

April 24, 2009

## Lobby Flash Highlights:

In face of challenge by the European Commission, AmCham Belgium reiterates support of Belgium's NID.

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## AmCham Belgium Reiterates Support of Belgium's Notional Interest Deduction (NID)

*In light of the recent challenge to the compatibility of a specific limitation in the NID regime by the European Commission (as elaborated upon in its letter of February 19, 2009), AmCham Belgium continues to support the efforts to keep the NID in place as is.*

The American Chamber of Commerce in Belgium (AmCham Belgium) fully endorses the position officially taken by the Belgian Government, as expressed by Finance Minister Didier Reynders, in its resolve to retain the NID. Our membership considers a stable tax regime to be a critical component in enabling businesses to plan for the future and encouraging the investments needed to generate employment. In light of today's economic crisis, such stability is needed more than ever.

AmCham Belgium further believes that the present NID regime complies with EU law and, hence, it should not be necessary to amend the current rules for that purpose. Indeed, although the regime could conceivably also accord an NID for equity invested in non-Belgian establishments and real estate, the pro-rata allocation of such NID to foreign-source income which, in turn, reduces the exemption of treaty-based foreign-source income in the same proportion, will have an end-result identical to that of the current regime. Therefore, we believe the NID regime should better remain "as is" so as not to engender unnecessary uncertainty and instability. Of course, AmCham Belgium supports and stands ready to assist in better explaining to the European Commission why the current regime does not violate EC law or distort investment decisions, and that, to the contrary, its current mechanics prevent the NID from being used to inappropriately attract or relocate to Belgium profitable activities that are currently conducted in other EU Member States.

AmCham Belgium would also like to take this opportunity to stress the importance of lower tax and social security contributions, in general, for businesses operating in Belgium, and preferably by means of more generalized measures, as opposed to specific measures that would likely be subject to complex conditions.

**Lobby Flash** is designed to keep all members informed about AmCham Belgium's lobbying efforts. Further information can be found on our website [www.amcham.be](http://www.amcham.be).