

# To the **POINT**

ISSUE 02 | 2019 - BDO MAGAZINE



## **LEGAL**

New Code of Companies and Associations

## **TAX**

5% separate tax for directors' insufficient remuneration has been binned

## **EURIDES**

Vaigo platform makes on-demand mobility straightforward

## MOBILITY IN MOTION

**Y**ou can define the word 'mobility' in different ways, but in essence it boils down to 'agility'. And now this agility in traffic has become a huge problem. The mobility issue represents a complex challenge for both businesses and the government – a situation which should come as no surprise, with almost 6 million (often company) cars on our Belgian roads.

### The majority of employees are open to alternative commuting modes.

There's not just a move towards more environmentally-friendly (electric or hybrid) vehicles – efforts are also being made to find alternative solutions for King Car in order to alleviate congestion and improve people's mobility.

More and more companies are taking matters into their own hands and are trying, for example, to encourage employees to use public transport, bicycles or other modes of transportation. In fact, research has shown that a majority of employees are open to alternatives.

And not only do organisations and businesses look at the environmental or mobility impact, but, naturally, they also look at the tax picture. After all, from a taxation point of view, a company car is a desirable part of an employee's remuneration package. Therefore, the alternatives must be equally attractive.

Now, a number of recent government initiatives have made it possible to introduce new mobility concepts. Consider, for example, the 'mobility allowance', whereby the car is exchanged for cash ('cash for car'). This allowance is not taxed as a salary, but instead as a company car. More recently, the 'mobility budget' was introduced, by which employees can use various (preferably sustainable) means of transport to organise their commute in a more agile and environmentally-friendly way. You can read more about this in this edition of To The Point.

More choice for more modes automatically means more complexity and workload for companies and their HR departments, so that all options and settlements are managed smoothly and processed correctly from an administrative point of view. Thanks to the Vaigo mobility platform – developed by start-up Eurides, with the support of BDO – the organisation of flexible - but complex - commuting is a piece of cake. There is more information, and specific cases, on this topic in our cover story.



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“Today, companies are investing large sums of money in technologies that ultimately do not deliver the desired benefits.”

**Naomi Persoone**, *Junior Consultant*  
**and Elies Hendrickx**, *Supervisor BDO Human Capital*

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EURIDES

## “YOU MOVE... YOU GO...”

Vaigo platform makes on-demand mobility straightforward

*Monday to work by bicycle, Tuesday to the office by car, and Wednesday to a customer by train (and by scooter for the last kilometre). It's handy when employees themselves can choose which transport to use for their commute. But it's not always straightforward for companies and their HR department to manage all of this smoothly and pay out correctly via the salary. Thanks to the Vaigo mobility platform – developed by the start-up Eurides with the support of BDO – the organisation of flexible – but complex – commuting is a piece of cake.*

Author: Ann Celis, Director Communications BDO Belgium

From left to right: Roeland Vanrenterghem and Tom Broos, Eurides

Every day, BDO Belgium lets its more than 750 employees choose whether to commute to work by car, bicycle or public transport. Employees no longer have to submit their parking receipts, train tickets or other expenses separately. BDO organises this flexible commute using the Vaigo mobility platform from start-up Eurides.

“Companies today are allowing themselves to be paralysed by discussions about the mobility budget.”

Fully automated management eliminates the administrative workload, allowing the HR department to concentrate on its core business. But, according to Annelies Steenbeke, HR Manager at BDO, that is just the tip of the iceberg: “Vaigo allows all our employees, including those without a company car, to combine the car with the bicycle, train, bus, shared bicycle or shared scooter. By offering them this range, we make them aware of the alternative transport options and encourage them to leave the car at home more often. As a company, we are simultaneously reducing our parking space requirements and our ecological footprint.”

#### **COMBINATION MOBILITY FOR EMPLOYEES WITH AND WITHOUT A COMPANY CAR**

Over 1 in 10 Belgian workers like to combine the use of their car with the bicycle or public transport. This was demonstrated earlier this year by research from HR service provider Acerta. Companies today want to reflect this trend in their mobility policy in order to position themselves as an attractive employer. But allowing employees with and without a company car to organise their commute on-demand, according to need and the possibilities of the day, is complex in terms of taxes and administration.

Roeland Vanrenterghem, Eurides' Business Manager, saw this as a gap in the market. Together with a number of colleagues who had experience with large

## VRT OPTS FOR SUSTAINABLE COMMUTING

Meanwhile, via teleworking and a modal shift, public broadcaster VRT wants to make its commuting more sustainable by reducing car journeys by up to 35%. This should definitely be possible, thanks among other things to the Vaigo mobility platform, which facilitates the various transport choices for VRT's 2,000+ employees.

"Ever more colleagues are looking for alternatives to organise their commute more flexibly and sustainably," says VRT's Mobility Coordinator Elien Raport. "They are opting less and less for a black-or-white solution and want to be able to vary things according to their personal situation or the season. Thanks to the Vaigo platform, we can convert the VRT transport profiles into practice and offer a contemporary solution."

Eurides does not offer an 'off-the-shelf' solution, but really considers the situation together with you and tailors the platform as needed. "This is a strong card to have compared to other solutions available in the marketplace," emphasises Elien Raport. "For example, Eurides has developed a special robot that guides our employees in a user-friendly way as they make their choices. Simulations can even be made of the different mobility solutions available to an employee, depending on his or her personal situation. At the same time, the solution significantly reduces the administrative and tax workload for our back-office staff."



Eurides does not offer an 'off-the-shelf' solution, but really considers the situation together with you.

Read the extended case study at [www.bdo.be/insights](http://www.bdo.be/insights)

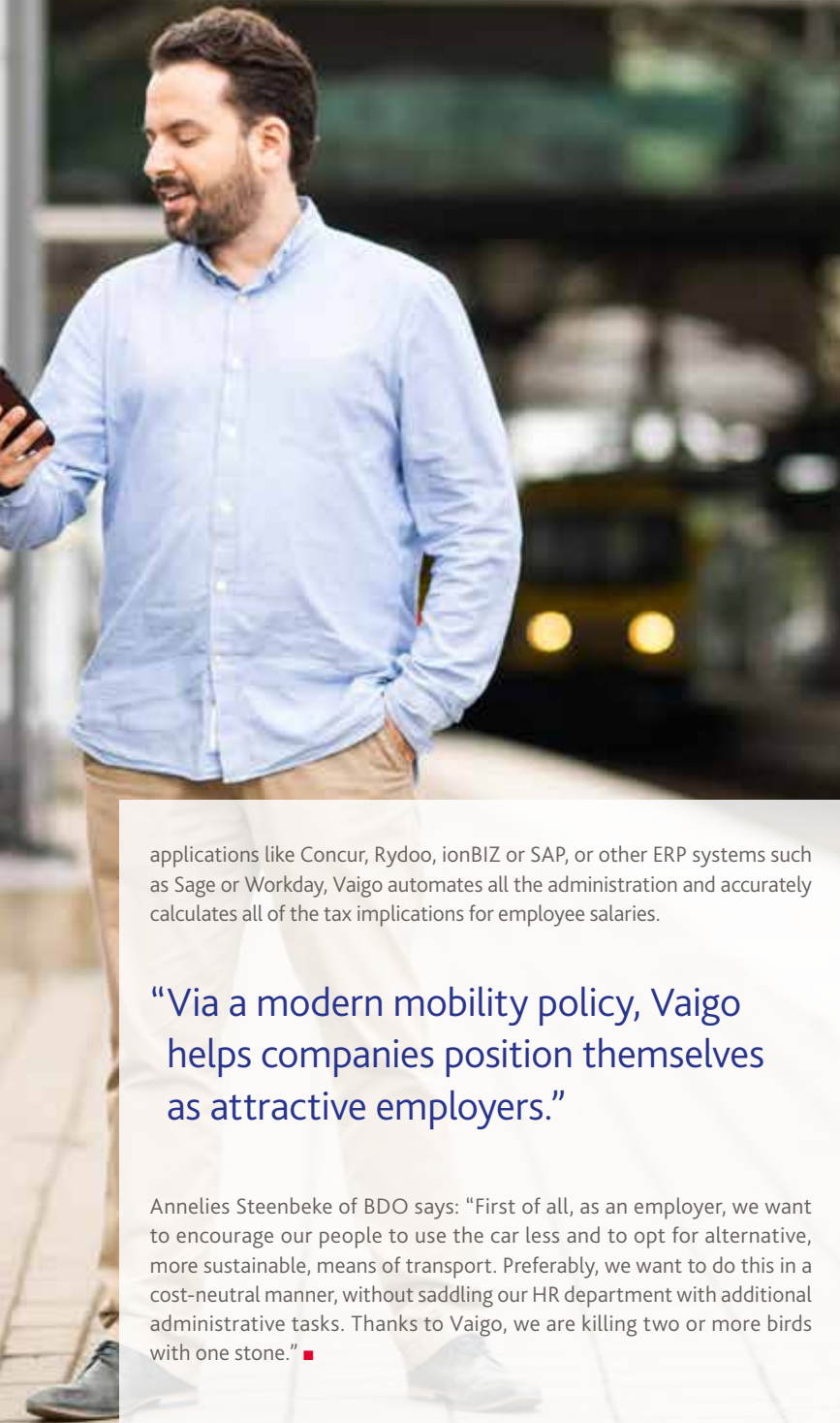
corporates, he developed the Vaigo mobility platform. "Companies today are allowing themselves to be paralysed by discussions about the mobility budget. However, this is only one piece of the puzzle for improving the commute for Belgians. If companies are serious about sustainable mobility, they must focus on all employees, including the vast majority without a lease vehicle. With Vaigo, companies and other organisations can develop a modern mobility policy for all their employees."

That the need for such an integrated mobility solution is great is evidenced by the Flemish public broadcaster VRT and Flanders' largest water company De Watergroep. They are currently implementing Vaigo for all their employees (please see the boxes in this article). The dairy products company Danone has also opted for the Vaigo mobility platform. Giovanna Rollo Collura is Head of Compensation & Benefits and International Mobility Benelux: "Vaigo will make it possible for our employees to choose from a host of mobility options. By offering these options and making our employees aware of the alternative transport options, we are responding to our staff's requests, while reducing our parking space requirements and CO<sub>2</sub> emissions as well."

### INTEGRATION WITHIN THE HR APPLICATION CHAIN

The Vaigo platform links various mobility apps with a company's HR, ERP and expense systems. It does not matter whether these are Flemish apps from De Lijn, SNCB/NMBS or STIB/MIVB, or innovative mobility-as-a-service apps such as Uber or Whim, or even international apps (for example, from the Dutch railway company 'Nederlandse Spoorwegen'). The mobility platform also links seamlessly with the payroll processing of the social secretariats, expense applications and ERP systems. Whether it concerns





applications like Concur, Rydoo, ionBIZ or SAP, or other ERP systems such as Sage or Workday, Vaigo automates all the administration and accurately calculates all of the tax implications for employee salaries.

