

To the **POINT**

Q4 | 2017 - BDO MAGAZINE



FAMILY BUSINESS

Empowering family businesses
to do a whole lot more!

CYBERSECURITY

How (in)vulnerable
is your organisation?

TAX

Shining our light on the
'summer agreement'



WE KEEP CLOSE TRACK OF THE DECISIONS TAKEN BY THE GOVERNMENT!

You have in front of you our new-look To the Point Newsletter. The idea was to give it a contemporary feel and a more personal BDO touch. In terms of content we will, of course, maintain the same high standards and continue to cover a mix of in-depth technical topics, new developments and BDO News. We are firmly convinced that you will find the new style and approach very appealing.

We are bringing the people behind the content to the fore, closer to you, the customer, the reader.

Moreover, here at BDO we are very happy about a number of legislative initiatives that will benefit our entrepreneurs. For example, in this edition you will find a comprehensive analysis of the summer agreement on taxation intended to give a solid boost to SMEs, start-ups, innovation and investment. In association with this, the reduction in the corporate tax rate was also decided upon to make Belgium more attractive at the international level. Of course, we still need to look at how the agreement will actually be

implemented in the legal texts in order to accurately assess its impact.

Another element which should not be overlooked: the fundamental simplification and revamping of Belgian company law - more than ten of the current legal forms are disappearing! This is an absolute necessity to better enshrine the status of Belgian companies and improve their competitiveness. Through a series of specific questions and answers, we map out the most important changes for you.

I wish you a lot of 'hardcopy' reading enjoyment, but please be sure to visit our website too. On it you can keep up to date, follow the latest developments closely and receive strategic background information, among other things.



Werner Lapage
Partner BDO, President of the Editorial Board
werner.lapage@bdo.be



“With a corporate tax rate of 25% and 20%, Belgium is still far from being one of the countries paying the least taxes.”

Frederik De Roo,
Partner TAX BDO

- 4 Cybersecurity: how (in)vulnerable is your organisation?
- 7 Empowering family businesses to do a whole lot more!
- 10 Fast Close: speed and quality in the reporting process
- 13 Shining our light on the 'summer agreement'
- 19 Impact of new companies code on your business
- 22 BDO HR & Pay Solutions: the digital social secretariat
- 24 Corporate news
- 26 Publications

Colophon: To the Point is a BDO publication – issue Q4 2017 – Publisher: R.E. BDO Academy Burg.Ven. CVBA/Soc. Civ. SCRL, Werner Lapage, p/a The Corporate Village, Da Vincilaan 9 Box E6, Elsinor Building – 1930 Zaventem. Editorial Board: Ann Celis, Cindy De Bock, Annick Deklerck, Werner Lapage, Dirk Vandendaele, Hans Wilmots – Realisation: www.propaganda.be

© BDO 2017: The information contained in this Newsletter is of an informative and general nature and is not intended to be professional advice. Our advisers are at your disposal for more in-depth advice and to take appropriate action. If you prefer to receive this Newsletter electronically, please contact us at newsletter@bdo.be. Our Newsletter can also be consulted at www.bdo.be. Our Newsletter is also available in Dutch or French.



RISK ADVISORY SERVICES

CYBERSECURITY: HOW (IN)VULNERABLE IS YOUR ORGANISATION?

A computer virus disables your network, a hacker blocks access to your online shop, a phishing scheme makes your customers' credit card details public, ... These are just a few examples of cyber incidents that completely disrupt your business and cause serious damage. Everyone receives suspicious e-mails – but the question is whether your employees respond appropriately. What can you do to make them aware of the dangers and safeguard your company?



Koen Claessens, Partner RAS

A recent study confirms that 60% of large companies and 25% of SMEs were victims of a cyberattack in 2016. The average cost of such an attack is estimated at EUR 1 million. It's not a question of whether your company will be attacked, but when (and whether you will discover the attack in time).

In addition, on 25 May 2018, the General Data Protection Regulation (GDPR) – the new European legislation requiring rigorous management and protection of personal data – will enter into force. Any organisation that does not comply with the requirements risks huge fines (up to 4% of turnover or EUR 20 million). It remains to be seen whether or not these fines will actually be enforced. But what is certain is that other incidents and data leaks involving personal information will occur, with all the damage to a company's image and reputation that this entails. And that's a risk you'd rather not run, right?

So, it's in your best interest to take cybersecurity seriously. Cyber incidents are often the result of human oversight as well as technical shortcomings. After all, people are often the weakest link in your IT infrastructure's security. While 100% security is wishful thinking, there are measures and best practices that should be implemented as part of a due dili-

gence approach in order to reduce the risk and potential impact of cyberattacks. Cyber criminals always look for the path of least resistance and cease their attempts when they run into enough obstacles. If it becomes too difficult to infiltrate, they will usually move on to search for an easier victim.

WHAT CAN HAPPEN?

Below is a list of the most common cyber incidents. As we've said, they may be attributable to technical or human shortcomings, or a combination of both.

Incidents caused by people

- ▶ Usernames and passwords are illicitly obtained by means of *phishing*, and subsequently used to access sensitive systems. A textbook example is phishing e-mails seemingly sent on behalf of banks.

- ▶ *Invoice fraud* – false invoices that appear to come from an actual supplier – is a variation of phishing. Some falsifications are more skilful than others, and they can arrive by e-mail as well as by post.

- ▶ In the case of *CEO fraud*, the CEO or a board member appears to give an (urgent) payment order. In this kind of fraud, the hackers have often been monitoring the company's internal e-mail traffic for months. This helps them imitate the language, termi-

nology and timing used and determine which 'weak link' they will mislead.

- ▶ Employees sometimes install unauthorised programs that contain *viruses or malware*. This malicious software then replicates itself across the company network and blocks important systems. A recent example is *CryptoLocker*, a type of malware called ransomware that 'hijacks' computer files by encrypting them. The files are lost unless you pay a ransom. However, even then, not all your problems are solved.
- ▶ Anyone installing unauthorised software can also let in *Trojans*, malicious computer programs that are activated later on to break in to the system.
- ▶ Some criminals extract confidential information via *social engineering*.

behaviour in software or hardware. *CryptoLocker* ransomware makes use of this tactic.

- ▶ By using *vulnerabilities* in technology, attackers break into networks and systems to acquire confidential information or to install *viruses, malware or Trojans*. Vulnerabilities are weak spots in servers, clients or workstations, networks and other devices or equipment.
- ▶ A *Denial of Service* (DoS) attack makes your network or servers temporarily unavailable to users. Online shops or internet services are often the targets of these attacks.
- ▶ Through *incorrectly configured* firewalls, software services, operating systems and applications, attackers can break into networks.
- ▶ Employees with *excessively broad application access rights* can carry out unauthorised actions (e.g. payments or bookings).
- ▶ Due to *poor password management*, employee profiles may be exploited.

WERE THE APPROPRIATE MEASURES TAKEN?

Because cybersecurity risks are both technical and human in nature, you must take measures at both levels to prevent them. Still, be aware that you can never completely rule out an incident. So, you must also prepare yourself to respond appropriately and adequately to minimise the damage (to operations and reputation) and to restore continuity.

Measures at the human level

- ▶ *Publish your own security policy.* Your employees must be given clear

“Cyber criminals look for the path of least resistance, so make things as difficult for them as possible.”

They do this by using psychological manipulation techniques to get information out of employees.

