number of long-term sick employees.
- The monitoring of employees on sick leave will become stricter, including intervention by the occupational physician after one month and a mandatory assessment of work capacity after 8 weeks.
- The termination of an employment contract due to medical force majeure will be expedited, reducing the waiting period from 9 months to **6 months**.
- Employers with more than 20 employees can face penalties if they do not initiate a reintegration process for individuals with work potential within six months from the start of the illness.
- Employees will no longer be allowed to take up three one-day sick leaves without a medical certificate.

Remuneration and benefits

- The principle of **automatic salary indexation** is retained, along with the **imperative wage norm**. The social partners are requested to provide an opinion on this system by **31 December 2026** (note that this has been tried in the past, albeit without any success).
- The maximum value of **meal vouchers**, currently set at **EUR 8**, will be increased in two steps by **EUR 2** each time, reaching **EUR 12**, with a corresponding increase in the **deductible cost**, which is currently capped at **EUR 2 per voucher**. The use of meal vouchers will also be expanded, while other existing vouchers, such as **eco-vouchers** and **culture vouchers**, will be progressively removed.
- A legal framework for **cafeteria plans** and other **flexible pay schemes** will be established, aimed particularly at limiting **salary sacrifices** to a maximum of **20% of gross annual salary**.

Social security contributions

- The government plans to maintain the **EUR 2,000 per quarter** reduction for the first employee indefinitely. Additionally, a **EUR 1,000 per quarter reduction** will apply for the second to fifth employees during the first three years.
- The government also plans to reduce the **special social security contribution** and lower costs for low and middle incomes by capping employer social security contributions starting from the minimum wage. No employer contributions will be required on the gross remuneration that exceeds the **wage of the prime minister** (estimated at approximately **EUR 205,000**).

Social fraud

- The government is significantly **intensifying the fight against social fraud**, undeclared work, and social dumping. Sanctions will be strengthened, including the loss of social security contribution reductions and increased fines.
- The additional surcharges under the Social Criminal Code would be increased from 70 to 90, resulting in all fines—both criminal and administrative—being multiplied by 9.
- Companies based in Belgium that employ foreign personnel must also be adequately informed and made aware of the risks they incur when cooperating with non-authorized foreign companies that post workers. The Belgian company may face criminal sanctions or an administrative fine. Belgian users will be required to verify whether the foreign service provider holds the necessary authorization before engaging in business with them.

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TAX REFORM

The tax aspects of the coalition agreement, thoroughly negotiated by the parties, aim to reduce the tax burden on employment and support entrepreneurship. Given the dramatic budgetary context, any concessions should be set off with compensatory tax or non-tax measures.

The reduction of the tax burden on employment is likely to be minimal for most taxpayers. The compensatory tax measures include tweaks to existing niche regimes, new exceptions, increased taxes, and a symbolic yet inconsistent capital gains tax. Therefore, it would be a bridge too far to call the tax reform fundamental or far-reaching. However, the impact on individual taxpayers or specific sectors may be significant. The most important measures are outlined below.

Tax burden on employment

The reduction of the tax burden on employment is discussed first because it is one of the main objectives of the tax reform. The key changes are as follows:

- **Actual Decrease of the Tax Burden on Wages:** This reduction is expected to result in increased net wages. While the tax rates will remain unchanged, there will be an increase in the tax-free allowance and a decrease in the special social security contribution. This measure is scheduled for implementation in 2027.
- **Copyright Tax:** Following the contested exclusion of computer programs from this regime in 2023, the scope of this regime will be broadened to include software developers again.
- **Flexible Work:** There is an intention to make cash remuneration more attractive compared to fringe benefits. Additionally, collective bonus schemes will be encouraged.
- **Hybrid Company Cars:** The tax deductibility for hybrid company cars will be extended.
- **The Mobility Budget:** The mobility budget will be applied more broadly.
- **Vouchers:** The employers' contribution on meal vouchers will see a slight increase, while tax regimes for other vouchers will be abolished.
- **Cap on Social Security Contributions:** For higher salaries, there will be a cap on social security contributions at the symbolic level of the prime minister's salary.
- **Entrepreneurial Deduction:** Self-employed individuals will be able to deduct an additional amount as an entrepreneurial deduction, thereby reducing the difference in tax burden between a self-employed individual and a management company.