**“Via a modern mobility policy, Vaigo helps companies position themselves as attractive employers.”**

Annelies Steenbeke of BDO says: “First of all, as an employer, we want to encourage our people to use the car less and to opt for alternative, more sustainable, means of transport. Preferably, we want to do this in a cost-neutral manner, without saddling our HR department with additional administrative tasks. Thanks to Vaigo, we are killing two or more birds with one stone.” ■

DO YOU HAVE ANY QUESTIONS ABOUT THE FLEXIBLE COMBINATION OPTIONS OF THE VAIGO MOBILITY PLATFORM?

Are you looking for help with the analysis of your situation? If so, please do not hesitate to contact the specialists from our 'Eurides' team: [info@eurides.eu](mailto:info@eurides.eu)

## VAIGO FITS SEAMLESSLY INTO DE WATERGROEP'S HR APPLICATION CHAIN

Over 1,500 staff employed by De Watergroep, the largest water company in Flanders, travel daily to one of the company's 34 sites. Sustainable commuting by bicycle has been rewarded for several years now, but the system was no longer meeting today's demand for flexible options. “It was time for a mobility solution that allows employees to choose between different modes and that – and this was critical – can be integrated seamlessly with other existing HR applications, such as payroll,” emphasises Bregt Dehairs, HR Administration Manager.

De Watergroep was looking for a mobility platform that will remain cost-effective in the long-term and is able to integrate with solutions that have not yet been dreamed up. In addition, the system is particularly user-friendly and management-friendly. Stefan Van Avermaet, Functional Analyst, says: “Vaigo allows an employee to combine multiple mobility options, thanks to smart integration with the payroll engine, which takes the employee's day-to-day mobility choice into account.”

Has De Watergroep calculated the ROI on Vaigo? “The set-up costs are low and the recurring costs are definitely acceptable. In the end, Vaigo quickly pays for itself, because it also neutralises the hidden costs of the administrative workload, and updates can be made very cost-effectively in the future.”



© De Watergroep

In Vaigo, De Watergroep found a mobility platform that remains cost-effective in the long-term.

Read the extended case study at [www.bdo.be/insights](http://www.bdo.be/insights)



SOCIAL LEGAL

## 2020 SOCIAL ELECTIONS ARE YOU READY?

*Social elections will be organised once again in 2020. Although the procedure only starts effectively in December 2019, it is important to start preparing now. After all, the procedure is extremely complex and packed with deadlines (which are strict) and formalities. In this article, we examine the concepts, procedure and key moments of the election procedure – to help you face this often-stressful period with peace of mind.*

Authors: Saskia Lombaerts, Senior Advisor, Natalie Bastiaens, Senior Manager BDO Social Legal





### WHAT ARE SOCIAL ELECTIONS?

The social election is a procedure that occurs every 4 years by which employee representatives for the works council and the Committee for Prevention and Protection at Work (CPPW) are chosen. The elections always take place during a period laid down by law. For 2020, this period runs from 11 - 24 May.

The election procedure is very formal and consists of a number of successive steps that must be followed strictly. Failure to respect the dates established, or making formal errors, may render the entire procedure null and void. In short, good preparation is essential for a smooth and correct course of action.

As the employer is responsible for the organisation of the social elections, it is very

important that you, as an employer, are fully aware of the applicable regulations.

### WHICH COMPANIES MUST ORGANISE ELECTIONS?

You need to take various elements into account to determine whether or not your company needs to organise social elections. Here are the main factors:

#### Technical Business Unit

In the context of the social elections, the company is considered at the level of the technical business unit (hereinafter abbreviated as TBU). The procedure itself must also be organised at this level.

However, the TBU does not necessarily coincide with the company's legal entity

(such as SA/NV, ASBL/VZW, SPRL/BVBA, etc.).

In general, 3 situations can arise:

- ▶ The TBU and legal entity coincide.
- ▶ The legal entity consists of several TBUs.
- ▶ Multiple legal entities together form one TBU.

Your company's specific situation determines which category applies.

The specific TBU is assessed on the basis of economic and social criteria. In case of doubt, the social criteria take priority. The economic criteria are used to determine whether, for example, a particular part of the business has a certain degree of independence from the legal entity as a whole. This will be the case if the different businesses keep separate accounts, develop their own activities, maintain a differentiated marketing policy, etc.

The social criteria are used to determine whether, for example, the employees of a particular part of the business form a group of people that can be distinguished from those of the other businesses. Among other things, this can be because of a difference in language, the distance between the parts of the business, the maintenance of their own personnel policy, etc.

Conversely, 2 or more legal entities can also be regarded as 1 TBU because, based on economic and social criteria, they form a single whole.

#### Usual average size of workforce

Only companies with a specific employment threshold have to organise social elections. For example, the procedure for a Committee for Prevention and Protection at Work only needs to be initiated in companies that, on average, employ at least 50 people during the reference period. When the company exceeds the 100-employee threshold, it must also start the procedure for a works council.

To determine whether or not a company exceeds the employment thresholds, a calculation is made on the basis of all persons associated with the company via an employment or apprenticeship contract. These people are regarded as employees of the company and are included in the calculation of the exact number of people employed.

Temporary workers employed in the second quarter of 2019 are also included in the number of employees. However, temporary workers and employees who replace permanent employees whose employment contract has been terminated are not included. After all, the latter have already been included in the calculation.

#### What is the reference period?

In determining the average number of people employed, you consider the number of people employed in the company for a specifically defined period, the so-called 'reference period'. This is a period of 4 quarters.

In previous social elections, the reference period always coincided with the calendar

year preceding the year of the social elections. The disadvantage of this period, however, was that the election procedure had to be started in December – that is, before the number of employees had been finalised. At that moment, some companies did not yet know whether or not they would reach the 50 employee mark, and thus would have to organise social elections at all. As a result, companies sometimes started election procedures when it was not necessary.

In order to resolve this problem, the law of 4 April 2019 (Belgian Official Gazette 30 April 2019) brought the reference period forward by 1 quarter. In concrete terms, this means that, for the forthcoming elections in 2020, the reference period runs from 1 October 2018 to 30 September 2019. The reference period for calculating the number of temporary workers has also been brought forward.

**“Employees who stand as candidates in the social elections are protected against dismissal.”**

To determine this number, you must consider the employment during the second quarter of the year preceding the elections (in this case, quarter 2 of 2019).

#### THE KEY MOMENTS

The electoral procedure covers a period of 150 days and is constructed around 2 pivotal dates: Day X and Day Y. During this period, you will need to take the following days into account:

##### Day X - 60

The procedure officially starts on Day X - 60. On this day, the employer makes the first announcements about the TBU, the number of employees, and the management and staff. The elections take place exactly 150 days after this date.

##### Day X - 30

During the period prior to the procedure, there is one day that can have far-reaching

consequences for the employer: on Day X - 30, the hidden protection period (also known as the occult period) starts. From this day onwards, employees who stand as candidates in the social elections are protected against dismissal. However, on this specific day, the employer does not yet know which employees have, or will, put themselves forward as candidates. The candidate lists do not need to be submitted until Day X + 35 – so, the employer does not yet know which employees enjoy special protection against dismissal. Therefore, it is advisable to make any planned redundancies before this date.

##### Day X

On Day X, the actual election procedure starts. On this day, the employer posts a message announcing, among other things, the exact date of the social elections.

##### Day X + 35

The next critical moment is Day X + 35. On this day, the final candidate lists must be submitted and, in addition, the occult period ends. Furthermore, if there are not enough candidates by this day, you can decide to stop the procedure either in whole or in part.

##### Day Y

90 days after Day X is the most important day of the entire procedure: Day Y. On this day, the social elections take place, and the employees cast their votes.

#### WHO IS ALLOWED TO VOTE?

All employees linked to the company via an employment or apprenticeship contract, as well as all persons equated with employees, are entitled to vote – on the condition that the employees have been employed in the legal entity or TBU for at least 3 months.

## “A new ruling for the social elections in 2020: temporary workers may also vote under certain conditions.”

All employees entitled to vote must be included in the so-called electoral registers. Employees who are not on the registers may not cast a vote on Day Y. If they do vote, then the procedure may be declared null and void.

Employees belonging to management are expressly excluded and may not participate in the vote.

A new ruling for the social elections in 2020 is that temporary workers can also vote under the following specific conditions:

- ▶ If they have been employed for at least 3 months uninterrupted, OR, in the event of interrupted employment, they were employed by the company for at least 65 working days between 1 August 2019 and Day X.
- ▶ AND they were employed by the company for at least 26 working days between Day X and Day Y - 13.

So, it is very important to keep accurate records of all the days worked by each temporary worker.

Another new - and important - ruling is the opportunity for e-voting. Henceforth, subject to the agreement of the works council and the CPPW (or, in absence thereof, an agreement between the employer and the trade union delegation), those entitled to vote can vote at the workplace via a computer linked to the company network. This will not only increase the turnout, but also reduce the chance of invalid votes.

### ROLE OF MANAGEMENT

Although the procedure focuses on the election of the employee representatives, management also has an important role to play, as the employer representatives are chosen from management. These people will represent the employer on the works council or in the CPPW.

Sometimes there is discussion about which employees belong to management.

In the context of the social elections, the definition must be strictly observed. Management refers exclusively to those persons:

- ▶ Who are charged with the day-to-day management of the company
- ▶ Who are authorised to represent and commit the employer (level 1)
- ▶ Who are members of staff immediately subordinate to persons at level 1 if they also fulfil day-to-day management tasks (level 2).

Although the election procedure only starts in the course of December 2019, it is advisable to consider already who you would like to appoint as employer representative in the CPPW or on the works council. In this respect, you might want to adjust your company's organisational chart. ■

### CONSTRUCTIVE SOCIAL DIALOGUE

The social elections take place only every 4 years. Therefore, they by no means constitute business as usual. In order to steer the whole process in the right direction, and to be assured that the procedure runs smoothly and correctly, many employers use a specialist partner. This is not a luxury, because even the smallest error can lead to the entire procedure being declared null and void.

BDO's Social Legal team has years of experience and can support you in all phases of the procedure and in the consultation strategy with your employees' organisations. More specifically, our specialists help prepare for the social elections and the roll-out of the procedure. They can also assist you with the start-up of the newly elected works council, with conflicts with personnel/trade unions, with issues outside the election period as well, and so on. Think, for example, of strikes or reconciliations before the joint committee. In short, together we strive for a constructive social dialogue that is consistent with your company's culture, values and standards.