Incidents caused by technology

- ▶ When software is insufficiently updated and patches (program components installed to fix errors in a computer program) are not installed in time, hackers can use *exploits* (malware that takes advantage of the vulnerabilities of a particular program or operating system) to cause unwanted or unexpected

“60% of large companies and 25% of SMEs were victims of a cyber attack in 2016. The average cost per cyber attack? EUR 1 million!”

guidelines for handling confidential information, sharing passwords, using laptops, smartphones and tablets, disconnecting clients, etc. Such a policy is often part of the employment regulations.

► **Make your employees aware of the risks.** The weakest link is your employees' behaviour. Most cyber incidents are due to insufficient awareness of the dangers associated with the use of e-mail and the internet. Teach users how to recognise phishing (e-mail fraud) and how to respond to it.

Measures at the technical level

- **Install antivirus software.** This is the basis of good IT management. Antivirus software must be installed on all clients and servers. Updates are made automatically.
- **Update all programs and install patches** in time. This is also the basis of good IT management. Run security-related updates for all your software and make the update process automatic.
- **Secure access to your network.** This can be done with a well-managed firewall. Other means of access (used by employees and external suppliers) must be encrypted, limited to what is strictly necessary, and automatically disconnected after use.
- **Manage access to your applications and the Windows environment.** This means proper management of passwords, user profiles and access rights in applications and Active Directory.
- **Secure servers and network components.** Change all default passwords and make inactive accounts unusable. Close unused services and ports,

avoid connections with remote servers and use secure applications and protocols.

Be prepared! Measures in response to incidents









- **Make full backups.** Make full backups on a regular basis and keep them in a secure place. If a cyber incident does occur, it's much better to have good backups. Chances are that they will be needed to repair the damage and restart the systems.
- **Make sure there is a Disaster Recovery Plan (DRP).** If a major incident cripples the IT infrastructure, it must be reconstructed (as quickly as possible), perhaps even in another location. How? This is described in a DRP.

Has your company or organisation taken all these measures? Perhaps this is a question you should put to your IT administrator. It might also be useful to call on an external specialist who can conduct a cybersecurity audit and identify the weaknesses or missing measures.

BIG BUSINESS

Cybersecurity is big business, and its importance will only increase in the future. Alec Ross (Hillary Clinton's former Senior Adviser for Innovation) even calls it one of the 'Industries of the Future' in his book of that title. Unfortunately, perfect security does not exist and nobody can rule out cyber incidents. That is why more and more organisations are insuring themselves against cybersecurity risks. In the foreseeable future, such coverage will be as self-evident as fire insurance. ■

GDPR 8 MEASURES TO BE IMPLEMENTED

-  Data privacy policy & awareness program
-  Maintaining a data register of personal data
-  Privacy Impact Assessments (PIAs)
-  Implementing security measures
-  Adapting the agreements between the controllers and the processor
-  Adapting communication to data subjects (via privacy notices)
-  Reporting breaches to the privacy commission
-  Appointment of a Data Protection Officer (DPO)

DO YOU WANT ADVICE?

As external specialists, we approach your security or control systems from a different perspective and are perfectly placed to perform a vulnerability assessment.

MORE INFORMATION CAN BE FOUND AT:

www.bdo.be/diensten/audit-assurance/cyber-security

You can also contact our specialists at Risk and Assurance Services: ras@bdo.be

FAMILY BUSINESS

EMPOWERING FAMILY BUSINESSES TO DO A WHOLE LOT MORE!

We can hardly overstate the importance of the family business in Belgium's economic fabric. Not only in the number of companies, but also in employment and the creation of added value for the Belgian economy. Regarding the numbers, there are 1.3 million active companies (2015 figures), of which an estimated 75% are family-owned. Together, they account for one third of Belgium's gross domestic product. In order to strengthen its relevance to family businesses even further, BDO is joining the 'Trends Family Business' content project and supporting specific scientific research.



Xavier Bouckaert, CEO Roularta Media Group - Hans Wilmots, CEO BDO Belgium

The complex links between the interests of the company and those of the family make the challenge in terms of governance and long-term strategy unique. The emotional attachment to the business and the influence of the family culture determine both the strengths and the weaknesses. The general public often sees family businesses as slow-moving, conservative organisations where the interests of the family are at loggerheads with those of the company. However, we note that family businesses often do extremely well. Even in times of crisis, many of them succeed in keeping their heads above water. Indeed, thanks to their horizontal organisation, family businesses are better prepared in many areas.

However, that horizontal structure has disadvantages too. Studies show that over half of Belgium's family businesses pay no attention to matters of succession or business transfer. Another striking finding is that, in almost 9 out of 10 family businesses, there are no autonomous directors on the Board of Directors. However, a

NEWS ON A FAMILY BUSINESS SCALE

BDO knows and understands the specific challenges of a family business like no one else, and we offer the family all possible support to make the company even more vigorous and agile. So that's why, as from September 2017, BDO will be enthusiastically joining a new partnership with Roularta and ING Belgium: 'Trends Family Business'.

'Trends Family Business' is a newsletter that addresses subjects that concern managers of family businesses: success stories, best practices, tips for management and strategy, questions answered by experts (tax law, company law, etc.), asset management, networking, and much more. The newsletter will appear 10 times a year, in print and digitally. In addition, in its 'Z-Family' programme, the business TV channel Kanaal Z will take a closer look at a selected main theme from each edition. New this year is the organisation of 3 strong 'Family Business Events' with topical keynote speakers and substantial added value for those present.

"Our Belgian family businesses have developed their own dynamic that has a multiplier effect both on our Belgian economy and on growth," Hans Wilmots, CEO of BDO Belgium, confirms. "That's more than enough reason to support these companies with knowledge and expertise. With this partnership as our base, we can offer the company manager useful content and help him or her to transform any delicate issues with which a family business can be faced into opportunities."

Hans Wilmots, CEO BDO Belgium



and job creation. Family businesses have a major impact throughout the world – but according to Forbes, almost half of the Top 500 family businesses are based in western Europe, which makes family businesses all the more important for Europe.

Indeed, sociologists have long regarded the family as a cornerstone of our society. Recently, economists have been joining them in this conviction, as a result of which the family business as a form of entrepreneurship is increasingly becoming the subject of scientific research. The Belgian academic world is no exception and, for example, Hasselt University (UHasselt for short) is number 3 in Europe in the field of scientific research into family businesses. For example, UHasselt develops specific expertise at its RCEF (Research Center for Entrepreneurship

and Family Firms) and helps apply this knowledge to the field of financing growing businesses, including family businesses. The added value of external directors in family businesses is also being examined, and the research

the success (or failure) of doing business internationally. The study (which will take 4 to 5 years) forms the basis of a scientific model that will lead to doing business internationally with success, and it is receiving the full

"Choosing the right governance model is of fundamental importance for successful international growth."

centre is building up expertise regarding the accounting regulations for start-ups and SMEs, business plans and feasibility studies for start-ups. It goes without saying that the question of succession in family businesses is the focus of much attention in the research programme as well.

DOING BUSINESS BOTH AS A FAMILY AND INTERNATIONALLY

Recently, the RCEF started a new line of study looking at how the profile of the family business's manager and the selected governance model influence

support and cooperation of BDO. Hans Wilmots explains the purpose of the cooperation: "Together with UHasselt, BDO will gain more insight into the unique DNA strand of Belgian family businesses and into the importance of choosing the right governance model. We are firmly convinced that this choice determines the way in which a family business takes the step towards doing business internationally. In due course, we hope to be able to use the results of the study to offer the Belgian entrepreneur a model that lets him or her base his or her choice on solid grounds." ■

14 LEVERS FOR A STRONGER FAMILY BUSINESS

Economic possibilities, opportunities, limitations and challenges change constantly. Staying up to date with all the new developments and trends requires a great deal of knowledge, dedication and time. The impact of the positive forces will largely depend on how the family business can avoid 'delicate issues' or transform them into positive levers. This unique family DNA strand – with all its delicate issues, both big and small – forms the core of the book *Delicate kwesties in Familiebedrijven* (Delicate issues in family businesses) by Hans Wilmots and Professor Rik Donckels. In Part 2 of this comprehensive volume, they present 14 levers that can contribute to strengthening family business foundations in a complex world of consolidation and internationalization.