In addition to these measures, which will at best marginally increase the attractiveness of employment in absolute terms, the main incentive for employment is relative: the coalition agreement will make not working less attractive, primarily by introducing a time limit on unemployment allowances.

Capital gains tax

A new general capital gains tax on shares and other financial assets has been introduced, inaptly named the "solidarity contribution." This measure holds significant symbolic value, following decades of speculation regarding the introduction of such a tax. Previously, these gains were in most cases exempt; now, they will be taxed at a rate of 10%.

Despite its relatively limited budgetary impact, which varies based on calculation methods and estimates, this tax could represent a substantial additional tax burden at an individual level. The details of its implementation are crucial for assessing its impact. The wording in the coalition agreement already gave rise to discussion among coalition partners on the interpretation, including inconsistencies in the French and Dutch versions.

For entrepreneurs or families selling company shares, the key aspects include:

- A minimum participation requirement of 20%.
- An exemption for the first bracket of 1,000,000 EUR.
- Progressive tax rates up to 10% on capital gains exceeding 10,000,000 EUR.

For investors in shares, cryptocurrency, and other financial assets, the situation differs:

- An exemption for the first bracket of 10,000 EUR.
- A tax rate of 10% above that bracket.
- The deductibility of capital losses within the same year will be highly pertinent, likely leading to inefficiencies in investment decisions.

For both entrepreneurs and investors, a notable aspect is the limitation of the taxable basis to gains accrued since the introduction of the tax. Historic gains will not be taxed. While the idea certainly presents some merits, determining the exact valuation for unlisted companies in a certain and efficient manner will be a challenge. Additionally, existing taxes on capital gains (miscellaneous income at 33%, sale of substantial participations outside the EU at 16.5%) appear to remain unchanged.

Companies and Entrepreneurs

The following measures affect companies and entrepreneurs:

- **VVPRbis:** The reduced 15% withholding tax regime for SMEs remains applicable.
- **Liquidation reserve:** This regime will be updated to better align with the VVPRbis regime.
- **CIT rate of 20%:** To qualify for the reduced 20% corporate income tax rate, the minimum director's remuneration is increased to 50,000 EUR per year, with a maximum of 20% as benefits in kind.
- **Participation exemption (DBI / RDT):** For participations of less than 10%, the minimum acquisition value of 2.5 million EUR is increased to 4 million EUR for larger companies. Additionally, the participation should qualify as a financial fixed asset.
- **Group taxation:** The group contribution regime will become more attractive and flexible, aligning better with international standards.
- **Exit tax:** An exit tax will be introduced upon the cross-border transfer of a Belgian company, in addition to the currently applicable deemed liquidation at the company level. Implementation will have to consider compatibility with European law and tax treaties.
- **Wage withholding tax exemption:** The regime will be updated to increase certainty and administrability.
- **Expat regime:** The expat regime will become more attractive by updating certain thresholds.
- **Cross-border mobility:** Improvements in tax and social security audits will be explored, and efforts will be made to reduce the administrative burden on cross-border mobility.
- **Social Security Contribution:** Instead of applying a fixed fee, the corporate social security contribution will be adjusted according to the size of the company.

Holdings and investment funds

Holdings and investment funds should consider the following measures:

- **Participation Exemption (DBI / RDT):** The current deduction regime will transition to an exemption regime. For participations under 10%, the minimum acquisition value increases from 2.5 million EUR to 4 million EUR for larger companies and those participations must qualify as financial fixed assets.
- **SICAV RDT / DBI BEVEK:** The regime remains but with significant changes at the investor level, including a minimum director's remuneration of 50,000 EUR (mostly in cash) and a 5% exit tax.
- **Investment Company:** The tax notion and its consequences are maintained.