### DO YOU HAVE ANY QUESTIONS ABOUT THE PROCEDURE AND ORGANISATION OF THE SOCIAL ELECTIONS FOR 2020?

If so, please do not hesitate to contact Saskia Lombaerts or Natalie Bastiaens from our 'Social Legal' team: [saskia.lombaerts@bdo.be](mailto:saskia.lombaerts@bdo.be) or [natalie.bastiaens@bdo.be](mailto:natalie.bastiaens@bdo.be)

SOCIAL LEGAL

## AFTER THE MOBILITY ALLOWANCE COMES THE MOBILITY BUDGET

*The government is serious about reducing the number of company cars, or at least encouraging the use of less polluting company cars. New mobility concepts are intended to form an alternative to existing company cars. Consider the mobility allowance or so-called 'cash for car' scheme (introduced in 2018), which we explained in our previous newsletter. Now, since 1 March 2019, there is also the mobility budget. We look at the rules and their impact for both employee and employer.*

Author: Saskia Lombaerts, Senior Advisor BDO Social Legal

### WHAT IS THE MOBILITY BUDGET?

The mobility budget gives the employee the opportunity to exchange his or her company car for a particular annual budget. The employee can spend this budget via 3 pillars:

#### Pillar 1 - More environmentally-friendly company car

The employee can opt to continue to use a company car. But it has to be a different, more environmentally-friendly model. This can be either an electric car or a car with a maximum CO<sub>2</sub> emission of 105 grams per km in 2019.

The employee can even buy individual tickets on public transport for third parties. In that way, for example, employees are not obliged to use the company car for a family outing. Thanks to the mobility budget, this is also possible with public transport.

The costs for the company bicycle and the bicycle allowance can be charged to the mobility budget. So can housing costs insofar as they relate to a place of residence within a radius of 5 kilometers of the normal place of

**“Living, or going to live, close to work is also considered to be a mobility solution.”**

#### Pillar 2 - Sustainable means of transport

If the employee chooses a company car but still has an amount left over from the budget, he or she can spend it on sustainable means of transport. This pillar offers a wide range of possibilities. For example, public transport season tickets may be purchased, but the employee can also use the remaining budget for the purchase, maintenance and equipping of a bicycle (electric bicycles are included too), hoverboard or electric scooter.

employment. Thus, 'living, or going to live, close to work' is considered to be a mobility solution.

#### Pillar 3 - Balance in cash

If, at the end of the year, there is still a balance remaining in the mobility budget, the employer can pay it out in cash to the employee. In this case, a one-off social security deduction of 38.07% is made.

## SPECIFIC EXAMPLE

The tables below illustrate the impact on the employee and the employer of exchanging the existing company car for the mobility budget. In the first situation, the employee divides his or her budget among the 3 pillars. In the second situation, he or she no longer chooses a company car, but spends the entire budget in pillars 2 and 3.

In the third situation, the entire mobility budget is paid out in pillar 3.

The actual situation always depends on the choices made by the employee. The cost to the employer remains the same in all cases.

## IMPACT ON THE EMPLOYEE

Pillar 1	Company car	Mobility budget	Mobility budget	Mobility budget
Value	Benefit in kind	Benefit in kind	-	-
Benefit in kind	EUR 2,478.86	EUR 1,340	-	-
Personal income tax	EUR 1,239.43	EUR 670	-	-
Municipal tax	EUR 99.16	EUR 53.60	-	-
Total tax	EUR 1,338.59	EUR 723.60	-	-
Net benefit	No car costs	No car costs	-	-
<b>Pillar 2</b>				
Value	-	EUR 1,000	EUR 5,000	
<b>Pillar 3</b>				
Gross		EUR 2,820	EUR 6,800	EUR 11,800
Social security (38,07%)		EUR 1,073.57	EUR 2,588.76	EUR 4,492.26
Net		EUR 1,746.43	EUR 4,211.24	EUR 7,307.74
<b>Total net employee</b>	<b>No car costs</b>	<b>No car costs</b> + EUR 614.99 less taxes + EUR 1,000 + EUR 1,746.43 in cash	<b>EUR 10,549.83</b> (EUR 1,338.59 less taxes + EUR 5,000 + EUR 4,211.24 in cash)	<b>EUR 8,646.33</b> (EUR 1,338.59 less taxes + EUR 7,307.74 in cash)

## IMPACT ON THE EMPLOYER

Pillar 1	Company car	Mobility budget	Mobility budget	Mobility budget
Lease or rental cost/Value	EUR 8,400 (EUR 700 x 12)	EUR 5,400 (450 x 12)	-	-
Fuel	EUR 1,800 (EUR 150 x 12)	EUR 1,560 (EUR 130 x 12)	-	-
CO <sub>2</sub> contribution	EUR 840 (EUR 70 x 12)	EUR 540 (EUR 45 x 12)	-	-
Non-deductible VAT	EUR 780 (EUR 65 x 12)	EUR 480 (EUR 45 x 12)	-	-
Cost employer	EUR 11,800	EUR 7,980	-	-
<b>Pillar 2</b>				
Cost		EUR 1,000	EUR 5,000	-
<b>Pillar 3</b>				
Cost		EUR 2,820	EUR 6,800	EUR 11,800
<b>Total cost employer</b>	<b>EUR 11,800</b>	<b>EUR 11,800</b>	<b>EUR 11,800</b>	<b>EUR 11,800</b>

“The mobility budget system does not entail any additional cost for the employer.”

### CALCULATION OF MOBILITY BUDGET

The mobility budget is determined based on the total cost of the company car, the so-called ‘total cost of ownership’. This includes, among other things, the lease cost, the CO<sub>2</sub> contribution, fuel costs, non-deductible VAT, and other not included costs such as winter tyres and insurance. So, the cost of the company car to the employer forms the available budget for the employee.

Managing the mobility budget is not simple and implies a cost for the employer which may have to invest in a management or calculation tool. These management costs may be charged to the mobility budget so that it remains a budget-neutral solution for the employer.

### SOCIAL SECURITY AND TAX TREATMENT

The specific fiscal and parafiscal treatment of the mobility budget depends on the choices made by the employee when spending his or her budget.

#### Pillar 1 - More environmentally-friendly company car

If the employee chooses a more environmentally-friendly car, it is treated fiscally and parafiscally as another company car. In principle, the benefit in kind and the CO<sub>2</sub> contribution will be lower than that of the old company car.

#### Pillar 2 - Sustainable means of transport

The budget spent in pillar 2 is fully exempt from social security contributions and taxes. Thus, this means maximum optimisation.

#### Pillar 3 - Balance in cash

The balance that is finally paid out in cash is subject to a contribution equal to 38.07% (25% + 13.07%). This contribution is entirely at the employee’s expense. Thus, there is no additional cost for the employer.

Since a social security contribution is deducted from this balance, it also applies to the accrual of social security rights. Therefore, the employee will accrue pension on the amount paid out in pillar 3.

### BUDGET NEUTRAL FOR THE EMPLOYER

The mobility budget offers the advantage that the employee can still have a company car at his or her disposal for private travel or commuting. For the employer, there are no additional costs due to the employee’s professional travel. This is more advantageous than the mobility allowance, where the employee fully exchanges his or her company car for a cash allowance.

In terms of cost, there is no saving for the employer since the mobility budget is determined on the basis of the total cost price of the company car. The employer may even take the costs for managing the mobility budget into account. This means that the system is budget neutral.

Therefore, the mobility budget system allows the employer to meet employee demand for more flexibility without increasing the cost. ■

#### DO YOU HAVE ANY QUESTIONS ABOUT THE MOBILITY BUDGET?

Are you looking for help with the analysis of your situation? If so, please do not hesitate to contact the specialists from our ‘Social Legal’ team: [saskia.lombaerts@bdo.be](mailto:saskia.lombaerts@bdo.be) or [johannes.pannus@bdo.be](mailto:johannes.pannus@bdo.be)

## FAQ

# CYBER SECURITY IS WTF

## Hackers just love holiday periods

*Today, it is a Wonder how easy it is to hack into an organisation. For the simple reason that employees and management are not sufficiently aware of the dangers of the internet. And we are even less vigilant than usual in the holiday season. Because we stand in for colleagues and are not familiar with their working environment. Or because we are lazing on the beach and less alert as a result. This is why it is Totally Fundamental that everyone within the organisation be sufficiently aware of the never-ending threat. Because together you are stronger against malicious hackers.*

Author: Nick Huysmans, Supervisor BDO Risk Advisory Services

### WHAT IS SOCIAL ENGINEERING?

Social engineering is a form of psychological manipulation. It's a commonly used technique in which a hacker attempts to attack one or more computer systems or to crack computer security through the weakest link in your organisation, namely the human being. The purpose of the attack? To obtain confidential or secret information. The hacker will ask you, in a very credible way, to surf to a (at first glance, harmless) website and enter your password or user name. Or, he/she pretends to be the CEO asking for an amount of money to be paid. In short, it is clear that social engineering is not limited to a single method.

**“Cyber security transcends technology. It's a training issue. Your people must be part of your solution.”**

### WHO ARE TODAY'S HACKERS?

Forget about 'hackers in hoodies'. Hackers fall into 4 large groups: (1) criminal gangs, (2) state and government, (3) hacktivists, and (4) your own employees. The last of these groups is probably the most interesting, or at least the most surprising. And yet, your own employees have access to computer systems and confidential, secret information. We note, for example, that when an employee is disgruntled (e.g. missing out on a promotion, or being made redundant) he/she oversteps the limits of what is permissible. Many situations provide such employees the opportunity to attack their own organisation. The problem is often that employees have too many access rights to computer systems or applications, and management is not aware of this.

### PHISHING, OK ... BUT WHAT IS SMISHING?!

A fake e-mail from the bank or a request to change your password as soon as possible – you are probably familiar with these typical phishing e-mails. This type of fake e-mail remains hugely popular with hackers. Why? Because employees and management are often insufficiently aware of the dangers of this practice. But hackers are not just sitting still, twiddling their thumbs. They keep coming up with new techniques, such as 'smishing' (short for 'SMS phishing'). Today, in addition to sending fake e-mails, hackers are sending fake text messages to lure you into a trap. So, make sure your people are sufficiently aware and up-to-date on the latest trends in the cyber landscape.