Find more information about the book at: www.bdo.be/fr-be/publications/livres/2017/ma-gestion-de-questions-delicates-au-sein-des-entreprises-familiales



DID YOU KNOW?

36

BELGIAN COMPANIES HAVE OVER EUR 1 BILLION IN TURNOVER

69%

OF THESE COMPANIES THAT ACHIEVE A BILLION IN TURNOVER ARE FAMILY COMPANIES

9

OF THE TOP 10 OF THESE COMPANIES THAT ACHIEVE A BILLION IN TURNOVER ARE FAMILY COMPANIES

ALMOST ALL NON-LISTED COMPANIES THAT ACHIEVE A BILLION IN TURNOVER ARE ENTIRELY IN THE HANDS OF 1 FAMILY

TOP 10 - LARGEST COMPANIES BY TURNOVER

- 01 AB Inbev
- 02 Solvay
- 03 Colruyt
- 04 Ravago
- 05 D'leteren
- 06 Proximus
- 07 UCB
- 08 Bekaert
- 09 Greenyard Foods
- 10 Aliaxis

Bron De TIJD

MORE INFO ABOUT

'Trends Family Business' is available at trends.knack.be/economie/family-business/. You can also subscribe to the newsletter on that website.

DO YOU HAVE ANY QUESTIONS ABOUT OUR PARTNERSHIPS or what we specifically offer for family businesses? If so, please do not hesitate to contact our specialists at: Advisory: advisory@bdo.be

"The typical dynamic of family businesses has a multiplier effect both on our Belgian economy and on growth."

clear vision of succession and of governance within the family business is not by any means the only factor affecting continuity and success. For example, in general, there are too few people involved in the theme of 'innovation' – yet it is impossible to overstate the importance of innovation in the current entrepreneurial climate. Studies now show that it's precisely in this area that many family businesses have a problem.

FAMILY BUSINESSES DRIVE THE GLOBAL ECONOMY

Family businesses are not only of crucial importance to the strength of the Belgian economy, they are an economic focal point for Europe as well. Globally, they represent an important catalyst for economic growth and prosperity. The Top 500 Family Businesses in the World (published by Forbes) makes it crystal clear that family businesses help drive the global economy in terms of both added value

ACCOUNTANCY

FAST CLOSE: SPEED AND QUALITY IN THE REPORTING PROCESS

An efficient and effective financial closing process supports a policy-based outlook. The speed and quality of information of such a fast close process provide extra scope for financial analysis and value-added activities. But although the theory of fast closing is fine, the practice is often difficult to manage.

AN INTEGRATED APPROACH IS NEEDED...

'Fast close' is the process of continuous improvement that systematically shortens the lead time between closing the books and reporting the figures. This is not an unnecessary luxury, because information often has a limited shelf life, and the older the information, the lower its value. Having the monthly results available within 3 working days is a good average, and about 12 days should suffice to complete the year-end closing.

However, fast close initiatives are only effective if they examine all the processes that affect the closing process in an integrated manner. The way in which these processes (and sub-processes) are organised and connected to each other directly determines the feasible reporting date. The power of such an approach lies in the fact that bottlenecks come to light immediately and are also addressed right away rather than during the closing. In addition to the integrated approach, Management's visible support is crucial to the success of the project.

...TO REPORT QUICKLY

Phase 1. Implementing a fast close process starts with mapping the current reporting calendar and examining each sub-process to see where things can be optimised. Figure 1 'Purchase invoice verification process' shows an example for booking purchase invoices. For each process, there is an examination of how the information comes in, and the roles and responsibilities of everyone involved are cast into a model.

Adapting the organisation, providing training or adapting working methods often leads to a better fast close. In many cases, the closing process can already start before the end of the month. Here, for example, certain allocations occur on the basis of budget figures. Introducing materiality

can also help. In a successful fast close process, there is no time for an endless search for the last euro cent that yields very little added value.

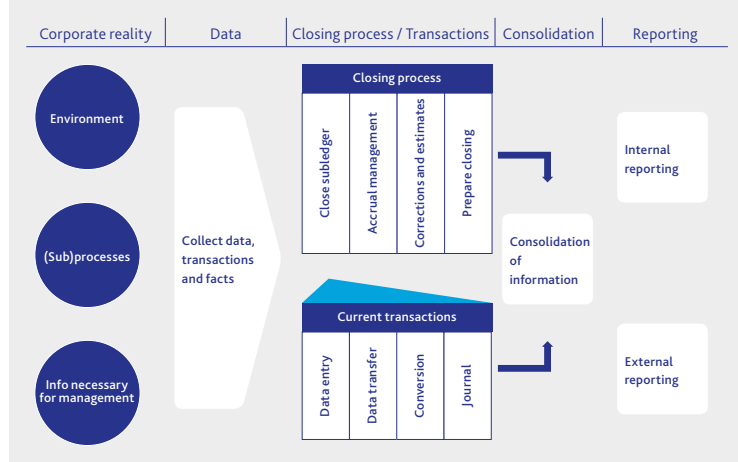
After mapping out the processes, it is useful to look at the dependence between the finance department and its environment and, more specifically, at the processes that affect the financial closing (see Figure 2 'Financial processes in scope'). In other words, how does mutual communication and information exchange in each part of the closing process take place?

"In a fast close process, there is no time for an endless search for the last euro cent that yields very little added value."

Figure 1: Purchase invoice verification process

Input	Proces	Output	Delivery time	Process time	Person responsible	Error %
Purchase invoices (electronic or hard copy)	Inputting or filing invoices		0,5 hour	0,5 hour	Auxiliary accountant	1 %
	Checking received invoices against the order form			1 hour	Auxiliary accountant	1 %
	Booking purchase invoices	Purchase journal	2 hour	1 hour	Accountant	2 %
	Supplementing fixed assets and depreciation	Depreciation table	1 hour	1 hour	Accountant	4 %
	Provision for invoices to be received	Journal of various items	1 hour	1 hour	Main accountant	5 %
Total time needed:			4,5 hour	4,5 hour		

Figure 2: Financial processes in scope



Phase 2. Now, you collect all the relevant information and continue automating the fast close process, whether you use new technology or not. Collecting information often seems easier than it actually is. After all, raw data often come from unintegrated systems, in which case the information is available in different, non-standardised forms at separate locations. The appropriate solution for this is a so-called 'information warehouse' that manages, transports and integrates all business information.

“Thanks to a shortened closing process, the relevant information is available to your company much more rapidly.”

Another common problem in Phase 2 is the lack of verification of the data used. As a result, the quality of the information throughout the entire closing process becomes uncertain. For this reason, sufficient time for verification must be allocated in the reporting calendar, and tasks must be automated wherever possible. In this manner, intercompany transactions can be booked automatically (receivable/debt and return/cost) in the relevant companies of the company group. This will then speed up the month-end reconciliation.

Phase 3. This phase focuses on the administrative closing process. An important point here is that the procedures for the closing process are put on paper. Also, be sure to clarify the roles and responsibilities of everyone outside the finance department. The deployment of employees at peak times must also be assessed, as well as their deployment in other ways at quieter moments in the process.

Once all the analyses have been completed, the entire reporting process can be finalised and you have a timeline for the fast close process in your business. It is recommended that you use standard report formats as much as possible.

