



Federal
Public Service
FINANCE

TAXES

BROCHURE ON THE NEW CO-OPERATIVE TAX COMPLIANCE PROGRAMME

03.09.2018



CONTENTS

PREAMBLE	3
DEFINITION AND PURPOSE OF THE CO-OPERATIVE TAX COMPLIANCE PROGRAMME BY THE ADMINISTRATION LE.....	3
DEFINITION.....	3
PURPOSE.....	3
TARGET GROUP	5
SCOPE OF THE TYPES OF TAXES	6
PILLARS OF THE CO-OPERATIVE TAX COMPLIANCE PROGRAMME	6
A SINGLE POINT OF CONTACT AND A FOLLOW-UP TEAM.....	6
BUSINESS KNOWLEDGE AND BUSINESS-RELATED INSIGHT.....	7
COMPLIANCE WITH LEGAL TAX OBLIGATIONS AND EQUAL TREATMENT	8
WITHIN THE AUTHORISED LEGAL BOUNDARIES.....	8
PROACTIVE NOTIFICATION AND TRANSPARENT COMMUNICATION	8
PRESENCE OF A TAX CONTROL FRAMEWORK.....	9
FASTER LEGAL CERTAINTY AND WORKING IN THE PRESENT.....	10
ADAPTED INSPECTION STRATEGY	12
THE VARIOUS PHASES.....	12
APPLICATION AND EXPLORATORY DISCUSSION	12
INTAKE PHASE.....	14
ACCEPTANCE.....	15
CONSULTATION, FILING AND INSPECTION	16
CONCLUSION	16

PREAMBLE

Many countries around the world have implemented the concept of 'horizontal supervision' or 'co-operative compliance' in recent years, either through a formal model or otherwise. The OECD's Forum on Tax Administration has also published recommendations, and various academic publications have appeared on the subject. Co-operative compliance programmes, which are aimed at transforming the traditional approach of tax administrations and taxpayers as regards each other to **a relationship based on trust**, based on transparency and certainty, are increasingly part of the compliance strategies in different countries.

The General Administration of Taxes, and more specifically the Administration Large Enterprises (LE) of the Federal Public Service Finance, will start **a pilot project at the end of 2018, called the 'Co-operative Tax Compliance Programme'**, which will be adapted to the Belgian situation. The Co-operative Tax Compliance Programme is **aimed at very large companies** and is in line with the increasing governance, transparent risk monitoring and communication within companies.

In recent years, the General Administration of Taxes had already taken initiatives to improve service for taxpayers. There is nonetheless a demand to work (together) differently and, above all, obtain tax certainty more rapidly, where possible. The tax administration also intends to quickly get up-to-date with new tax issues.

Below you can find more information about the content of the pilot programme, who is targeted and how it will be implemented.

DEFINITION AND PURPOSE OF THE CO-OPERATIVE TAX COMPLIANCE PROGRAMME BY THE ADMINISTRATION LE

DEFINITION

The Co-operative Tax Compliance Programme (CTCP) is understood to mean a **cooperation with justified trust, transparency and faster legal certainty, to improve compliance**.

Each of these aspects will be discussed in more detail later in this document.

PURPOSE

CTCP is a new way of working, based on an agreement which sets out how both parties will work together and in which the relationship between the company and the Administration LE is based on trust, transparency and understanding. Participating in the CTCP means that the parties undertake to set up and broaden a working relationship based on **understanding of each other's position** and based on clearly agreed expectations. The aim is to provide relevant information, manage tax risks, generate **trust** and as much **legal certainty** as possible. Both parties enter into **open and proactive dialogue** as regards tax risks and important transactions. The objective of the CTCP is to increase compliance.

The basic principles of the CTCP are the following:

- rights and obligations, based on fiscal and other legislation and regulations, and international legal instruments, remain applicable without restriction
- the agreement pertains to the applications of legal and regulatory provisions and international legal instruments which constitute the authority of the Administration LE
- the Administration LE does not replace a tax adviser
- commitment by both parties to implement the CTCP in a professional manner, and not undermine confidence
- disputes are still possible

Such a programme requires that the interactions between companies and the Administration LE are adapted. With the CTCP, companies can enhance their corporate governance as well as their internal risk management and control systems. The parties adopt a problem-solving outlook by adopting a position as quickly as possible, using an effective and efficient working method.

Companies are assigned a permanent coordinator who can call on a follow-up team of experts.

The CTCP is integrated into the risk analysis and inspection strategy of the Administration LE. The Administration LE can still carry out inspections. Companies participating in the CTCP do not receive any better or worse conditions, or positions, than other taxpayers. These companies will also have to make additional efforts in exchange for a different approach by the Administration LE, without the former being able to attach rights in this regard, which are not applicable to other taxpayers.

The main reasons for introducing a programme according to the CTCP definition are the following:

- for companies:
 - reducing tax risks
 - obtaining faster legal certainty
 - having a single point of contact
 - positively influencing the tax image of the company
 - enhancing corporate governance and internal risk management and control systems
 - further reinforcing responsibility
 - increasing voluntary compliance with obligations
 - creating an environment of justified trust between both parties
 - reducing the number of disputes
 - gaining better understanding of the Administration LE

- for the Administration LE:
 - further increasing the voluntary compliance of companies with their tax obligations
 - promoting the correct establishment of the taxes payable by companies in Belgium
 - further improving service and optimising a control strategy in line with the profile of the company
 - creating an environment of justified trust between both parties
 - reducing the number of disputes
 - responding faster to new tax risks
 - deploying scarce resource more efficiently
 - improving understanding of fiscally relevant activities and operations

TARGET GROUP

This programme is only open to **very large companies** which are subject to **corporate income tax or non-resident corporate income tax**. These companies will be identified on the basis of their turnover, balance sheet total, number of employees and taxes paid. Their group members - according to the consolidation rules - will also be included.