### PHISHING VS SMISHING - EXAMPLES

#### 'HR asks you to approve a holiday request.' (phishing)

Always check the following basic elements of the e-mail:

- ▶ Is the e-mail address correct?
- ▶ Are there any spelling mistakes?
- ▶ Does the e-mail put you under any pressure – for example, stating that it is '**URGENT**' or that '**ACTION IS REQUIRED**'?
- ▶ Does the e-mail ask for your login details or credit card information?
- ▶ Is the message in the e-mail too good to be true?
- ▶ Hover the mouse over the 'click here' button and check the website you would be clicking through to.

- ▶ Be especially attentive when receiving e-mails on your mobile device. Those who are on holiday often read their e-mails less attentively.

#### "You receive a text message from the hotel: You can book an extra night, free of charge, via this website." (smishing)

This can be a typical case of 'smishing'. The hacker tries to lure you into a trap by making an attractive – often 'too good to be true' – offer. Do not respond blindly to such a text message, but check with the hotel whether or not the message is legitimate.



**FREE WIFI ON THE BEACH. CAN IT BE TRUSTED?**

On holiday? And looking for free wifi? Then be sure to think twice before connecting to one of the many free wifi points on the beach or in the hotel. Hackers often set up bogus wifi points, hoping that you will connect to them so that they can use this route to steal data. When travelling within the EU, we recommend using 'mobile roaming/mobile data' rather than the often rogue, free wifi points. Do you still want to use free wifi? Then ask the hotel which connection is safe.

**FREE WIFI? USB DROPPING?**

**What damage can you do by logging in to a bogus wifi point?**

As soon as you connect to the network, the hacker can monitor all traffic between you and your respondent(s). For example, when you enter your password on a social media website. When you send an e-mail, be aware that the hacker can intercept it.

**You park your car at the hotel and find a USB flash drive there with a familiar logo on it. Curious about the holiday snaps or the information on the flash drive? Don't be!**

Hackers often use USB flash drives as a gateway to your computer system. Are you sure there is no virus on the flash drive that can infect your computer? Contain your curiosity, and leave the flash drive untouched or throw it away.

**CEO FRAUD, YOU KNOW THAT!**

It's a misconception that CEO fraud has to do with a fraudulent CEO. In the case of CEO fraud in the context of cyber security, a hacker pretends to be the CEO. He or she sends, for example, a carefully crafted e-mail to a select audience within the organisation. This includes, for instance, a request to deposit an amount of money into an account number because he or she cannot do so at that moment. This technique is often used during the holiday season. And usually when the CEO is on holiday – which makes the bogus message even more credible.

**“Forget about ‘hackers in hoodies’. Your own employees are one of the 4 major hacking groups.”**

**CAN YOU BE HACKED WHEN YOU GET A CALL?**

Definitely. This technique is called 'voice solicitation' or 'vishing'. A hacker pretends to be a trusted party – your bank, for example – and tries to worm private information out of you via a telephone conversation or gets you to surf to particular websites. To make it even more credible, the hacker can even call you using the number of a person known to you ('spoofing'). So, do not allow yourself to be misled when you receive suspicious phone calls, even from known third parties.

**SOCIAL MEDIA IS SAFE, RIGHT?**

Using a social media site is in and of itself safe, but the information that users make available is not always so. Do you share fun holiday snapshots or let people know that you are going on holiday for 3 weeks? Be wary when posting information on social media. Hackers know how to find that information and can use it against you. Through social media, hackers gain insight into your professional activities and your private life as well.

**WHAT CAN YOU DO TO BETTER PROTECT YOURSELF AND YOUR ORGANISATION?**

On holiday? Why not enjoy a digital detox? For 3 weeks, set the computer and smartphone completely to one side. Blissful, right?

At the office? Know then that cyber awareness stimulates improvement. Solutions such as 'security awareness' training, or a controlled and ethical phish-

ing attack, help your organisation become aware of proper cyber security. Think of this as a self-(cyber)-defence course for your employees. Repeat the course at regular intervals, so that your employees learn to adopt the right attitudes and use the right reflexes. In this way, you make your organisation a safer place to work.

**DO YOU HAVE ANY QUESTIONS ABOUT THE DOS AND DON'TS WITH REGARD TO CYBER ATTACKS OR HACKINGS?**

If so, please do not hesitate to contact the specialists in our 'Cybersecurity' team: [steven.cauwenberghs@bdo.be](mailto:steven.cauwenberghs@bdo.be), [francis.oostvogels@bdo.be](mailto:francis.oostvogels@bdo.be) or [nick.huysmans@bdo.be](mailto:nick.huysmans@bdo.be)

LEGAL

# CODE OF COMPANIES AND ASSOCIATIONS

New rules apply in phases

*After years of preparation, the long-awaited reform of the Code of Companies and Associations has been approved by the Belgian Chamber of Representatives. As the new rules will now certainly be applied, we examine in more detail the way in which they will come into effect.*

Author: Ruben Ruysbergh, Junior Consultant BDO Legal

The new Belgian Code of Companies and Associations (CCA) officially came into effect on 1 May 2019. The new rules will take effect in phases. The reasons for this are twofold: first of all, the existing and reformed Code of companies and associations must not coexist for years; secondly, the legislator wants to avoid forcing existing legal entities (companies, associations and foundations) to amend their Articles of Association in the short-term.

#### WHAT ABOUT NEW LEGAL ENTITIES?

Legal entities established on or after 1 May 2019 will immediately fall fully under the new regime. Moreover, since that date, it has no longer been possible to establish a legal form done away with by the CCA or to convert an existing legal entity into a legal form that has been done away with.

#### WHAT ABOUT EXISTING LEGAL ENTITIES?

The legislator will give companies, associations and foundations that were established before 1 May 2019 time to adapt themselves to the new legislation. In this transitional arrangement, by exception, a number of provisions will immediately come into force, as described below.

As of 1 January 2020, the CCA will come into force for the legal entities that already existed on 1 May 2019. The mandatory provisions of the CCA will then apply in any case, while the supplementary provisions will only apply insofar as there is no other provision in the Articles of Association. The mandatory provisions are those that were inserted to protect the interests of stakeholders and thus cannot be derogated from. Therefore, provisions in the Articles of Association that are contrary to the mandatory provisions of the CCA are considered to be non-existent as from 1 January 2020.

However, existing legal entities do not necessarily have to wait until 2020. They can already apply the CCA earlier (the so-called 'opt-in'). As from the date of publication in the Belgian Official Gazette, existing companies, associations and foundations can already decide to amend their Articles of Association. As soon as the Articles of Association have been amended, the CCA will become fully

applicable, with the proviso that the CCA's entry into force will not be possible before 1 May 2019. Please be aware, however, that for those who use the opt-in, the CCA will apply in full – you cannot pick and choose and apply only certain parts of the CCA.

**“For existing SPRLs/BVBAs and SCRLs/CVBAs, the legal reserve and the fully paid-up part of the (fixed) capital will be converted into a statutory unavailable shareholders' equity account.”**

Companies, associations and foundations that do not use the opt-in are obliged to bring their Articles of Association into line with the CCA on the occasion of the next amendment to the Articles of Association after 1 January 2020 and no later than 1 January 2024. This obligation is the management body's responsibility.

Furthermore, for a non-profit organisation (A(I)SBL/(I)VZW), as long as it has not changed its object (i.e. the new name for the purpose set out in the Articles of Association), it may only carry out activities within the limits of the old non-profit organisation law. This means that it can carry out only incidental commercial activities. If the Articles of Association of the non-profit organisation are not amended, it will only be able to carry out full and unrestricted commercial activities as from 1 January 2029 as permitted by the new CCA.

#### CONSEQUENCES OF THE ENTRY INTO FORCE

As from 1 January 2020, the mandatory provisions of the CCA will come into force for existing legal entities (or earlier for those choosing the opt-in).

One of the most noteworthy mandatory provisions is the abolition of the concept of capital for SRLs/BVs and SCs/CVs. As from the date of entry into force, the legal reserve and the fully paid-up part of the (fixed) capital of the current SPRLs/BVBAs and SCRLs/CVBAs will be converted by operation of law, and without the fulfilment of any formality, into a statutory unavailable shareholders' equity account. The uncalled part of the (fixed) capital is converted in the same way into an 'uncalled contributions' shareholders' equity account. When paid up, this is transferred to the statutory unavailable shareholders' equity account.

You can only free the statutory unavailable shareholders' equity account – and thus make it available again – if you modify the Articles of Association. Furthermore, the profits of the SPRLs/BVBAs and SCRLs/CVBAs (by this time, of course, already referred to as SRL/BV and SC/CV, respectively) can only be paid out if they satisfy the conditions of the new net assets and liquidity test and, if necessary, the renewed alarm bell procedure.

Moreover, the following mandatory provisions are immediately applicable:

- ▶ The debarment of employment contracts for directors in a SRL/BV, SA/NV and SC/CV
- ▶ The broadening of the concept of day-to-day management, the definition of which is now set out in the Code
- ▶ The renewed regulation on conflicts of interest
- ▶ The prohibition of 'double seats' in a management body by means of different capacities
- ▶ The new rules for dissolution and liquidation
- ▶ The neutralisation of abstentions in the vote at the general meeting
- ▶ And other provisions

Some mandatory provisions disappear or lose their mandatory character. For example, for a SA/NV, the 'dismissal ad nutum' of a director under the CCA is no longer a mandatory rule of law (under current law, it is even a rule of public policy). Moreover, there is no longer a requirement that a SA/NV have at least 2 shareholders, which removes the obligation to regularise the one-headedness of the company (SA/NV) within one year.

If a mandatory article becomes more flexible, or if a rule is no longer mandatory, we advise the legal entities to examine the clauses in the current Articles of Association. After all, in many Articles of

**“Provisions in the Articles of Association that are contrary to the mandatory provisions of the CCA are regarded as non-existent as of 1 January 2020.”**

Association, the articles of the current company or association law were copied almost literally. Be aware, however, that mandatory provisions only offer a minimum level of protection and that you can register more protection in the Articles of Association. Moreover, you may always derogate from the supplementary provisions. Suppose that, as from 1 January 2020, you want to use a more flexible procedure, but the older procedure has not been amended in the Articles of Association. You will then still have to comply with the (possibly additional) requirements of the old procedure as well.

The same applies for optional rules. For example, it is not automatically possible to have a single-member board in the SA/NV. If, as is now the case with almost every SA/NV, the Articles of Association explicitly provide that the management body be a board of directors, then the article in question must first be amended to allow for a management model with one director.

#### **EXCEPTIONS TO THE ENTRY INTO FORCE**

There are several exceptions to the entry into force (in phases) for existing legal entities.