ADVANTAGES OF ACCELERATED PROCESSES

What is the main advantage of a shortened closing process? The relevant information is available to your company much more rapidly, so you can be better informed when you look towards the future. In addition, a future-oriented finance department will find itself better aligned with the rest of the organisation, which also focuses on future business.

Experience has also shown that companies that integrate the fast close process structure their budget and forecast processes much more efficiently.

Finally, the speed and information quality of a fast close process reduce costs during the closing – so the finance department gains additional scope for activities that create real added value, such as financial analyses.

On the other hand, fast close must not become a goal in itself. The art consists in finding a healthy balance between speed and accuracy, taking sufficient time to prepare the figures in a reliable manner and monitor the reporting analytically.

PITFALLS

Switching to a fast close process requires effort from everyone involved in the closing process. The finance department has to clearly define its expectations so that, for example, the IT department knows what needs to happen, but also so that employees outside finance know what is expected of them. Your company also has to know where bottlenecks can arise and try to limit their consequences as much as possible. Anyone who approaches the project in a process-oriented manner will realize that a fast close is not wishful thinking. ■

TIPS FOR A FAST CLOSE

01

APPROACH THE FAST CLOSE PROJECT IN AN INTEGRATED WAY – INCLUDE EVERYONE INVOLVED IN THE PROCESS (NOT JUST THE FINANCE DEPARTMENT)

02

WORK WITH SUB-PROCESSES

03

START WITH CERTAIN DEFAULT ENTRIES AND THE STATUS OF CERTAIN FACILITIES BEFORE THE CLOSING PERIOD

04

WORK WITH MATERIALITY LIMITS

05

WORK WITH THE BUDGETED FIGURES, EVEN IF THE COSTS HAVE NOT YET BEEN RECEIVED

06

PROVIDE STANDARD REPORT FORMATS AND SET UP THE PERIODIC CLOSINGS IN THE SAME WAY AS THE YEAR-END CLOSING

07

MAKE SURE THAT MANAGEMENT EXPLICITLY SUPPORTS THE PROJECT

QUESTIONS?
Contact our specialists in Accountancy:
accountancy@bdo.be

“We Belgians remain the champions at paying taxes.”

Frederik De Roo, Partner TAX

TAX

SHINING OUR LIGHT ON THE ‘SUMMER AGREEMENT’

At last! There is a lot of euphoria among entrepreneurs, because a thorough tax reform was really necessary. They deserve it, too. But in spite of those reforms, Belgians are still the champions at paying taxes. Specifically, ‘Tax Liberation Day’, or the day on which we start to work for ourselves, is 27 July in Belgium. We would rather do without this title, and it’s also a day we would prefer to see come earlier in the year! We need to be a lot more ambitious in that area, as put forward by Frederik De Roo, Partner and expert in corporation and income tax at BDO.

ENTREPRENEURS DESERVE IT

This in-depth reform, which amounts to a drastic reduction in the corporation tax rate, the stimulation of investment and a number of compensatory measures, was necessary. We should not take this lightly!

It is a powerful signal to Belgian SMEs, which are the motor that drives our Belgian economy. These entrepreneurs are the people who take risks every day, taking their stress and concerns home with them, and who provide employment. They will welcome this reduction, and who can blame them! More than that, they deserve it.

NOT QUITE YET A KEY FIGURE

A reform has put Belgium back on the European tax map, but a little more will be required to actually realise the ambition. This is because, even with the 25% and 20% rates, we are still not among the least-taxed countries and they are not enough to com-

pete against other EU Member States. And if we want to further reduce unemployment and ensure that people are able to spend more money, an additional corporation tax reduction is essential!

So what are we waiting for? Just look at the United Kingdom and France, which are planning reductions of 15% and 25%. For years now, the Netherlands has also had rates of 20% and 25%. And then there are still a number of Eastern European countries with significantly lower rates, just like the Americans.

From this perspective, there is therefore still plenty of work to be done in Belgium. However, with rose-tinted glasses everything looks a lot better now and the first steps have been taken. What we have to do now is wait and see what the effects will be on employment and purchasing power in the short and medium term.



“A minimum tax amount will be imposed on companies having a profit in excess of EUR 1 million.”

This article is based on the information that was available on the moment of the editing of this magazine. You can read all updates in news section of the BDO website: www.bdo.be/en-gb/news

CORPORATE INCOME TAX – MEASURES 2018

Undoubtedly, the corporate tax reform is the eye-catcher of the federal budget agreement. To stimulate the Belgian economy, and to increase the competitiveness of Belgian businesses, the corporate tax rate will be decreased significantly. The agreement also intends to pump more oxygen into SMEs, start-ups, innovation and investment.

The tax reform is being partially financed by means of new rules in relation to capital gains on shares and a limitation of tax deductions for companies. Here is an overview of the the main changes for companies starting from 2018.

The corporate tax rate

From 2018, the basic corporate income tax rate decreases from 33% to 29%; it will be lowered further to 25% by 2020. SMEs, as defined in Article 15 of the Belgian Companies Code, will be able to benefit from a 20% tax rate on the first tranche of

EUR 100,000. From 2018, the crisis surcharge that comes on top of the basic rate will be reduced from 3% to 1.5% – and will be abolished in 2020.

Minimum tax

A minimum taxation will apply for companies with profits in excess of EUR 1 million. Companies generating a profit exceeding EUR 1 million will have to consider the fact that certain tax deductions will no longer be fully deductible. One of the deduction limitations concerns the deduction of losses carried forward. However, the tax losses carried forward by starting companies will not be subject to this limitation during the first four financial years.

This will result in a 7.5% minimum tax on the taxable profit exceeding EUR 1 million.

Revision of the notional interest deduction scheme

The notional interest deduction scheme will be revised so that the deduction will only apply to capital increases.

10% Separate tax rate

Companies that do not pay a minimum of EUR 45,000 per annum as salary to at least one company director will, henceforth, be subject to a 10% separate tax on the balance between what has been paid and EUR 45,000. When a lower remuneration is paid, the payment should at least equal the company's taxable result in order to be out of scope of this separate tax.

Starting companies (established within four years from 1 January of the assessment year) are again excluded from this measure.

Capital gains on shares

As a simplification measure, starting from 2018, the 0.412% tax that currently applies to capital gains on shares realised by large companies will be abolished. As a consequence, capital gains on shares are, again, entirely tax exempt. However, analogous to the conditions for the dividend received deduction, the exemption will only apply if, during at least one year, the participation equals at least 10% or if the acquisition value of the shares equals at least EUR 2,500,000.

Insertion companies

Insertion companies currently benefit from a double exemption from corporate income tax. Companies that receive employment and career transition subsidies may exempt these amounts from corporate income tax by increasing the opening balance (the taxable reserves) in their corporate income tax return. When also certified as an insertion company, these companies may also report their profit as 'other exempt components', thereby exempting their profit in its entirety from corporate income tax. This double benefit will be limited in the future.

Adoption of a fiscal matching principle

The introduction of a fiscal matching principle in corporate income tax will have the consequence that costs related to activities or income of the subsequent financial year will only be deductible in the following financial year. Therefore, they will no longer be deductible in the current financial year.

Limitation of provisions for future expenses

To avoid excess provisions being incurred prior to the reduction of the overall corporate income tax rate, which are later taken back at a lower nominal tax rate, measures have been provided that render the withdrawal of these excess provisions subject to the nominal tax rate applicable on the date that the provisions were entered in the financial accounts.

Taxation of Reinvestment Gains

Reinvestment gains that become subject to tax because of the expiration of the reinvestment deadline, or because they are voluntarily subject to tax by the company, will be subject to the nominal tax rate that applied on the date on which the gain was realised. In the event that the gain is subject to tax voluntarily, late payment interest will also become due.

