

Belgium, Germany Sign Protocol Ending Cross-Border Worker Rule

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On 5 November, the Belgian and German ministers of finance signed a protocol to the double taxation convention between their two countries signed on 11 April 1967.

Upon ratification by the parliaments of both states, the new protocol will repeal the so-called cross-border worker rule whereby a worker living in the border area in one country but working across the border in the other country was liable to tax in his country of residence only. Under the new protocol, a Belgian working in Germany will be liable to tax in Germany unless he is working there for less than 183 days, unless his remuneration is not paid by a German employer, or unless it is not borne by a German establishment of his employer.

During a transition period, Germany will indemnify Belgium for the loss in income tax. The protocol will also allow Belgian local authorities to levy their taxes on the German income of their residents even if the authority to assess those is granted to Germany.

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