First of all, the new dispute settlement that applies to SAs/NVs and SRLs/BVs is included in book 2 title 7. Therefore, it will apply immediately as from 1 May 2019. Only legal claims relating to departure/exclusion that were already initiated on 1 May 2019 will still be dealt with under current company law.

In addition, the statutory seat regime came into force on 1 May 2019. This was introduced under pressure from the European judiciary. In concrete terms, it means that, from now on, the country where the legal entity has been incorporated determines which company or association law is applicable. Thus, this is no longer the country from which the legal entity is actually governed.

Finally, thanks to the new CCA, the breaching of a number of existing rules is no longer punishable by criminal law. An example of this is the breaching of the rules on the purchase of own shares by members of the management body.

When the CCA provides for the removal of criminal penalties for the breaching of a provision previously sanctioned under criminal law, this will have immediate effect. Article 2 of the Criminal Code stipulates that, if the penalty applicable at the time of the sentence differs from that which was determined at the time of the crime, then the least severe penalty must be applied. ■

## THE NEW CCA IN A NUTSHELL

The CCA means a real upheaval of the existing company and association law. The reform entered into force immediately on 1 May 2019 for newly created legal entities. Existing legal entities can choose either to apply the CCA now or to wait and continue to apply the current law for a short period. Whatever the choice, as from 1 January 2020, existing legal entities will also have to take the main rules and evolutions of the reform into account. However, this does not mean that they have to amend all their Articles of Association immediately – they have until 1 January 2024 to do so. On that date, their Articles of Association must formally be in line with the new CCA.

DO YOU HAVE ANY QUESTIONS ABOUT THE NEW RULES OF THE 'CODE OF COMPANIES AND ASSOCIATIONS'?

Are you looking for help with the analysis of your situation? If so, please do not hesitate to contact the specialists from our 'Legal' team: [legal@bdo.be](mailto:legal@bdo.be)

HUMAN CAPITAL

# SCREENING TOOLS FOR 21<sup>ST</sup> CENTURY CANDIDATES

Recruitment & selection 3.0

*Have you ever calculated the time that you (or your HR team) invest in job interviews? Sometimes the perfectly schooled candidate applies, but afterwards it turns out that he or she does not fit in with the culture or expectations. You can largely avoid such situations thanks to new screening tools and selection techniques adapted to the new generations of employees. Technology and digitisation are gaining ground in recruitment and selection models. The question is: how to roll them out as a win-win story for candidate and employer?*

Authors: Naomi Persoone, Junior Consultant, Elies Hendrickx, Supervisor BDO Human Capital



## IMPACT OF DIGITISATION ON PEOPLE AND THE WORKPLACE

A growing number of companies are using artificial intelligence in selection and recruitment processes. Among other things, AI allows you to predict how a person will behave and perform in a particular job and how long he or she intends to stay with the organisation. Thanks to this information, the organisation reduces the risk of bringing someone on board who later turns out not to be a good match.

candidates from the previous 10 years, whereby it taught itself to prefer male above female candidates. In other words, the data on which an algorithm is based must be free of biases or steering influences, which we humans harbour unconsciously.

## HUMAN ADDED VALUE(S) ON THE LABOUR MARKET

There are clear limitations to the technology that can replace specific HR tasks. But we

**“Not all tools are equally valuable. Where do you draw the line between hype and relevance?”**

Furthermore, artificial intelligence can be used as direct support for employees, recruiters and applicants. For example, to automate the procedure. Or to follow up on the after-care of candidates. Bottom line: artificial intelligence can significantly shorten a lengthy application procedure, reduce costs and increase efficiency.

must remain watchful – the technology is continually being refined. We humans have two options: either we continue to compete with the exponential growth of technology, or we focus on those characteristics that distinguish us as humans from the technology: morality, intuition, leadership, humour, etc.

## RISKS OF NEW TECHNOLOGY FOR HR, RECRUITMENT AND SELECTION

But are all of the new tools equally valuable? The range of solutions on offer has grown to such an extent that it is extremely difficult for HR professionals to make a choice. Today, companies are investing large sums of money in technologies that ultimately do not deliver the desired benefits. Too many professionals are chasing after the latest trends without thinking about the real added value for the organisation.

People need to view technology as something extra that allows processes to run more efficiently, so that we have the space to grow the skills that differentiate us from artificial intelligence.

The more progress digitisation makes, the more people must focus on their transversal competences - also known as social and emotional, or '21<sup>st</sup> century' skills. Examples of these 21<sup>st</sup> century skills are creativity, critical thinking, communication, cooperation, self-regulation and problem-solving capability.

Another risk is the unconscious control and distortion of the selection result. A classic example of this is Amazon's algorithm. The American e-commerce giant developed its own algorithm in which CVs were screened automatically and only the most interesting applicants were selected. However, the algorithm primarily relied on data from male

## RECOGNISE OR TEST HUMAN ADDED VALUE(S)

It is up to HR professionals to recognise and map out these transversal skills. And to select the best candidates for those jobs where soft skills are fundamental. This is only possible with reliable and valid tools and systems.

### MYA BOOSTS PRODUCTIVITY BY 144%

The 'Mya' tool developed by FirstJob, an HR technology company in San Francisco, is a clear example of how technology can increase the efficiency of recruitment and selection procedures. In a fully automated manner, Mya provides answers to questions from employees and applicants about the organisation's policies, the benefits (including extra-legal benefits) it offers, the culture, the working environment, etc. All communication is via text messaging, Facebook, Skype, e-mail or a chat box. Other tasks can also be automated using the tool, such as the after-care for candidates with regard to the outcome of their applications. In this way, time-consuming processes are taken out of the recruiter's hands, so that he/she can focus on core tasks. Thanks to Mya, recruiters' productivity increased by 144%, while the time to schedule an interview decreased by 79%.

“Companies are currently investing large sums of money in technologies that ultimately do not deliver the desired benefits.”

### WHAT IS A SITUATIONAL JUDGEMENT TEST?

In a Situational Judgement Test (SJT), candidates are confronted with a few realistic situations in a professional context. They are asked to give an opinion about a number of pre-defined precise responses. The situation can be written out in textual form or presented as an audio or video clip. Avatar-based SJTs have also been developed, in which the situations are presented using animated figures.

Any selection tool, digital or analogue, must be able to demonstrate that it predicts effective work behaviour. The scientific test continues to be required.

One such selection tool *par excellence* is the ‘Situational Judgement Test’ (SJT). Before an SJT is developed, it is important to decide what exactly needs to be measured. What competencies does the SJT have to map out? Which skills does HR want to emphasise (the social or the cognitive competencies)? Which behavioural indicators are related to these competencies? In which situations can these skills be measured? There is no such thing as a single all-embracing SJT – a specific SJT can be developed for each combination or objective.

### SCIENTIFICALLY UNDERPINNED

The specialists of BDO Human Capital were previously researchers at the Catholic University of Leuven, and they create their HR screening tools on the basis of scientific models. They adapt existing standard tools according to specific needs and requirements; or, they develop a test that is fully tailored to the organisation in the most suitable form: audio, video, etc. (or a combination). Above all, in a format and style that is in keeping with the culture of the company and its employer branding. The idea is to minimise any resistance and to obtain results that are

truly useful and valuable. A full-fledged SJT is developed and applied in 12 steps:

1. Define target group
2. Generate and sort critical incidents
3. Formulate item stems
4. Generate answer alternatives
5. Define response instructions
6. Develop scoring key
7. Roll out test
8. Report results
9. Give feedback to the participant (if the SJT is used for training purposes)
10. Standardise
11. Conduct reliability study and validity
12. Provide client support

This is how we have developed several SJTs. For example, the ‘Sales’ SJT measures skills such as customer focus, persuasiveness and perseverance. In a specific work situation, a salesperson talks with a customer about a quotation. The customer is not completely convinced about the SLA offer and is also worried about the technical services (as these services have been problematic in the past). The candidate doing the SJT must immerse him/herself in this situation and assess the salesperson’s different response options (appropriate-inappropriate). In this way, the test reveals the candidate’s competences that are relevant for a sales function. ■

### THE ‘SALES’ SJT AND MORE

The ‘Sales’ SJT is just one example of the generic tests developed by the BDO Human Capital experts. Others include the:

- ▶ ‘Social skills’ SJT (measures important soft skills such as customer focus)
- ▶ ‘Organisational capability’ SJT (measures planning and adaptive capacity)
- ▶ ‘Cognitive’ SJT (measures cognitive skills such as the ability to analyse information, solve problems, and take decisions)
- ▶ ‘Telecommunication’ SJT (this audio test is very suitable for screening call centre employees)
- ▶ ‘Basic competencies’ SJT (this video SJT focuses on operational functions and maps out skills such as flexibility, collaboration and problem-solving)

In addition to these generic SJTs, our experts have also developed a series of SJTs tailored to the customer.

DOWNLOAD THE WHITE PAPER WE WROTE ABOUT THIS MATTER (AVAILABLE IN FRENCH OR DUTCH) AT [WWW.BDO.BE/INSIGHTS](http://WWW.BDO.BE/INSIGHTS)


The paper is based on the results of an extensive literature study called ‘If technology is the answer, we need to understand the question’ (only available in French or Dutch). You can also download this study at [www.bdo.be/insights](http://www.bdo.be/insights)



### DO YOU HAVE ANY QUESTIONS ABOUT OUR HR SCREENING TOOLS?

Are you looking for assistance with recruitment and selection or the HR operation of your organisation? If so, please do not hesitate to contact the specialists of our ‘Human Capital’ team: [elies.hendrickx@bdo.be](mailto:elies.hendrickx@bdo.be) or [naomi.persoone@bdo.be](mailto:naomi.persoone@bdo.be)





“Those who are not in compliance with the UBO register by 30 September 2019 risk a fine.”

## LEGAL

## UBO REGISTER DECLARATION PERIOD EXTENDED

From analysis to declaration in 5 steps

*In the fight against money laundering and the financing of terrorism, Belgium introduced the so-called UBO register last year. Initially companies, trusts, NPOs (Belgian and international), foundations, etc. were given until the end of March 2019 to submit the information about their ultimate beneficiaries (Ultimate Beneficial Owners or UBOs) to the register. In the meantime, this period has been extended to 30 September 2019. BDO sets out all the hands-on steps that you need to take in a clear brochure. Here is a brief explanation of the issue to get you started...*

With the implementation of the UBO register, our country is transposing the fourth European anti-money laundering directive into Belgian law. The law obliges companies, trusts, NPOs (Belgian and international), foundations and legal entities that are comparable with trusts or fiduciaries to keep adequate, accurate and up-to-date information in a database about natural persons who own these entities.