Withholding tax on capital decreases

Capital decreases will partially be subject to withholding tax.

Temporary increase of the non-spread investment deduction rate to 20%

In 2018, the non-spread investment deduction rate will temporarily increase from 8% to 20% for SMEs and one-man businesses.

Sundries

- ▶ The calculation of late payment and moratorium interest will change. Late payment interest will always be 2% higher than moratorium interest;
- ▶ Non-submission of the corporate income tax return will be punished more severely. Insufficient pre-payments will also be discouraged (exceptions to the tax increase will be abolished). Starting companies will, however, be excluded from the tax increase during the first three financial years as from incorporation);
- ▶ The professional withholding tax exemption for R&D staff will be extended to holders of certain professional bachelor degrees.

MEASURES FROM 2020 ONWARDS

Here is an overview of the most important new fiscal measures for companies that start in 2020:

- ▶ Further decrease of the corporate tax rate to 25% (see above).
- ▶ A system of fiscal consolidation will be introduced from 2020.
- ▶ Tax shelter for audiovisual productions and stage productions will be amended according to the new tax rate so that the same ROI may be guaranteed.
- ▶ Further transposition of the ATAD directives:
 - Modifications to the interest deduction on foreign debt
 - Introduction of CFC legislation
 - Modifications to the exit tax
 - Regulation against hybrid mismatches

- ▶ The battle against tax fraud will be strengthened by means of a better exchange of information for transfer pricing purposes and increased tax audits.
- ▶ Accounting in the financial result for debt discount for non-amortisable assets will no longer be accepted as a deductible expense.
- ▶ As a temporary measure, companies will be encouraged to convert untaxed reserves to taxed reserves at a reduced tax rate of 15%, which, on certain conditions, can be further reduced to 10%.
- ▶ Tax losses of foreign permanent establishments will only be deductible if proven that they cannot be deducted abroad. Moreover, the concept of PEs will be approached from a more economic perspective;
- ▶ The degressive depreciation scheme will be abolished. SMEs will have to perform pro rata depreciations.
- ▶ Certain costs will have to be reported as a disallowed expense, e.g. non-deductible fines, non-deductible taxes, secret commissions. The system for the deduction of car expenses will be subject to different parameters for deduction and will be deductible up to a maximum of 100% (i.e. the deduction by 120% will be abolished).

VAT AND IMMOVABLE PROPERTY

The federal budget agreement also adopts an optional VAT system for the rental of immovable property. In many cases, the current VAT exemption has a cost-increasing effect, as the VAT on new buildings and on renovations cannot be recovered by the lessor. An optional system will now be provided if the lessee intends to use the building predominantly for purposes that are subject to VAT.

Optional VAT system

The lessor will henceforth have the option to charge VAT on the rental of immovable property, which will allow him to recover the input VAT on investment costs. This would provide a valid alternative to the so-called 'real estate leasing', in which case the VAT deduction is subject to strict conditions, such as the reconstitution of the capital within a 15-year period by



Frederik De Roo, Partner TAX

“The Summer Agreement introduces an optional VAT system for the rental of immovable property.”

means of the lease payments and a mandatory purchase option at the end of the leasing contract. A VAT unity, on the other hand, in many cases also offers different advantages (e.g., no pre-financing of VAT on mutual transactions).

Excluded entities

Lease contracts that relate to other lessees (such as public institutions, private individuals, etc.) that do not predominantly use the building for VAT activities will not qualify for the optional VAT system.

Scope

The new rule will apply to new rental agreements concluded from 1 January 2018. This immediately triggers a number of questions regarding:

- ▶ the VAT destination of renewed contracts.
- ▶ the possibility of the revision of input VAT related to older buildings regarding investments within the revision period (5 or 15 years, depending on the nature of the works).
- ▶ the impact on the payment of registration duties.

PERSONAL INCOME TAX

Tax on securities accounts

As a compensation for the reduction in the corporate income tax rate, the federal government decided to introduce a 0.15% tax on securities accounts. The first tranche of EUR 500,000 will, however, be tax exempt. Securities accounts related to pension savings and life insurance will be excluded.

Reduced withholding tax on dividends

On the other hand, the tax on securities accounts will be somewhat compensated for by a partial withholding tax exemption on dividends. The withholding tax exemption will apply for the first EUR 627 dividend distribution. The measure is intended to stimulate savings.

Decrease of tax exemption on saving deposits

The tax exemption that applies to saving deposits will decrease. The withholding tax exemption applies only to interest on savings, up to EUR 940 (instead of the current EUR 1,880).

Collective profit bonus

The introduction of a collective profit bonus will allow companies to let their employees share in the company profits:

- ▶ Without any obligation for the employer;
- ▶ Without capital participation;

- ▶ Access for all employees within the company (but not for company directors).
- ▶ Bonus does not count towards the calculation of the wage norm;
- ▶ The bonus is not allowed to replace the existing salaries.
- ▶ The bonuses paid may not exceed 30% of the total wage mass.
- ▶ Entry into force on 1 January 2018.

Contributions to a pension saving fund

People making deposits into a pension saving fund will have the option between 2 tax schemes in personal income tax:

- ▶ The current tax scheme: 30% tax reduction on EUR 940 deposits, or
- ▶ A new tax scheme: 25% tax reduction on EUR 1,200 deposits.

Harmonisation of fixed professional costs for self-employed

The fixed amounts of deductible professional costs in personal income tax for employees and self-employed will be harmonised in the favour of the self-employed.

Tax shelter for growth companies

The existing tax shelter scheme for starting companies will be extended to growth companies (and thus no longer applies to start-ups only).

Tax free supplementary income

Supplementary income can be gained free of tax and social security charges up to a limit of EUR 500 per month (EUR 6,000 per year). Employees and self-employed persons who already have a main occupation need to work at least 80%. This requirement does not apply to the sharing economy. Pensioners will also be able to gain supplementary income free of tax and social security charges within the framework of the existing accumulation rules. The tax exempt supplementary income is limited to income from activities ordinarily performed during personal leisure time in the non-profit sector.

SURPRISING SOCIAL MEASURES

With the summer agreement, the government also took measures to promote employment.

Flexi-jobs

As from 1 January 2018, the flexi-job arrangement will be extended to the self-employed retail trade, retail trade in food, large retail businesses and supermarkets. Retired people will also be able to rely on this system. In contrast to what was initially announced, the agricultural sector continues to be excluded.

Night work for the e-commerce sector

As from 1 January 2018, the regulations for night work and work on Sundays in e-commerce will be made more flexible. The aim? To make Belgium more attractive for foreign-national e-commerce companies.

Work on Sundays and students who are minors

Exceptions to the prohibition for employees under the age of 18 years to work on Sundays are allowed for certain sectors. This will also take effect on 1 January 2018.



Re-introduction of the trial period

When the single status was introduced in 2014, fixed periods of notice linked to seniority were implemented for all employees. This formally abolished the trial period. The federal government now wants to reintroduce this period (the date on which this will be done has not yet been set). During the starting period of employment, the employer is given the option of terminating the employment contract by means of the following short periods of notice:

Seniority	< 1 month	< 2 m	< 3 m	< 4 m	< 5 m	< 6 m
Current	2 weeks	2 w	2 w	4 w	4 w	4 w
New	1 week	1 w	1 w	3 w	4 w	5 w



Encouraging first jobs

The social security costs on the pay for employees between 18 and 21 years of age will be reduced as from 1 January 2018. As such, the employee's net pay will not change. In this way, employers are encouraged to recruit young employees so that this risk group integrates more easily into the labour market.