- **Private Equity Fund Vehicle (pricaf privée / private privak):** it is explicitly the intention to improve the current regime . However, the tax deduction for individual losses on liquidation will be abolished.
- **Carried Interest:** New structures will be taxed at 30%. Existing structures (mostly taxed at 15%) will be grandfathered. The implementation of the new regime will be key.

Real estate

These are the key tax topics related to real estate in the Coalition Agreement:

- **Share deals:** There is an intention to limit the use of share deals, or at least reduce the favourable tax treatment compared to asset deals. This initiative requires cooperation with regional authorities, as real estate transfer tax is a regional competence.
- **6% VAT:** Real estate development activities may benefit from the 6% regime on demolition and reconstruction. The condition related to the surface area of eligible properties will be reduced to 175 m^2. Additionally, the regime would be more clearly defined to address uncertainty and ensure fairness.

Miscellaneous

Other relevant tax topics that could be highlighted include:

- **Simplification:** Despite the general trend of the Coalition Agreement towards complexity through specific regimes, exceptions, and exemptions, certain less critical or infrequently used measures would be abolished.
- **Procedural Aspects:** The current uncertainty surrounding the application of tax increases in case of good faith will be clarified. Furthermore, after significant extensions of the time limits for tax investigations up to 10 years in recent years, these time limits will be reduced to more reasonable standards. Rules on tax visitations will become stricter, establishing a minimum taxable basis in cases of obstruction by the taxpayer.
- **Reporting:** Building on the already implemented mandatory electronic invoices (set to come into effect in 2026), the Coalition Agreement aims to introduce real-time VAT reporting starting in 2028.
- **Climate:** The Coalition Agreement does not extensively utilize tax measures to support climate initiatives. Limited examples include temporary reductions of VAT rates on heat pumps (from 21% to 6%), increases on fossil fuel heating systems (from 6% to 21%), and adjustments on coal (from 12% to 21%).
- **International Tax:** The concept of a digital services tax on multinationals will be reconsidered from 2027 if there is no sufficient international solution under the OECD's Pillar 1 initiative.

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CORPORATE LAW

M&A

- **Foreign Direct Investment (FDI) Screening:** Measures will be implemented to safeguard technological expertise in strategic sectors. The screening of foreign investments in critical infrastructure, sectors, and technologies will be reviewed to ensure efficiency, with respect for jurisdictional competencies, while preserving Belgium's open economy.

Corporate Finance and Capital Markets

- **Access to stock markets:** Simplify access for small businesses, making alternative financing more accessible. The fund-of-funds regulation will be revised and clarified, and accounting and administrative burdens will be reduced to avoid overregulation in initial public offerings.
- **Transparent financial reporting:** A strong corporate governance culture will be established to ensure transparency in financial reporting and with the aim of further enhancing the appeal of the Brussels stock exchange.

Corporate Law

- **Evaluation of the Belgian Companies Code:** The current Belgian Companies Code will be evaluated, focusing on non-profit associations.
- **Streamlined incorporation process:** A streamlined procedure for the incorporation of companies will be developed, allowing companies to be established within 24 hours, both online and offline, reducing delays and costs.

Corporate Housekeeping and Digitalization

- **Think Small First: SME-plan:** An SME plan will be developed with a specific focus on startups, introducing cross-sectoral measures to create a more conducive business environment for small and micro-enterprises. This initiative includes regulations based on the Think Small First principle, a reduction in administrative burdens, and targeted cost reductions.
- **Register of Ultimate Beneficial Owners (UBO):** The UBO register legislation will be revised to combat fraud while reducing administrative burdens and costs for businesses. Information already available through other channels (e.g., notaries, KBO/BCE) will be directly transferred to the register at no additional cost. Financial institutions will be granted access to the register, allowing businesses to submit data and updates only once.
- **Digitalization of the Belgian Official Gazette:** All publications in the Belgian Official Gazette will be fully digitalized. An ICT environment will be implemented to facilitate the online submission of publications in the Belgian Official Gazette. Submissions can be made directly via a clear and accessible digital form.
- **Expansion of the Just-on-Web portal:** The Just-on-Web portal (Belgian Official Gazette) of the FPS Justice will be expanded to allow for the electronic submission and digital consultation of amendments to articles of association and annual accounts of associations and companies.
- **My Enterprise:** Through 'My Enterprise', it will be made possible to modify information in the Crossroads Bank for Enterprises (KBO/BCE) free of charge.