### WHO ARE THE ULTIMATE BENEFICIARIES?

For companies, the natural persons who directly or indirectly possess more than 25%

of the voting rights, shares or capital of the company are generally regarded as ultimate beneficiaries. Persons exercising control over a company through other channels (in particular, on the basis of a shareholders' agreement) are also considered to be ultimate beneficiaries. Where none of the persons referred to above has been identified, the natural person belonging to the senior management shall be considered to be the ultimate beneficiary.

### HOW TO GET STARTED?

Subject to the imposition of fines, directors, managers, etc. now have until 30 September 2019 at the latest to send the data about the ultimate beneficiaries electronically to the UBO register via the online portal:

<https://eservices.minfin.fgov.be/mym-portal/public/citizen/welcome>

**“The register is intended to prevent people with malicious intent from hiding anonymously behind companies or other legal structures.”**

In the meantime, advice and articles about the ‘why’ and the application of the register

are appearing everywhere. However, the information about which steps to take, or who may take them for you, is more difficult to find. That is why BDO, together with the Federation of Belgian Enterprises (FEB/VBO) and the Belgian Treasury Administration, has set everything out in a practical brochure (available in French and in Dutch): ‘Registre UBO. 5 étapes pour un enregistrement correct’ / ‘Het UBO-register. In 5 stappen naar een correcte registratie’. [The UBO register. Correct registration in 5 steps]. The brochure takes a closer look at the various chronological steps you must take to comply with the declaration. Different rules apply regarding supplying information about the beneficiaries, according to the type of structure or company. ■

### PURPOSE OF THE NEW DATABASE?

It must be perfectly clear who is in charge of any company, NPO (Belgian and international) or legal entity. The register is not intended to compromise share ownership and estate planning for everyone, but rather to prevent people with malicious intent from hiding anonymously behind companies or other legal structures. Thus, the register increases the transparency of governance structures.

You can download the brochure at [www.bdo.be/insights](http://www.bdo.be/insights)

**OR WOULD YOU RATHER CALL ON OUR EXPERTS TO PREPARE YOUR DECLARATION?**

If so, please contact your trusted contact person at BDO or send an e-mail to: [legal@bdo.be](mailto:legal@bdo.be)

TAX

# BENEFITS AWARDED BY FOREIGN GROUP COMPANIES...

... now with withholding tax and contributions

*Until recently, a Belgian company often did not have to pay withholding tax or social security contributions on payments or benefits that their employees received from the foreign (possibly group) company. This has now changed.*

Author: Peter Wuyts, Partner BDO Tax

Suppose that a foreign company launches an incentive plan in which employees of the Belgian subsidiary also participate. The incentive is often a bonus in cash or, more commonly, in shares or derived rights such as share options, 'Restricted Stock Units', etc. Until recently, the Belgian company did not have to pay any withholding tax or social security contributions on this benefit. But 2 fairly recent changes are changing this situation in most cases.

## NEW DEFINITION OF 'WAGE'

The first change, in the field of social security, dates from mid-2018. In its administrative instructions for the 3<sup>rd</sup> quarter (applicable as from 1 July 2018), the social security administration formulates the concept of 'wage' in a new manner.

entitled at the expense of the employer by virtue of his or her employment relationship, either directly or indirectly."

Until 30 June 2018, "at the expense of the employer" had a double meaning:

- ▶ Directly at the employer's expense: i.e. in situations where the employer gives the benefit directly to the employee.
- ▶ Indirectly at the employer's expense: on the one hand, in situations in which a benefit is paid to the employee by a third party and where that third party passes on the financial cost of the benefit to the actual employer (economic defrayment); on the other hand, in situations in which the employer, without bearing the financial cost of the benefit, is nevertheless the contact person the employee must address if he or she does not receive the benefit (legal defrayment).

**"Remuneration received by an employee from a foreign affiliated company is now qualified as if it is awarded by the Belgian employer."**

### Old formula

"A wage, on which social security contributions are due, is any benefit in cash or in kind that the employer awards to its employee in return for work performed within the context of an employment contract, as well as benefits to which the employee is

### New formula

The new administrative instructions expand the concept of "at the expense of the employer": any situation in which the awarding of a benefit is the result of the work performed (within the context of the employment contract concluded with that employer or relating

“From now on, employee and employer contributions must be paid on any benefit related to an activity carried out in Belgium.”

to the position that the employee holds with that employer) is now at the expense of the employer. In other words, it is no longer necessary for the Belgian company to actually intervene in the awarding of the benefit or to bear a financial burden.

Now, as a result of this change, employee and employer contributions must be paid on any benefit related to an activity carried out in Belgium and to which the Belgian social security system for employees applies. One exception: the explicit exemption of social security contributions for benefits provided in the form of share options is retained.

Therefore, to be able to calculate and pay social security contributions correctly, Belgian companies will need to have full insight into the benefits awarded by foreign group companies to their employees.

### RISING COST FOR BONUSES AND INCENTIVES

As a result of the new regulation, the cost for foreign companies of incentive plans for their Belgian employees will increase considerably. First of all, because they now also have to pay the employer social security contributions. Furthermore, the benefits now fall under the concept of wage and are therefore also part of the basis for calculating the holiday pay on the variable wage. We therefore recommend that the full costs be taken into account when awarding new benefits.

### NEW RULES FOR WITHHOLDING TAX

The second amendment concerns the compulsory reporting and deduction of withholding tax. The law of 11 February 2019 brought about a fundamental change in the rules of the game.

Until recently, under Belgian law, foreign companies were not required to deduct withholding tax on benefits that they award to employees of a Belgian group company – not even if the associated cost is passed on to that company. There has been only one situation in which the foreign company was obliged to do so: namely, when it remunerates or awards benefits to its own employees working in its own Belgian establishment ('branch').

That is now changing. The new law (in force since 1 March 2019) regards remunerations received by a beneficiary (employee or manager) of a foreign affiliated company (due to or as a result of the professional activity of that beneficiary for the Belgian employer) as having been awarded by that Belgian employer. Under this provision, it is the Belgian group company that must deduct withholding tax and not the foreign company that awards the benefits.

At the same time, the Belgian company is obliged to report the benefits that the foreign company awarded in the period 1 January 2019 to 28 February 2019 (inclusive) on a tax form (even if no withholding tax needs to be deducted from these benefits). The aim of this is to enable the administration to have better control. The template for this form is still to be established by Royal

Decree and must be submitted no later than 1 March 2020.

Those who fail to comply with the reporting obligation risk a hefty fine of 10% of the value of the unreported benefits. However, this fine will not apply where it can be demonstrated that the beneficiaries have declared the taxable benefit in their tax returns.

The obligation to deduct withholding tax naturally also means that the beneficiaries have to pay the tax on the benefits obtained much earlier than previously. Without the obligation to withhold the tax, they only had to pay it upon receipt of their notice of assessment for the income year in which the benefit was enjoyed – that was often more than 18 months after receipt of the benefit.

Depending on the nature of the benefit enjoyed, this can create a financing problem. After all, most benefits are taxable at the time they are actually acquired, even if they have not yet been realised. Consider, for example, the awarding of shares that the beneficiary is obliged to keep for a period of time.

Belgian companies that belong to an international group are thus subject to 2 additional obligations when their employees receive benefits awarded by the foreign group company. Our advice? Have your ongoing incentive plans thoroughly reviewed so that you know the exact qualification of the plan. Also have the taxable moment and the correct taxable base determined so that you can undertake the right actions and obligations. ■

DO YOU HAVE ANY QUESTIONS ABOUT THE NEW WITHHOLDING OBLIGATIONS?  
ARE YOU LOOKING FOR HELP WITH THE ANALYSIS OF YOUR SITUATION?

If so, please do not hesitate to contact the specialists from our 'Tax' team: [tax@bdo.be](mailto:tax@bdo.be)

RISK ADVISORY SERVICES

# WHISTLEBLOWING - NEW EUROPEAN DIRECTIVE

A correct reporting system for a healthy business culture

*The European Parliament recently approved a proposal from the European Commission to protect whistleblowers. Companies, organisations and governments must arrange a reporting system and may not take reprisals against whistleblowers. The subject is high on the political agenda. It is thus highly likely that the directive will also enter into force in Belgium. This is not a bad thing, as it gives management a powerful weapon to actively combat fraud.*

Author: Stephane Goddé, Senior Manager BDO Risk Advisory Services

**W**histleblowers are persons who, in a professional context, have information about misconduct or fraud and who wish to report this in the public interest in order to prevent further business damage. With the exception of regulated sectors such as banking and finance, there is as yet no legal framework in Belgium. As a result, potential whistleblowers often do not disclose their information for fear of possible reprisals afterwards.

Other countries are already well advanced. Examples among our neighbouring countries include the 'Loi Sapin II' in France, the 'Huis voor klokkenluiders' legislation in the Netherlands, and the 'Public Interest Disclosure Act' in the United Kingdom. Increasing globalisation shows that there is a need for a sound European framework. The adoption of the directive by the European Parliament is a first step in the right direction.

### FROM HABIT TO CULTURE

BDO research shows that as many as 92% of company managers recognise that deviant behaviour can be a serious problem, but they assume that this does not happen in their own organisation. The question is whether there really is no deviant behaviour, or do reports of it simply not reach management?

Every company is characterised by its corporate DNA or culture. That DNA is given form under the influence of people and their mutual interaction. A statement supported by a gesture or action or attitude can quickly turn into a habit. Before you realise it, habit becomes the norm. Everyone regards the norm as normal. And from that moment on, we're talking about a culture.

When the culture conflicts with internal ethical values, the organisation has a problem. No matter how hard management resists that culture or subculture, it will be so embedded, and have such a solid foundation, in the workplace that there is little that can be done about it. Rationalising misconduct is a dangerous thing to do in this regard.

### DISRUPTED COMMUNICATION

That's why it's important that managers always know what is going on in the workplace. This can be done by using open communication, by making things discussable, and by tackling them before they become the norm.

We all know the game from our childhood in which we whispered a phrase down a chain of people one by one. The sentence at the end of the chain is often completely different from the original message. The cause? The murmuring along the way or the joker who deliberately translates the sentence into nonsense. Is it really so different in a professional context? At the end of the communication line, the initial message will have been distorted a number of times, if in fact it even reaches its final destination.

**“Organisations that prevent individuals from reporting, that persecute them or that reveal their names, will be punished.”**

Many organisations still have a vertical structure, with a large distance between the lower levels and senior management. This structure also makes it difficult for any reports of misconduct to reach senior management, because the message has to pass through many (possibly too many) intermediaries (who may also be involved in the story).