Reduction of social security costs in the building sector

A ruling by the Constitutional Court will cause the abridged notice periods in the building sector to be abolished as from 1 January 2018. As a set-off compensation, the government will provide a phased (2018-2020) reduction in social charges on wages and salaries to fight social dumping. This is intended to make it more worthwhile to hire Belgian employees and attract fewer seconded employees from lower-wage countries.

Keeping older employees active

To keep employees at work at least until retirement age, companies will be financially encouraged by way of tax and tax-related benefits to keep older employees active. For example, there may be a supplementary payment charged to the sectoral fund or employers that are exempt from social security contributions. The government has not yet set a date for this measure.

Secondly, older employees will be able to go on 'part-time retirement' as from 1 January 2019. Additional

pension rights will accumulate for the time such employees continue to work.

Increase of the minimum pension for a full career

The minimum pension for employees will increase by 0.7%. This is one of the consequences of the tax shift of 2016. Within the scope of the 2017-2018 welfare fund, the social partners have decided to increase the minimum pension for an incomplete career by 1.7% and for a full career by 1% as from 1 September 2017.

Generalisation of temporary jobs

Temporary jobs will be allowed in all private sectors as from 1 January 2018.

Improvement of the self-employed social status

As from 1 January 2018, self-employed people will be able to claim sickness benefit if they are ill for longer than two weeks. Currently, the minimum illness period still amounts to four weeks. In addition, a fully-fledged second pension pillar is being introduced for self-employed natural persons.

Reduction of social security contributions for new self-employed persons

There will be progressive income thresholds in calculating the minimum social security contributions for the first two years for people whose main occupation is as a self-employed person. These income thresholds will be implemented on 1 January 2018. ■

CORPORATE TAX RATE:

2018: 33% → 29%
2019: 29% → 25%
SMEs: 20%
on first tranche of EUR 100,000

Crisis contribution:
2018: 3% → 1.5%
2020: 0%

VAT:

real estate lease to a lessee with an activity subject to VAT: optional 21% VAT system

PERSONAL INCOME TAX

exemption for interest on savings:
EUR 1,880 → EUR 940

SOCIAL LAW:

Minimum pension from 01/09/2017:
+1,7%
(incomplete career)

+1%
(full career)

QUESTIONS?

Contact our colleagues in
Tax: tax@bdo.be or legal@bdo.be

FAQ

IMPACT OF NEW COMPANIES CODE ON YOUR BUSINESS

In his policy paper of 6 December 2016, Justice Minister Koen Geens announced a recodification of basic law, including, among other things, a (thorough) reform of company law. The aim? To simplify Belgian company law and make it more competitive with the laws of Belgium's neighbouring countries (see also box). But what does this reform mean for your company or organisation? We identify the key changes for you by means of specific questions and answers. All subject to the final legal text, of course.

WHAT WILL CHANGE FOR COMPANIES?

Will a single shareholder be enough for capital companies?

Yes, but only for the nv (public limited company) and the bv (private company). For the nv, the requirement of plurality is being abolished. This means that an nv may consist of merely a single shareholder. For the cv, however, the requirement of plurality, more specifically at least three shareholders, remains.

Can you establish several BVs as sole shareholder?

Yes. It is important that you know that the existing restrictions for sole shareholders (for both natural and legal persons) are being abolished.

Will the distinction between civil and commercial companies disappear?

Yes. New texts will refer to the enterprise. This means it will be assumed that everyone participates in economic legal transactions and that a distinction will no longer be made on the basis of whether or not one pursues a liberal profession etc. Henceforth, all companies will be subject to company law. Among other things, this means that all Nacebel codes (CBE) are open to all companies, all companies can go bankrupt or apply for judicial reorganisation (WCO).

Will there be fewer company forms?

Yes. The current 17 company forms will be stripped back, leaving just a few basic company forms. On the one hand, there is the partnership as company without legal personality. On the other hand, there are five company forms with legal personality: the general partnership (vennootschap onder firma, vof), the limited partnership (commanditaire vennootschap, CommV), the private company (besloten vennootschap, bv), the cooperative company (coöperatieve vennootschap, cv) and the public limited company (naamloze vennootschap, nv). In addition, the European company forms will continue to exist (SE, SCE and EESV).

This means the immediate end of the thv and shv, the Comm. V.A., the cvoa, the starters-bvba, the ebvba, the vso, the lv and the esv. There is, however, a considerable degree of statutory freedom, so that the remaining forms can optionally be 'modulated'. Furthermore, a system of accreditations is being incorporated, which means companies with agricultural or social purposes will not completely disappear.

Can you establish a company with one euro?

In theory, yes, since the concept of capital under company law is being abolished for the bv and the cv in favour of the concept of sufficient equity capital. However, the founders are responsible for providing sufficient equity capital for the activities they want to develop with the company. For the nv, the minimum capital requirement is being retained. For the bv, cv and nv the content of the financial plan on establishment is also being reinforced.

Are shares in a bv freely transferable?

Yes, if provided for in the Articles of Association. The current limited transferability is being retained as a default solution.

Will the reform affect accounting law and tax law?

No. To date, no changes have been announced.

Will interim dividends be possible for bv and cv?

Yes, payment of an interim dividend will now also be possible in a bv and cv, if provided for by the Articles of Association.

Will the ad nutum removal of a director remain as a principle?

The dismissal of a director will be qualified: in that way the general meeting can determine a period of notice and possibly grant a severance payment. Furthermore, this can also be explicitly developed in the Articles of Association. The ad nutum dismissal therefore only applies if the general meeting or Articles of Association do not derogate from it.

Will any changes be made to the capacity of permanent representative?

Yes, there are a number of important changes worth noting:

- ▶ The permanent representative must be a natural person. 'Cascades' of companies are therefore no longer possible.
- ▶ Someone who sits as a director in his or her own name cannot also sit in the same body as a permanent representative of a legal personality-director. So no more double seats on the boards of directors.

Is director's liability being limited?

Yes. Liability will be capped at a certain amount, taking into account the size of the company and based on turnover and balance sheet total. This is offset, however, by an absolute ban on prior exoneration and safeguard clauses - entered into by the company for the benefit of its directors.

Does 'capital-less' also mean that the bv and the cv can make unlimited payments to their shareholders?

As there is no longer any capital, payments will be easier to make. Whereas in the current system a notary must be hired for a 'capital reduction', for example, that is no longer necessary in the new system, at least not for a payment of 'equity capital'. Each payment must, however, pass a preliminary double test:

- ▶ The balance sheet test: the general meeting must decide whether the planned payment will not result in the company's equity capital becoming negative.
- ▶ The liquidity test: the board of directors must assess whether the planned payment will not result in the company no longer being able to service its outstanding debts for at least the next 12 months.

What is the impact for the cv?

The cv will remain reserved for genuine cooperative principles and must always have at least three shareholders. Furthermore, the rules of the bv will largely continue to apply in full, where a departure at the expense of the company's assets will also become possible.

What is changing on a managerial level?

- The bv, the cv and the nv will now all have directors.
- ▶ In the bv and the cv the administrative body will consist of one or more directors, who may form a board.
 - ▶ For the nv a choice can be made between unitary (board of directors only) and two-tier management (executive board and supervisory board).
 - ▶ It is also possible to have just one director in the nv, possibly with extensive protection from dismissal.

Can a bv/cv issue profit participation certificates (that do not represent the capital), warrants or convertible bonds?

Yes. In concrete terms, the new law aims for the rules to be applied as currently already used for the nv.

"The number of companies will shrink to six basic forms: the partnership, vof, CommV, bv, cv and nv."