- **Harmonized guidelines for public services:** Relevant government services, such as court clerks' offices, will be encouraged to develop common guidelines to ensure uniform procedures.
- **Unique mandate for professionals:** A simplified mandate will be introduced, working towards implementing a single, unified mandate for professionals, including lawyers, eliminating the need for multiple specific mandates.

Regulatory Restrictions

- **Elimination of Unnecessary Restrictions on Organizational Structures and Partnerships:** Where necessary, particularly in the fields of legal, accounting, and tax services, any excessive restrictions on organizational structures and partnerships, including the prohibition of multidisciplinary companies, will be removed.

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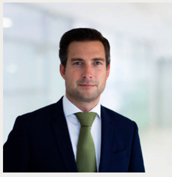

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DIGITAL ECONOMY, CONSUMER PROTECTION AND HEALTHCARE

Most issues mentioned are already addressed at the EU level, aiming for collaborative implementation across all levels to enhance Belgium's industry and services sectors. The intentions are generally described at a broad level.

Some specific objectives include:

IP and Innovation

- **Expand the copyright tax regime** to include digital professions, allowing software to qualify for preferential tax treatment.
- **Address AI-related copyright issues** and ensure that collecting societies operate transparently and pay right holders promptly.
- **Simplify tax benefits for R&D**, benefiting SMEs and academic entities, even at the regional level.
- **Advocate for an IP policy** that supports both developers and society, focusing on topics such as **Regulatory Data Protection (RDP), Market Protection, Supplementary Protection Certificates (SPCs), molecule patents**, and **orphan drug exemptions**.

(Digital) Economy and Consumer Protection

- **Belgium will push for stronger consumer protection at the EU level**, advocating for a three-year minimum legal guarantee period for consumer goods to promote sustainability. The government also aims to strengthen the end-seller's right of recourse against manufacturers within the consumer guarantee scheme.
- **Include additional prohibited unfair contract terms in B2B relationships** for the hospitality sector (purchase obligations) and agroindustry (price controls, agricultural methods) and ban lease termination for unrelated breaches such as an exclusive and/or minimum purchase obligation.
- **Refine prohibitions on selling at a loss**.
- **Enhance the authority of the Economic Inspection** to prevent unfair practices, economic fraud, and anti-competitive behaviour, while maintaining transparency and providing regulatory guidance.
- **Develop a legal framework for influencers** that aligns with European regulations to protect consumers in social media commerce.
- **Ensure better business access to digital networks and services**, aiming for ultra-fast internet for all by 2030.
- **For alcohol advertising**, replace "Alcohol abuse harms your health" with "Alcohol harms your health".
- **Reduce e-cigarette attractiveness** by enforcing the marketing ban for young people.
- **Encourage a sustainable e-commerce model** to prevent disposal of returned goods like textiles and electronics.
- **Harmonize and simplify procedural rules for alternative dispute resolution**, introducing a shortened judicial procedure for consumer disputes.

Sustainability and Greenwashing

- **Commit to a sustainable e-commerce model** that prevents discarding, destroying, or black market selling of returned goods.

- **Raise awareness** of the impact of excessive returns and failed deliveries.
- **Encourage businesses** to adopt sustainable delivery practices, optimize logistics, and use pickup points.
- **Call for European action** to prevent the destruction of returned products.
- **Comply with EU digital labeling objectives**, keep essential packaging information, address planned obsolescence, and support decarbonization infrastructure in collaboration with Regions.
- **Treat misleading greenwashing claims** as unfair commercial practices under Book 6 of the Code of Economic Law.