### DISCONCERTING FIGURES!

Recent studies by the International Association of Forensic Accountants and Fraud Investigators (ACFE) show that, each year, an average company loses 5% of its worldwide turnover to cases of fraud that may or may not remain under the radar. A recent study by BDO shows that a tip-giver is at the source of no less than 32% of the frauds that come to light in Belgium, and that 37% of the frauds are committed by a company's own employees.

ACFE also showed that companies with a whistleblower system can reduce the financial loss and the duration of the fraud by half.

In the event of fraud, more than one employee may be aware of it, but they don't dare to tell others for fear of possible reprisals. In short, you can consider a whistleblower system as an investment in your employees – an important factor in fighting fraud efficiently.

### LIABILITY

The new Code of Companies and Associations (also read the article on page 18) requires the board of directors and the executive team to

supervise and monitor the development of a proper system of internal control and risk management. In the case of fraud, the directors must be able to demonstrate that they have taken measures to limit the risk of fraud.

The criminal code goes even further in this respect, linking high fines to failure on the part of the directors, and even providing for the possible dissolution of the company. In the event of shortcomings, the directors may be held personally responsible.

### WHAT DOES THIS EUROPEAN LEGISLATION SAY?

In plain language, Europe's main objective is better protection for those who report suspected fraud. Belgium may further refine and tighten up the various types of fraud declarations covered by this protection in national legislation.

#### Who must now comply with the directive?

- ▶ All stakeholders within the organisation (employees, shareholders and management bodies, as well as contractors, subcontractors and suppliers) must be allowed to report misconduct or crimes through specific channels.
- ▶ Companies with more than 50 employees or an annual turnover of more than EUR 10 million will be required to set up these specific internal channels and procedures within the 2-year period approved by the European Parliament in April 2019.
- ▶ Organisations active in financial services, or carrying out activities that are sensitive with regard to money laundering or the financing of terrorism, are also expected to set up such a reporting system.
- ▶ For the public sector, the obligation applies to national and regional governments, municipalities with more than 10,000 inhabitants, and other public law entities that still need to be specified.

However, it goes without saying that all organisations, regardless of size or activity, must consider applying the measure.



Stephane Goddé, Senior Manager BDO Risk Advisory Services

The setting up of a reporting system can be done internally or can be outsourced. Furthermore, the system must guarantee the necessary integrity and confidentiality and be operated by independent and objective persons.

The reporting system must be made known correctly and transparently to all stakeholders, and persons who communicate misconduct in the agreed manner may not be called to account afterwards.

Organisations that fail to comply, that prevent individuals from reporting, that persecute them or that reveal their names will be penalised. The directive also states that, in the event of intentional false reporting, it must be possible to recover the resulting damage from the alleged whistleblower.

What about reports that exceed the capabilities of the company? Consider, for example, reports in which the recipient him/herself is involved, or where no action is taken regarding a report. The new directive states that a channel must be set up at national level, where stakeholders who cannot rely on the internal reporting system will still have the opportunity to report. As a result, they may feel less compelled to go to the press to get a hearing.

### IMPLEMENTATION IN YOUR ORGANISATION

As stated above, you can roll out and manage the reporting system yourself or outsource it to an external provider.

The advantage of an in-house system is that everything remains within the walls of the organisation, and management itself decides

on the best way to release it externally. The disadvantage is that stakeholders will be less inclined to report fraud involving a manager.

An external provider can be an alternative. This also provides a better guarantee of anonymity, and cases are handled by neutral professionals.

An investment in a whistleblower system must be effective and efficient. Therefore, first and foremost, ensure that your stakeholders

**“92% of managers recognise that deviant behaviour can be a serious problem.”**

support you and make clear and transparent agreements about the purpose, operation and possible consequences of the system. Of course, it's important to formalise the agreements afterwards.

Communication and awareness-raising about the new reporting system are essential in order to inform stakeholders about the new system and how it will be rolled out and used in your organisation.

Finally, it is very important to handle a fraud report correctly. Anonymity and understanding are paramount. Also, remember to approach the project forensically: i.e., to underpin it with technical research into evidence by a certified researcher. This ensures that no rules are breached in the event of legal proceedings.

### RISK OF ABUSE?

Sceptics wonder whether a reporting system is going to trigger a witch hunt. After all, the adverse consequences of a case of fraud that appears in the press cannot be foreseen and can undermine the continuity and survival of the organisation. Employees will leave, customers will fall away, etc.

Moreover, the risk of 'nice to know' reports is high. These are reports of things that go wrong, but are not actually fraudulent. They are often made out of self-interest with the

intention of harming others. You can have the wheat separated from the chaff by an external party, so that management only needs to assess the relevant reports and take action where necessary. ■

#### DO YOU HAVE ANY QUESTIONS ABOUT THE NEW LEGISLATION REGARDING WHISTLEBLOWERS?

Are you looking for help with the implementation of a reporting system? If so, please do not hesitate to contact the specialists from our 'Risk Advisory Services' team: [ras@bdo.be](mailto:ras@bdo.be)

More information is also available in the 'Whistleblowing as a service' brochure at: [www.bdo.be/insights](http://www.bdo.be/insights)  
Or download our study (2018) on the impact of fraud on Belgian companies via: [advisory.bdo.be/fraudsurvey](http://advisory.bdo.be/fraudsurvey)

ACCOUNTANCY

# FROM STRATEGY TO IMPLEMENTATION IN 5 STEPS

*It's one thing to figure out a strategy. Implementing it and translating it into concrete results is another matter. As many companies continue to struggle with strategy implementation, the 'Integral Performance Management' model can be an effective tool.*

Author: Dirk Vandendaele, Partner BDO Accountancy

## INTEGRAL PERFORMANCE MANAGEMENT...

Part of our post-industrial society is the contemporary complexity we are experiencing. Changes are happening quickly, and the world around us is becoming ever more dynamic. Society has new requirements and expectations - things have to be good, fast and cheap. This requires new and different ways of organising and cooperating within companies.

**“Management based on KPIs only makes sense if the indicators are directly linked to the company's operational processes.”**

An efficient way to steer the organisation is Integral Performance Management (IPM). This model translates the strategy into objectives and key performance indicators (KPIs). However, evaluating and steering based on performance indicators only makes sense if the indicators are directly linked to the company's operational processes. And that's the core of IPM.

## ... BRINGS THE STRATEGY TO THE WORKPLACE...

On the basis of a 5-step model (see figure 1 on page 32), your organisation goes through a process in which the strategy is validated and linked to the performance of business processes, and an attitude of continuous improvement is encouraged.

### ► Step 1 - Define the strategy

The basis for translating the strategy to the workplace is a strong coherence of mission, vision and strategy. Important questions here are: 'Why do we exist as a company?', 'What do we want to achieve?', and 'How do we want to achieve it?'. Ultimately, this step must result in a strategy that is approved and supported by all management and that forms the basis for the next step.

### ► Step 2 - Translate the strategy into objectives

Once the strategy is clear, you can translate it into concrete strategic objectives. It is important to describe these objectives in a 'SMART' (Specific, Measurable, Acceptable, Realisable and Time-bound) manner. This makes exactly what your company wants to achieve clear. To maintain focus, just a handful of objectives suffice.

For a commercial company, continuity – and thus, at the end of the day, making a profit – is the ultimate objective. This core objective is usually broken down into a mix of growth ambitions (e.g. selling more to existing or new customers in existing or new markets) and productivity improvements (e.g. better resource utilisation, cost reduction, etc.).

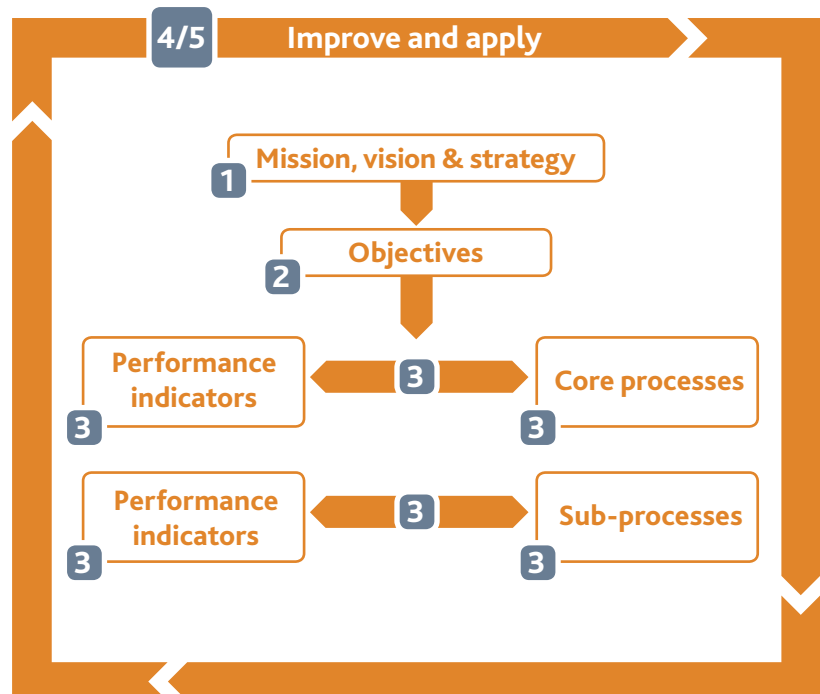


► **Step 3 - Determine the core processes**

Then, to measure the company's performance, you link the objectives with the operational processes and performance indicators. This is a very important step in which performance management and process management come together.

In the first instance, you map out the most important processes. These are the core processes that deliver the final output and create value for the customer. After this, in a second sub-step, you examine the extent to which each core process contributes to the objectives you specified in step 2. That is the essence of the story, because the processes steer and drive a company's progress. Without processes, it's impossible to work towards the objectives. In a third sub-step, you translate the processes and objectives into performance

Figure 1: schematic representation of the 5-step IPM model



Source: Integral Performance Management, Peter Geelen and Rob van den Coevering, Kluwer, 2005



“IPM integrates strategy, customers, processes and employees in one model.”

Figure 2: matrix

### Link objectives – processes – performance indicators (KPIs) matrix

A bicycle supplier has the ambition of becoming Belgium's largest bicycle supplier within 5 years (strategy). To this end, turnover must grow – and thus, as many customers as possible need to be served well.

Objectives	Core processes		
	Purchasing	Production	Sales
Broaden distribution channels	KPI: delivery reliability	KPI: shorten lead-time	KPI: market share
Shorten payment period	-	KPI: complaints lead-time	KPI: DSO KPI: invoicing moment
Set up web sales	KPI: delivery time (on order acceptance)	KPI: lead-time of order	KPI: share in global turnover
Launch e-bike	KPI: number of complaints about purchased batteries	KPI: design time	KPI: share in global turnover
...	-	-	-

Source: BDO Belgium

indicators: in other words, you determine which targets each process must aim for in order to achieve a specific objective.