WHAT WILL CHANGE FOR ASSOCIATIONS AND FOUNDATIONS?

The aim of the legislator is to integrate the rules that apply to non-profit organisations into the Companies Code. A non-profit organisation/foundation will also be regarded as an enterprise. This means it may - without discussion - engage fully in commercial transactions. Non-profit organisations, international non-profit organisations and foundations will expressly be allowed to develop commercial/economic activities and make a profit, but will not be permitted to distribute this profit to their members. They will also be subject to insolvency legislation (WCO and bankruptcy).

IS THERE A SPECIFIC TIMING?

What is the proposed timing?

The preliminary draft has been approved by the Council of Ministers and submitted to the Council of State. This means that, if everything goes according to schedule, we can possibly expect an actual legal text before the end of 2017.

"A non-profit organisation will also be regarded as a company."

When does the reform come into effect?

As soon as the new law comes into force (10 days after publication), newly established companies, associations and foundations must comply with the new rules. Therefore, companies will no longer be able to be established with a legal form that has been abolished. The mandatory provisions of the new Code (i.e. the provisions that cannot be departed from in the Articles of Association) will apply to existing companies, associations and foundations from the first day of the first financial year that begins after the end of a period of one year following the publishing of the new law. Conflicting statutory provisions will automatically be regarded as null and void.

Must I adapt my Articles of Association immediately after the change in the law?

Companies with a legal form that is not being abolished must adapt their Articles of Association by the next planned change, and within five years of the law coming into force. Associations and foundations will be given ten years to do so. If the adaptation is not made, the default arrangement will apply. Associations/foundations that fail to adapt (on time) may also no longer pursue any commercial activities (or on an ancillary basis only). Company forms that are disappearing will have a transitional period of ten years from publication of the new law to convert themselves. Failing this, they will automatically be converted into a legal form as stipulated by the new law (thus, a cvba that does not satisfy the definition of a cv will become a bv).



© YBO-FEB

KOEN GEENS: "SIMPLICITY AND STATUTORY FREEDOM"

Everyone agrees "that we must strive for a modern justice system, and this is no less the case for the laws and regulations we make for companies. Complicated administrative procedures put the kibosh on any spirit of enterprise, so the new Companies Code is of great importance in keeping people encouraged to do business in Belgium."

Minister of Justice Koen Geens leaves no shred of doubt. He is going full steam ahead for simplification, clarity and greater flexibility. The current Companies Code is more than ever due for a fundamental, all-inclusive reform as a great many provisions no longer satisfy the needs of business operations. What's more, some rules are unclear or incompatible with each other. "Finally, the current complexity makes our country less attractive to entrepreneurs. In fact, in many of our neighbouring countries company law is much more transparent and simple... and as a result more competitive." Minister Geens dreams of a new Belgian code with no more than 200 articles, but realises that this is not feasible. "Every type of law needs nuances, with sufficient attention being paid to European and international developments, but without falling into the trap of 'gold plating'. It is essential in this regard for companies to get more statutory freedom. And for those who cannot choose, there will be default solutions."

The power of simplicity begins with the new, "extremely formal" definition of 'the company'. "From now on, it applies to every person exercising a professional activity, including liberal professions, farmers, associations, foundations, companies (including de facto ones) and other legal entities. This will end all arguments about exactly what is meant by exercising 'an economic activity'." Just as revolutionary: the number of company legal forms is being reduced from the current 17 to just four basic ones. In addition, all these companies will get their own specialised court, the Companies Court, which will replace the current Commercial Court. In addition, the insolvency legislation (itself also renewed) will be applied to all those companies. "That is intended to make it easier to get a second chance."

QUESTIONS ABOUT THE NEW COMPANIES CODE?
Contact our colleagues in Legal: legal@bdo.be

PARTNERSHIP NEWS

BDO HR & PAY SOLUTIONS THE DIGITAL SOCIAL SECRETARIAT

Today, 90% of Belgian companies call on the services of an accredited social secretariat or service provider*. This is only logical, as social legislation and taxation rules are becoming ever more complicated in Belgium. However, new technology lends a big helping hand in this regard. That's why BDO and IT services provider Cegeka are jointly launching a unique digital alternative to the traditional social secretariat.



Kim Van den Bergh, Payroll Manager - Peter Wuyts, Partner TAX

HR IS GROWING MORE COMPLEX

Today, 'Human Resources' is responsible for much more than just correct payroll administration. Specifically, the HR task package now includes tax advice on payroll and employment, the correct application of social security rules, assessments and career guidance, and even international

INNOVATIVE HR PLATFORM ONLINE

This complex social legislation and the increasing use of digital technology have opened the door to a strong partnership between BDO and IT service provider Cegeka. Together, we've launched an innovative HR platform – BDO HR & Pay Solutions – which enables client-employers to import and

solutions usually run on existing software. And today, that's the biggest stumbling block for pretty much everybody."

RETENTION OF INTERNAL PROCESSES AND KNOWLEDGE

"BDO HR & Pay Solutions offers several different services and applications," Peter Wuyts, Partner at BDO, continues. "Customers can use it for traditional payroll calculation and for dealing with their obligations under social and labour legislation. On top of that, they get access to a wide range of tools, such as online recruitment tests or specific HR consulting services."

The platform stands out thanks to its user-friendliness, and the employer/customer is able to choose only those modules it really needs. "Furthermore, we can develop the offering in a flexible and modular way. This means that a customer can continue to use its existing internal knowledge and processes to the best possible extent and log in directly to the platform to carry out and manage certain tasks. Or it can outsource the whole lot to a professional service provider." ■

"The modern 'digital' employer wants to be rid of duplicate administrative work and time-consuming obstacles in HR matters."

support. The subject matter is actually now so complex and multi-faceted that many social secretariats no longer have all the expertise available in-house to help employers with all their HR questions.

FAST AND FLEXIBLE PAYROLL ADMINISTRATION

Furthermore, Belgian employers are going ever more digital and looking for more autonomy, with regard to HR matters as well. For example, they want to be able to enter a change of address centrally and not five separate times in as many different systems. Neither do they want to be bound by specific deadlines – which are sometimes far too long – for submitting a leave request. The modern 'digital' employer wants to be rid of this type of duplicate administrative work and these time-consuming obstacles.

calculate the payroll themselves in real time, without the intervention of a social secretariat. Whenever desired or necessary, they can call on extensive HR support and strategic advice.

BDO is calling in enlisting the services of its ICT partner, Cegeka, for the IT component of the service provision. Payroll administration is offered as an online service, with the highest security and performance criteria being guaranteed. The data are stored in Belgium and, of course, remain the legal property of the employer.

"Consider the solution as a flexible platform with which the HR department outsources certain activities," Johan Lybaert of Cegeka explains. "Although many social secretariats may well offer an innovative front-end or user interface, the back-end

* As a social services provider, BDO can – in the name of, and on behalf of, employers – fulfil all legal obligations in the area of social security and income withholding tax. No payment whatsoever of contributions or withholding tax takes place via a BDO bank account, with the result that the employer continues to benefit from full transparency for all payments. In this regard, we put the focus squarely on today's digital processes.

QUESTIONS?
Contact our colleagues in Legal:
legal@bdo.be

CORPORATE NEWS

YOUNG TALENT IN ACTION



On Monday 2 October 2017 CEOs, HR Directors and more than 2,000 students gathered at BOZAR in Brussels for 'Young Talent in Action'. This event, an organisation of the FEB, had, as its main theme: "How can we steer even more young people towards the job market?"