Telecoms

- **Promoting competition** in telecom infrastructures and services, including pricing;
- Implementing European initiatives like the **Data Regulation, AI Regulation, and Gigabit Infrastructure Regulation** at the national level, overseen by the Belgian Institute for Postal Services and Telecommunications (BIPT).

Gambling

- Modernisation of the law on games of chance to accommodate **all new forms of gambling**;
- Implementation of a **centralised and more effective control** of gambling activities, both online and offline, through the reformation of the Belgian Gaming Commission with the Minister of Economy as the sole representative of the government.

Life Sciences: availability and affordability of medicines and medical devices

The government aims to address shortages, optimize pricing mechanisms, and accelerate access to innovative treatments through national and European collaboration.

- **Addressing Medicine Shortages:** Collaborating with the Critical Medicines Alliance and advocating for the Critical Medicines Act at the EU level. Conducting joint negotiations and purchases of hard-to-access medicines within the EU. Enhancing transparency and revising pricing mechanisms.
- **Promoting Generic Medicines and Biosimilars:** Providing financial incentives to ensure their availability in the Belgian market.
- **Improving the Reimbursement System:** Implementing the Roadmap Medicines for more efficient and faster reimbursements. Standardizing evaluation models based on health-economic evidence and KCE guidelines.
- **Accelerated Access to Innovative Treatments:** Monitoring and evaluating new early and fast-track access procedures by the end of 2027 within budget constraints.
- **New Pharmaceutical Multi-Year Framework:** Establishing predictable budgeting focused on sustainable growth of innovative treatments. Addressing shortages and increasing pharmaceutical companies' responsibilities.
- **Combating Antimicrobial Resistance (AMR):** Supporting EU initiatives for the development of new antibiotics.
- **Enhancing Medicine Distribution:** Evaluating and reforming the Federal Agency for Medicines and Health Products (FAGG). Considering the expansion of the role of community pharmacists in distributing hospital medicines.
- **Boosting Clinical Research and Pharmaceutical Innovation:** Establishing a Biopharma R&D consultation platform with industry stakeholders and investors. Maintaining Belgium as a key location for clinical trials, particularly in advanced therapies (ATMPs). Strengthening intellectual property policies related to innovative medicines.
- **Biopharma R&D Consultation Platform:** Organizing a new consultation platform with representatives from the regions, the pharmaceutical sector, major pharmaceutical investors, and the biotech & life sciences industry.

- **Challenges in Clinical Research:** Addressing the declining position in clinical research in Europe, particularly in Advanced Therapy Medicinal Products (ATMPs). Promoting progressive, flexible, and supportive regulations, better cooperation among key institutions (CT-college, ethics committees, researchers), and a well-resourced task force within the FAGG. Encouraging the establishment of a national Clinical Trial Network.
- **Evaluation of Ethical Committees:** Reviewing the structure of ethical committees to increase efficiency while maintaining their independence.
- **Intellectual Property (IP) Protection:** Emphasizing the importance of strong IP policies for innovation. Supporting robust IP protections while considering social interests, including discussions on Regulatory Data Protection (RDP), Market Protection, Supplementary Protection Certificates (SPC), molecule patents, and orphan drug exemptions.

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FINANCIAL SERVICES & INSURANCE

Enhance legal and regulatory certainty

- **Regulators** will be required to provide **clear information** as to the **application and interpretation of new legislation.**
- Industry players will be able to receive so-called **'comfort letters'** from the regulators, to ensure more certainty and previsibility as to the correct implementation of legislation.
- The government will aim at (i) the timely and strict **transposition of European directives** and (ii) the avoidance of any gold plating.
- **Regulatory sandboxes** will be envisaged in which innovative technologies, products or services can be tested. This could be of particular interest to the FinTech and InsurTech sector.

