

Belgium Restricts the VAT Exemption for the Settlement of Insurance Claims

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The Belgian tax authorities have announced that they will be adapting their position on the VAT exemption for insurance claims settlement services in accordance with the case law of the Court of Justice of the European Union. The new position was announced in [Practice Note 2017/C/36](#), dated June 12.

Until now, the Belgian tax authorities accepted that the services for the settlement of insurance claims provided by an independent company were tax exempt in the same way as insurance transactions. Such services can include the following: taking delivery of insurance claims, settling claims, making technical assessments, examining appeals and complaints in respect of the settlement of insurance claims, and handling the correspondence with the client, including legal notifications.

However, in *Minister Finansow v. Aspiro SA*, [C-40/15 \(CJEU 2016\)](#), the CJEU [decided that such services were not VAT exempt](#). Aspiro SA was providing services for the settlement of insurance claims in the name of and on behalf of an insurance company on the basis of a power of attorney. The company had argued that its services constituted a single supply of complex services that were indispensable for the insurance business and must be exempted as a whole.

However, the CJEU decided that Aspiro SA was not in any way connected to the insured through a contractual relationship and did not undertake to ensure that insured persons are covered for risk. Therefore, the services it provided did not constitute an insurance transaction within the meaning of article 135(1)(a) of the VAT directive.

The Belgian tax authorities will apply the VAT exemption for insurance transactions more strictly, starting in 2018. The services for the settlement of insurance or reinsurance claims provided in the name of and on behalf of an insurance company will be liable to VAT but only for insurance claims which the service provider is put in charge of settling as of January 1, 2018.

Nevertheless, if such services are provided by an insurance broker or an insurance agent, they are VAT exempt if those services are provided for an insurance contract for which they have intervened to conclude or change such contract.

The practice note clarifies that it applies to insurance brokers and insurance agents, but not to underwriting agents; a separate practice note will be published for underwriting agents.

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