Ever since the first edition, two years ago, BDO has been one of the structural partners of this event. This should not surprise as BDO values tomorrow's young talents tremendously! This

year BDO even played an active role. The students could follow a workshop personal branding given by our colleagues of Human Capital or they could speed date with our CEO, Hans Wilmots or our HR Director, Annelies Steenbeke. And there was more. At the 'Talent Corner' no less than 72 youngsters took a professional personality test.

Even his Majesty the King visited Young Talent in Action, and our BDO booth, where he talked to some of the students and BDO Human Capital colleagues.

58 YOUNG TALENTS START AT BDO

At the beginning of October, 58 new colleagues started at BDO. Under the guidance of BDO Academy, our starters went on a 3-day training session in Ostend to get to know BDO better. On the agenda were info sessions, a starters market, product tastings, some interesting workshops and a health check. They were able

to meet the managing partners from the different business lines, to finally complete their technical knowledge with additional training at their respective offices. With this immersion, BDO has the ambition that makes that make our new colleagues feel at home as quickly as possible.



CORPORATE

BDO INSIGHTS

The BDO library contains newsletters, brochures, articles,... about very different topics. You can download these insights on the BDO website: www.bdo.be/en-gb/insights



Global Risk Landscape 2017

Do we live in a riskier world? The answer is yes according to 72% of respondents to the BDO Global Risk Landscape survey who consider that the world has become a riskier place. With risk perception down overall from 87% from last year's survey however, is this an accurate reflection of the evolving global risk landscape?

In early 2017, BDO's Global Risk Landscape survey gathered qualitative insight from 500 c-suite and senior level experts across 55 countries, to gain their views on the main risks facing their businesses both today and in the future. The results of this year's research capture perception of risk at a unique moment in time, with increasing evidence of regional similarities in a globalised and interconnected world.

The report looks at both current and emerging risks, considering a number of key risk themes including:

- macro-economic and geopolitical environment
- disruptive technologies
- and governance

Expatriate News August 2017

Expatriate tax updates provide a brief overview of issues affecting international assignees, predominantly, but not exclusively, from a tax and social security perspective.

Contents

- Canada
- Australia
- Belgium
- Canada
- The Netherlands
- Saudi Arabia
- Sweden
- United States
- Currency comparison table



White Paper GDPR

A pragmatic approach

Numerous information sessions have been held and publications issued about the whys and wherefores of General Data Protection Regulation (GDPR), often from a legal perspective. So, everyone has become aware of the importance of GDPR.

However, many (maybe even the majority) are still unclear as to how they will effectively ensure that their organisation is GDPR-compliant by 25 May 2018. In other words: the WHAT has become clear for everybody, but many questions remain about the HOW.

In this white paper, we propose a pragmatic approach to implementing GDPR, based on our own experience, with limited overhead within the organisation.

- GDPR Measures • Data Privacy Policy & Awareness program
- Maintaining a data register of personal data
- Privacy Impact Assessments (PIAs) for sensitive personal data
- Implementing security measures
- Adapting agreements between controllers and the processors
- Privacy Notices
- Data Breach Notification
- Data Protection Officer (DPO)
- For which organisations is GDPR important?
- The new data privacy commission - the data protection authority (DPA)
- Cybersecurity and GDPR
- A plan to become GDPR compliant by 25 May 2018



VACANCIES

BDO IS ALWAYS ON THE LOOKOUT FOR NEW TALENT

ACCOUNTING & REPORTING

- ▶ Accountancy Manager – *Bruxelles Centre*
- ▶ Accountancy Senior (German speaking) – *Battice*

AUDIT & ASSURANCE

- ▶ Audit Manager – *Gent, Roeselare*
- ▶ Audit Supervisor – *La Hulpe, Battice*
- ▶ Audit Senior – *Hasselt, Namen, Brussels Airport*

TAX & LEGAL

- ▶ Partner Tax – *Hasselt*
- ▶ VAT Manager – *Battice*
- ▶ Manager Transfer Pricing – *Battice*
- ▶ Senior Tax Consultant – *Brussels Airport*
- ▶ Senior VAT – *Brussels Airport, Gent*
- ▶ Experienced Assistant Tax – *Antwerpen, La Hulpe*
- ▶ Experienced Assistant Employment Tax & Legal Services – *Antwerpen*
- ▶ Assistant Transfer Pricing – *Brussels Airport*
- ▶ Assistant VAT – *Gent*
- ▶ Data Protection and Privacy Jurist – *Antwerpen*
- ▶ Senior Manager Legal – *Antwerpen*

ADVISORY

- ▶ Senior Advisor OPM – *Flanders*
- ▶ Senior Consultant OPM – *Wallonia*
- ▶ Senior Consultant HC
- ▶ Senior Advisor M&A – *Antwerpen*
- ▶ Senior Consultant Corporate Finance – *Hasselt*

OFFICE

- ▶ Administrative employee Audit – *Hasselt*

BUSINESS SUPPORT SERVICES

- ▶ Service Engineer ICT – *Hasselt*
- ▶ Systems Engineer ICT – *Hasselt*
- ▶ Recruitment and Onboarding Manager – *Brussels Airport*
- ▶ Graphic Designer
- ▶ Employees for the Delivery Center – *Hasselt*

BDO ANTWERPEN

Uitbreidingstraat 72/1
B-2600 Antwerpen
T. +32 (0)3 230.58.40
F. +32 (0)3 218.45.15
bdoantwerpen@bdo.be

BDO BRUSSELS (AIRPORT)

The Corporate Village
Da Vincilaan 9, Box E.6
B-1930 Zaventem
T. +32 (0)2 778.01.00
F. +32 (0)2 771.56.56
bdo Brussel@bdo.be

BDO BRUSSELS (CENTRE)

Blue Tower
Louisalaan 326 bus 30
B-1050 Brussel
T. +32 (0)2 640.07.96
F. +32 (0)2 640.53.43
bdo Brussel Centre@bdo.be

BDO GENT

Axxes Business Park
Guldensporenpark 100 - blok K
B-9820 Merelbeke
T. +32 (0)9 210.54.10
F. +32 (0)9 232.43.40
bdogent@bdo.be

BDO HASSELT

Prins Bisschopssingel 36/3
B-3500 Hasselt
T. +32 (0)11 28.60.60
F. +32 (0)11 28.52.78
bdohasselt@bdo.be

BDO LA HULPE

Nysdam Office Park
Avenue Reine Astrid 92
B-1310 La Hulpe
T. +32 (0)2 352.04.90
F. +32 (0)2 351.04.87
bdolahulpe@bdo.be

BDO LIÈGE

Rue Waucomont 51
B-4651 Battice
T. +32 (0)87 69.30.00
F. +32 (0)87 67.93.58
bdobattice@bdo.be

BDO NAMUR-CHARLEROI

Parc Scientifique Crealys
Rue Camille Hubert 1
B-5032 Les Isnes
T. +32 (0)81 20.87.87
F. +32 (0)81 20.14.14
bdonamur@bdo.be

BDO ROESELARE

Accent Business Park
Kwadestraat 153/5
B-8800 Roeselare
T. +32 (0)51 26.08.40
F. +32 (0)51 24.10.89
bdoroeselare@bdo.be



DO YOU ALREADY HAVE A PLAN TO BE **GDPR**-COMPLIANT BY 25 MAY 2018?

As you know, the risks of non-compliance are high and can result in:

- ▶ Paying a severe penalty: up to 4% of your worldwide turnover
- ▶ Suffering reputation damage due to the visibility of data breaches

CALL ON US FOR ASSISTANCE

BDO Belgium has the people and expertise to help you assess your current situation and develop a pragmatic plan – so that you can be GDPR-compliant by the May 2018 deadline.

- ▶ Follow us    
- ▶ www.bdo.be