Banking, Savings & Credit

- The government intends to enter into discussions with the financial industry to extend the existing protocol around the **universal banking service**. The existing Bpost (Belgian postal service) offices could be used for the offering of basic banking services, to counter the decline in the number of physical bank offices.
- The government intends to run awareness-raising to combat **digital crime**. Banks will be required to **block accounts** at any time, for example by establishing a general telephone number by analogy with the Card Stop service.
- The government will investigate unreasonably wide **gap in interest rates of savings accounts** and potential measures to reduce it. The government also declared taking measures to increase net returns for (pension) savers by r**educing both entry and management fees** for (pension) savings.
- **Households' savings** are set to be mobilized for **sustainable transition** projects in the context of a broader sustainable Finance strategy also aiming at supporting businesses.
- In consultation with the NBB, the government will explore measures to **ease mortgage conditions for the purchase of energy-efficient properties**. To facilitate this, it aims at granting credit providers access to the EPB (Energy Performance of Buildings) database.
- In the view of bolstering transparency and mobility in the banking sector, the **portability of banking account numbers** will be examined.

Payments

- **ATM access expansion is set to be tackled** both through banks and retail businesses such as supermarkets, ensuring a balanced and targeted distribution across municipalities and a sufficient access to cash deposits options.
- The Pricing Observatory will asses the market and cost trends to set up a comprehensive approach to the **costs of electronic payment processing for businesses**.
- In line with the future Payment Services Regulation, **protection against payment fraud shall be enhanced**, including through the tightening of sanctions on payment service providers for non-compliance with unauthorized transaction rules, including administrative fines.

- Building on Instant Payment Regulation, **IBAN name verification** is set to become mandatory, including for virtual IBANs, as part of the fight against cyber fraud and phishing.

Insurance

- The rules for **terminating an insurance contract and switching to another insurer** will be reviewed for the purposes of simplification and reinforcing competition in the insurance market. For simple risks, contracts could be standardized to a certain extent, in an accessible language and with a simple structure.
- In line with the Pricing Observatory's recommendations to promote competition in the insurance sector and increase consumer protection, the Law of 5 November 2023 containing various provisions on the economy regarding the **bundled sale of mortgage loans with insurance** is set to be reviewed.
- A clear legal framework for **natural disaster insurance** will be elaborated, regulating the liability and coverage of the various parties. Premiums should not increase further, risks should be spread and clear procedures and deadlines for consumers should be provided, so consumers can be effectively compensated within a specified period.

Anti-money Laundering / Combatting terrorism financing

- A new Belgian **multidisciplinary tax and financial investigation service** to combat organised crime shall be created. This new investigation service would focus on the recovery of assets from criminal organisations and on the countering of fraud through alternative financial transactions by means of crypto assets, Hawala, etc.
- The legal framework on the **UBO registry** is set to be adapted so that information from official sources (notary public, Crossroads Bank for Enterprises,...) would directly be recorded in the UBO registry, which until now is based on self-declaration.
- In line with the developments under the Payment Services Regulation (PSR), the regulators will be asked to carry out additional controls on the **phenomenon of de-risking by banks**.

Crypto-assets

- **Crypto-accounts** (and online gambling accounts of more than 10.000€) will have to be notified to the NBB's **Central Point of Contact for accounts and financial contracts (CPC)**. Information from non-Belgian sources that has automatically been received by the administration would also be included in the CPC.
- Crypto-assets are also set to become subject to the newly proposed **capital gains tax** of 10%. (*see also our edition on the "**Tax Reform**" on page 4*)

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DATA, TECH & A.I.