These 3 sub-steps can be made tangible in a matrix, as illustrated in the example in figure 2 above.

In a fourth sub-step, you divide each core process further into sub-processes. You then once again link performance indicators to these sub-processes, which in turn serves as a refinement of the indicators at a higher level.

► **Step 4 - Define improvement initiatives**

The purpose of this step is to improve the processes in order to achieve the strategic objectives more quickly, more efficiently, etc. To gain insight into the processes and sub-processes with the greatest opportunities for improvement, you compare the scores with the pre-defined performance indicators. And because data play an essential role in this, many companies invest in special software tools.

► **Step 5 - Implementation**

At this stage, it's important to apply the IPM model efficiently and – above all – keep it alive.

### PROVIDING MANAGEMENT WITH RELEVANT CONTROL INFORMATION

Thanks to IPM, management receives relevant steering information within the context of the processes and based on customer needs and strategic objectives (including profit objectives). Processes about which employees also contribute to the thinking and help with continuous improvement. Thanks to their input, employees will (better) understand why and how the processes contribute to meeting customer needs and achieving the company's strategic objectives. In short, with IPM you integrate strategy, customers, processes and employees in one model. ■

**DO YOU HAVE ANY QUESTIONS ABOUT THE IPM MODEL?**

Are you looking for help with the integration or roll-out of IPM in your organisation or enterprise? If so, please do not hesitate to contact the specialists from our 'Accountancy' team: [accountancy@bdo.be](mailto:accountancy@bdo.be)

TAX

## 5% SEPARATE TAX FOR DIRECTORS' INSUFFICIENT REMUNERATION HAS BEEN BINNED

*The law from the end of 2017 that reformed corporate tax introduced a separate tax of 5% if company directors received too little remuneration. However, even before a single corporate income tax return was submitted for assessment year 2019, this separate tax had already been withdrawn. What, exactly, is the truth of the matter?*

Authors: Amelia De Grave, Junior Consultant, Hubert Hellraeth, Partner BDO Tax

### WHAT WENT BEFORE?

#### Required minimum remuneration

As from the financial year commencing 1 January 2018, companies must award a minimum wage of EUR 45,000 to at least one company director who is a natural person. If the remuneration amounts to less than EUR 45,000, it must be at least equal to the result for the taxable period to be able to take advantage of the reduced corporate income tax rate.

For affiliated companies of which at least half of the company directors are the same (natural) persons, the minimum wage amounts to EUR 75,000. These companies can then take into account the total remuneration they award to one of their common directors.

“The threshold of a wage of EUR 45,000 remains a condition for benefiting from the reduced corporate income tax rate.”



#### Separate tax

Companies that do not meet the minimum wage requirement of EUR 45,000/75,000 were subject to a separate tax of 5%. This would allow the government to avoid a situation in which one man businesses would be transformed *en masse* into companies in order to enjoy the lower corporate income tax rates introduced by the law on corporate tax reform: the basic rate decreases from 33% to

#### WHAT IS ACTUALLY CHANGING?

##### Minimum remuneration requirement remains for the reduced rate

The separate tax of 5% was also short-lived – and by virtue of the law of 13 April 2019, it died before even a single corporate income tax return for the 2019 assessment year had been submitted. In other words, companies that do not meet the minimum wage requirements will no longer be penalised.

“It is as if the additional 5% levy had never existed.”

29% in 2018 and to 25% in 2020; 20% for SMEs on the first tranche of EUR 100,000.

The separate tax would be based on the ‘shortfall’ in the company directors’ remuneration. The tax was applicable to the assessment years 2019 and 2020 and was even going to increase to 10% as from the 2021 assessment year. But this doubling had already been discarded by an earlier amendment to the law.

However, the threshold of EUR 45,000 is still a condition for benefiting from the reduced corporate income tax rate. Thus, a company that wishes to make use of a tax rate of 20% on the first tranche of EUR 100,000 must still award a minimum salary of EUR 45,000 to its manager.

#### EFFECTIVE DATE

The law of 13 April 2019 applies as from the 2019 assessment year, associated with a taxable period that commences on 1 January 2018 at the earliest. The entry into force of the repeal corresponds to the initial entry into force of the withdrawn article – so, it is as if the levy had never existed. ■

#### DO YOU HAVE ANY QUESTIONS ABOUT THE NEW RULES AND CORPORATE TAX RATES?

If so, please do not hesitate to contact the experts from our ‘Tax’ team: [tax@bdo.be](mailto:tax@bdo.be)

PARTNERSHIP NEWS

# X SQUARED

supports growth path of women

*Entrepreneurs are entrepreneurs. A race apart, not specifically men or women. This principle also applies at BDO, where the human being plays a central role. And where we stimulate and promote entrepreneurship and intrapreneurship. This includes our support for the very first X<sup>2</sup> Award.*

Author: Ann Celis, Director Communications BDO Belgium



“For a few years now, BDO has been focusing more strongly on gender equality.”

It doesn't matter whether you are a man or a woman. Our HRM department helps to ensure that every individual can develop at his or her own pace, with the right balance between work and private life. Although that is not always easy to do. Certainly not for young female entrepreneurs who want to combine their career with caring for their family.

The link to X<sup>2</sup> – an initiative of communication and marketing expert Wivina Briers – was quickly made. She started a community for and by women in early 2018. A place where female participants come together and bolster each other. Not thinking in a compartmentalised manner, because it is only when men and women work closely together that entrepreneurship achieves its maximum expression.

**“A single chromosome does not determine whether someone can be an entrepreneur or not.”**

“It was only later that I discovered that a woman got fewer opportunities than a man,” says Hans Wilmots, CEO of BDO Belgium. “Our organisation has been focusing more strongly on gender equality

for only a few years. Diversity in general – and gender diversity in particular. Female colleagues may claim their place and always make any problems that hinder their growth path discussable. We like to work together to find a suitable solution.”

#### **AN EXTRA BOOST**

Against this background, BDO supports the very first X<sup>2</sup> Award (20 June 2019), which is given to the most progressive company in terms of gender equality, work-life balance, and other key points, crucial for the exemplary company of the 21<sup>st</sup> century.

However, there is still quite a way to go. “I am convinced that a woman sometimes has more qualities than a man when it comes to leading an organisation,” says Hans. “It's just that a woman often needs that extra push to really go for it.” Karen Keuleers, Partner and Head of 'BDO Legal', adds: “Quotas can help with this. It's just a pity that this sometimes calls the competence of women into question. As if it would not work without quotas... But as a woman you have to get over that.”

One single chromosome does not determine whether someone can be an entrepreneur or not. It is your passion, your dedication, your talent, your professionalism and your ambition that make the difference. BDO continues to motivate and inspire female entrepreneurs with 'full enthusiasm'. ■



ALL INFORMATION ABOUT THE X<sup>2</sup> AWARD CAN BE FOUND AT [WWW.XKWADRAAT.BE](http://WWW.XKWADRAAT.BE)

DO YOU HAVE ANY QUESTIONS ABOUT THE GENDER STRATEGY AT BDO? OR DO YOU NEED HELP WITH YOUR OWN DIVERSITY POLICY?

Please do not hesitate to contact the specialists from our 'Human Capital' team: [lieselot.steenbeke@bdo.be](mailto:lieselot.steenbeke@bdo.be)

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/insights](http://www.bdo.be/insights)



## Increase in acquisition prices in Belgium has come to a standstill

### Results of the M&A Monitor 2019

It appears the merger and acquisition market in Belgium has reached its turning point. For the first time in six years, the sustained rise in acquisition prices has not continued. However, the number of transactions did continue to grow, even though there were considerably fewer foreign acquisitions in 2018. Another striking point is that the acquisition of technology and attraction of talent are gaining importance as motivations for an acquisition. Finally, when it comes to the size of transactions, smaller acquisition deals are on the increase.

These are the most important conclusions of the sixth edition of the M&A Monitor, an annual survey of more than 150 Belgian merger and acquisition specialists, including private equity investors, brokers, bankers, lawyers and corporate finance advisors. The research assesses these specialists' experiences on the M&A market and the deals they were involved in in 2018, as well as their expectations for 2019. The research was conducted by Professor Mathieu Luybaert and researcher Gianni Spolverato from the Centre for Mergers, Acquisitions & Buyouts at Vlerick Business School, in collaboration with Bank J. Van Breda & Co, BDO, Gimv and NautaDutilh.

You can download the M&A Monitor 2019 at [www.bdo.be/insights](http://www.bdo.be/insights)

## What is the GDPR maturity level of your organisation? Do BDO's GDPR self-assessment

It's been 1 year since the GDPR has come into force. All over Europe, national Data Protection Authorities have started imposing fines to companies infringing the GDPR, whether they act as a data controller or as a processor. Amongst these, a €50,000 fine has for example been inflicted by the Italian Data Protection Authority to a processor with regard to its IT platform, a €220,000 fine has been imposed in Poland to a digital marketing company, a €440,000 fine in Portugal to a hospital, and a €50 million fine by France to Google.

start to play a more active role as a privacy watchdog. All the more reason to verify how compliant your organisation is with the data protection legislation and whether you would be able to adequately respond in case of a data breach.

It takes about 10 minutes on average to respond to this self-assessment to determine the GDPR maturity level of your organisation. The result will immediately be sent to you by e-mail.



The Belgian Data Protection Authority, which has replaced the Privacy Commission, has become fully operational and its president recently announced the Authority will

Do the self-assessment here:  
[advisory.bdo.be/gdpr](http://advisory.bdo.be/gdpr)

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- ▶ General Tax – Junior – *Various offices*
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BDO RISK ADVISORY SERVICES

# TOGETHER TOWARDS A SAFER CYBER ENVIRONMENT



In an increasingly digital and connected world, new cyber threats emerge every day. The question is no longer whether you will be attacked, but rather when. To ensure effective and efficient cyber security to protect your data and systems, three building blocks are essential: people, technology and processes.

BDO can offer you a coordinated and technical approach that focuses on your organisation's highest priorities and risk components. You can rely on us for support and advice in every step along the way towards a stage of cyber maturity in line with your specific risk profile. Our approach is to get the basics right first and help you to evolve towards a cyber intelligent organisation. That's what we call cyber Darwinism.

**Interested? Our certified and experienced professionals would be happy to help you.**

Contact us at [ras@bdo.be](mailto:ras@bdo.be).

Can't wait to get started?

Please visit our cyber security self-assessment: [advisory.bdo.be/cybersecurity-self-assessment/](https://advisory.bdo.be/cybersecurity-self-assessment/)

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