

Marc Dasseste Introduction of the "Economic Reality" Test in Belgian Tax Law: Years of Uncertainty Ahead? Bulletin for International Fiscal Documentation, 48 (3): 127-29

Abstract:

Until recently, one of the characteristics of Belgian tax law was the strict adherence placed by the courts on the taxpayer's right to fully utilize imperfections or loopholes in the law in order to arrange his affairs in the most tax efficient way. A Belgian law of 22 July 1993, however, introduced a general "anti-avoidance" provision whereby the tax authorities may recharacterize a transaction for tax purposes if it is established that the transaction was motivated by tax considerations, unless the taxpayer can show that the transaction is (also) justified by legitimate financial or economic reasons.