Data

- A **Belgian data strategy** is set to be developed within the European framework to regulate the use, sharing, and sale of data, while ensuring the protection of personal data in a common European data market.
- The government also aims at implementing a **cloud-first strategy** and establish an AI policy to improve governmental efficiency.
- **Data exchange in the health sector** will be enhanced, and the federal open data strategy will be refined to maximize data availability for businesses and citizens, in compliance with **GDPR**.
- The possibility of creating an **online account certification service** provided by a trusted third party will be explored, enabling users to be identified without compromising their anonymity or collecting their personal data.
- A **digital wallet** will be developed to provide citizens and businesses with greater control over their data, and guaranteeing secure access to online public services via their digital identity.
- A secure, interoperable space for sharing **health data** will be developed, enabling effective collaboration between citizens, professionals, and institutions. The **Belgian Health Data Agency** will facilitate secure access to data in line with the **European Health Data Space** objectives.
- The **Belgian Institute for Postal Services and Telecommunications (BIPT)** shall be entrusted as the competent authority for national control and coordination concerning the **European Data Act**, the **AI Act**, and the **Gigabit Infrastructure Act**.
- The **justice system** is set to become more accessible and transparent through the creation of a **public database of judgments and decisions**, accompanied, for highly publicized cases, by explanations for citizens on the motivation of the decision.

Tech & AI

- Following the adoption of European legislation on artificial intelligence, the government intends to create **concrete policies to provide a framework for the deployment of AI.**
- Within a strict legal framework, new technologies such as **facial recognition and AI for the police** will be tested, putting the balance both public safety and respect for privacy.
- The government will encourage an **International dialogue on digital and AI regulations** to ensure that European rules align with global standards to ensure European economic actors' competitiveness and protect consumers.
- **Regulatory sandboxes** are to be envisaged in which innovative technologies, products or services can be tested.
- A **new legal framework for autonomous vehicles** and navigation will be drawn up in collaboration with the Regions.

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REAL ESTATE

Sustainability

The Regie der Gebouwen / Régie des Bâtiments should take a leading role in the pursuit for energy-neutral buildings. The goal is to make its entire property portfolio climate-neutral by 2050, in line with European commitments. The energy audits undertaken for this objective will continue. The Regie der Gebouwen / Régie des Bâtiments collaborates with the private sector through DBFM projects or similar alternatives, provided that cost-benefit analyses, which include non-financial factors, show that this is the most beneficial approach.

Sustainable finance

The government supports giving lenders access to an EPC database for energy-efficient buildings, with a framework developed in consultation with the Regions. It encourages banks to integrate energy efficiency into risk management and analyses. In collaboration with the National Bank of Belgium, the government is exploring ways to improve mortgage conditions for properties with good energy performance without affecting prudential supervision ("prudentieel toezicht" / "supervision prudentielle").

VAT measures to incentivize the construction sector:

- The government plans to support a robust renovation policy by applying a reduced VAT rate of 6% for demolition and reconstruction, applicable to everyone, not just professionals. This will include clear definitions for "renovation" and "renewal construction" ("vernieuwbouw" / "renovation") and may incorporate sustainability conditions aligned with future European regulations, without increasing administrative burdens.
- The VAT rate for heat pumps will temporarily drop from 21% to 6% for the next 5 years.
- The 6% VAT rate for demolition and reconstruction will be extended to supplies, maintaining current social conditions, but tightening the surface area criterion from 200m^2 to 175m^2.
- Conversely, the VAT rate for supplying and installing fossil fuel boilers (gas, heating oil, etc.) in renovations of houses older than 10 years will increase from 6% to 21%.

The Breyne Law & Consumer Protection

The government plans to update the Breyne Law to close loopholes, enhance enforcement by economic inspectors, and extend professional bans, aiming to protect consumers from unfair practices. They will also establish an Ombudsman Service for the construction sector and promote consumer tools like Justban. For "casco" and major renovation projects, a new legal protection scheme will be introduced after industry consultations.

Co-ownerships (apartment complexes)

Decision-making in co-owners' associations for energy efficiency or renewable energy investments will shift from a qualified majority to a simple majority, facilitating renovations and installations like solar panels and charging stations. The federal government will also promote multi-year investment plans for climate-related projects to help co-owners anticipate future investments. The government will also explore ways to improve loan opportunities for energy renovations from financial institutions.

