



Covenant to the Belgian German double taxation treaty signed - end of cross border worker rule

On 5 November 2002, the Belgian and German Ministers of Finance have signed a protocol to the double taxation convention between their two countries. The convention was 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.

This means that a Belgian working in Germany will be liable to tax in Germany, unless he is working there for less than 183 days, his remuneration is not paid by a German employer, or is not borne by a German establishment of his employer.

During a transition period, Germany will indemnify Belgium for the budgetary loss. The protocol will also allow Belgian local authorities to levy their taxes even if the authority to assess these is granted to Germany.

Marc Quaghebeur, 6 November 2002

Belgium, Germany Sign Protocol Ending Cross-Border Worker Rule, Tax Notes Int'l, 11 Nov. 2002, p. 518