

European Commission Asks Belgium to Eliminate Discriminatory Conditions for Tax Exemption of Remuneration Received from Savings Deposits

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On 14 July 2023, the European Commission sent a reasoned opinion (second stage of an infringement procedure) to Belgium for maintaining discriminatory conditions for tax exemption of remuneration received from savings deposits. Under the Belgian Income Tax Code, interest from certain savings deposits with approved institutions is exempt from individual income tax and withholding tax up to an amount of EUR 980 per year.

The European Commission considers that the Belgian tax exemption system applicable to income from savings deposits imposes discriminatory conditions for access to the Belgian banking market on service providers established in other Member States of the European Union or the European Economic Area and, therefore, is contrary to the freedom to provide services (article 56 of the [Treaty on the Functioning of the European Union \(TFEU\)](#) and article 36 of the [Agreement on the European Economic Area \(EEA Agreement\)](#))).

If Belgium does not reply to the arguments put forward within 2 months, the Commission may decide to refer the case to the Court of Justice of the European Union (ECJ).