Lease agreements

- The government acknowledges the need to address imbalances in off-take contracts between companies, particularly in the hospitality sector. Therefore, the lists of prohibited abusive clauses between companies, as stipulated in the Economic Code, will be supplemented to eliminate so-called strangulation clauses. The government will implement at least a legal prohibition on terminating a lease as a sanction for not complying with contractual obligations that do not affect the lease obligations themselves, such as an exclusive and/or minimum purchase obligation.
- The government aims to rationalize the portfolio of buildings not owned by the State. During the legislature, the government plans to reduce its rented office space by 15% in phases. Currently, there is an oversupply of office space for federal government agencies due to changed working conditions such as teleworking. Based on the terms of the various leases, a phasing-out scenario will be drawn up at the start of the legislature, identifying the needs in personnel and investment resources and the resulting savings. In operationally urgent cases, and subject to justification, a lease can still be concluded.

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ENERGY

The federal government aims to ensure supply security and achieve a climate transition through long-term strategy collaboration with regions. Significant investments will boost capacity at various scales.

With a commitment to technological neutrality, the energy mix will include renewable energy, nuclear power, and carbon-neutral alternatives. Energy use rationalization and demand management are also key policy guidelines.

Measures include:

- **Limiting new fossil fuel power plants:** No new fossil fuel power stations will be constructed under the Capacity Remuneration Mechanism (CRM), except as a transitional technology, preferably with CO^2 capture and storage.
- **Promoting the decarbonization of consumption:** Utilizing all available policy measures (taxes, excise duties, network costs) to encourage low-carbon energy consumption.
- **Ending financial support for fossil fuels:** Gradually discontinuing financial support for fossil fuels wherever feasible.
- **Taxation of kerosene:** Advocating for an amendment of the Chicago Convention to allow the taxation of fuel contained in aircraft tanks upon arrival in a country.
- **Target of 4 GW of nuclear power in the electricity mix:**
  - Repealing provisions related to nuclear phase-out and the ban on new power station construction
  - Extending the operation of Doel 4 and Tihange 3 by 10 years
  - Developing a concrete plan to support Belgium's first SMR (Small Modular Reactor)
- **Supporting offshore wind power:**
  - Evaluating the results of the call for tenders for lot 1 (700 MW)
  - Reassessing, if market conditions warrant it, the criteria for lots 2 and 3 (2.4 GW)
  - Making a final decision on the energy island project by March 2025
- **Competitiveness and affordability:**
  - Reducing excise duties on electricity for businesses to the European minimum
  - Lowering electricity transmission tariffs to be competitive with neighboring countries for energy-intensive industries
  - Positioning Belgium as a hydrogen transport hub and supporting various forms of low-carbon hydrogen, while excluding the most polluting hydrogen sources.

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CLIMATE & ENVIRONMENT

The government affirms its commitments under the Paris Agreement, the Montreal Agreement on Biodiversity, and the EU Green Deal. Actions will be adjusted to achieve climate neutrality by 2050 and reduce greenhouse gas emissions by 55% by 2030 (compared to 1990 levels).

To reach these targets, the following measures have been announced:

- **Competitiveness:** Alongside the Green Deal, the government is endorsing a competitiveness pact for businesses in industry and services.
- **Applying a 6% VAT rate** to demolition and reconstruction projects.
- **Simplifying energy sustainability measures:** Introducing simple majority voting for energy interventions in forced co-ownership flat buildings (ACPs).
- **Supporting innovation:**
  - Increasing investment deduction incentives.
  - Extending incentives to all investments in favour of the energy and climate transition.
- **Developing electric mobility and alternative fuels:**
  - Expanding electric vehicle infrastructure while supporting other technologies such as hydrogen and synthetic fuels.
- **Adapting the GDPR:** Facilitating the efficient exchange of environmental data to support climate and sustainability objectives.

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