This working method requires additional efforts on the part of both the taxpayers in question and the tax administration. In addition, certain conditions must be met by companies, such as the implementation of an effective Tax Control Framework. The requirements of taxpayers vis-à-vis the Administration LE are related to their size and the nature of their activities.

These eligibility criteria are based on the definition of a very large company, in order to determine the target group for the Administration LE. This **new definition** enters into force on 01.01.2019. Limiting the CTCP to very large companies and the additional condition regarding paid taxes is connected to the greater complexity of these companies. For small, medium and large companies, the effort required would outweigh the benefits.

If a company joins the CTCP, all other Belgian legal entities and permanent establishments belonging to the same group must do the same.

The programme will only be open to companies that have filed their tax returns on time, have not been in arrears, and have no major defaults or violations against their name which have been identified during the last three years. No fraud must have been detected during this period either. Companies must also be prepared to apply the terms and guidelines of the CTCP.

The Administration LE retains the right to accept or reject an application, after consultation with the company in question. Companies which do not (yet) meet the conditions may not participate. We will however provide sufficient communication regarding the programme, so that these companies can adapt accordingly. Companies may also withdraw from the programme during this phase.

The CTCP will start as a pilot project. Only a limited number of companies will be able to participate during this phase. The pilot phase will last at least 2 years.

SCOPE OF THE TYPES OF TAXES

The CTCP encompasses the following types of taxes:

- income tax
- value added tax
- tax assimilated to income tax
- miscellaneous taxes

falling under the authority of the Administration LE (with the exception of the provisions relating to their levying and collection).

PILLARS OF THE CO-OPERATIVE TAX COMPLIANCE PROGRAMME

The pillars of the CTCP are the following:

- a single point of contact and a follow-up team
- business knowledge and business-related insight
- compliance with legal tax obligations and equal treatment in terms of tax
- within the authorised legal boundaries
- proactive notification and transparent communication
- the presence of a Tax Control Framework (TCF)
- faster legal certainty and working in the present
- adapted control strategy

A SINGLE POINT OF CONTACT AND A FOLLOW-UP TEAM

The company will have a permanent single point of contact, which is the coordinator. Together with a follow-up team, the coordinator will ensure smooth communication between the company and the Administration LE. The central role of the coordinator and the follow-up team will ensure increased reactivity vis-à-vis the company.

The follow-up team is made up of experts from various disciplines, based at an LE centre, supplemented if necessary by experts in specific disciplines (transfer prices, VAT units, miscellaneous taxes, withholding taxes, etc.) from other centres. Within this team, one person will also perform the role of assistant coordinator.

In addition to extensive technical tax knowledge, the members of the team also have the necessary (inspection) experience with large companies. They adopt a problem-solving and objective approach in this respect, always assuming good faith, and by enquiring about the cause of transactions that have not yet been processed in a tax compliant manner.

Together with the follow-up team, the coordinator maintains a professional relationship with the company. The aim is to allow the working relationship with companies to flourish, starting from an approach of understanding each other's position, in order to further evolve towards a

genuine relationship of trust. The coordinator and assistant coordinator will provide the companies with information on how the Administration LE works within CTCP.

They will hold regular meetings to share information. These will be held in the presence of the coordinator and, depending on the subject, supplemented by one or more experts from the Administration LE. They will regularly discuss the functioning of the CTCP and other points of attention, bottlenecks and/or doubts, with the company. This means that within a reasonable term, they will provide a position regarding these points, after consultation with the company.

The coordinator will coordinate the handling of the technical tax issues raised, analyse the extent to which the conditions of the CTCP have been met, and discuss these observations (both positive and negative).

The follow-up team will ensure comprehensive handling of the company's tax dossier. They are involved in the discussions with the company from the intake phase, and also in the subsequent discussions and meetings, during which the TCF and the processes are examined.

The team will also carry out a pre-analysis if a company from the group is selected for an inspection, whereby they will determine which information the Administration LE already has at its disposal, in order to decide on the necessity and scale of an inspection.

A rotation is anticipated for both the coordinator and the follow-up team after a maximum of five years, and the transition to the new coordinator and follow-up team will be done in good time.

BUSINESS KNOWLEDGE AND BUSINESS-RELATED INSIGHT

The Administration LE aims to gain a better understanding of the challenges facing the company, both commercial and financial, with a focus on better problem-solving interaction with the company, to the extent that this is fiscally relevant. Knowledge of both the business and the sector is crucial in this respect. The information obtained will be handled confidentially and will be subject to professional secrecy.

In this way, the motives behind transactions and activities become visible, and misunderstandings can be avoided. The identification and assessment of the risks associated with these transactions and activities will then progress more efficiently. This will result in a more adequate risk profile of the company (or group of companies).

The focus of the tax inspection carried out by the Administration LE will shift to the present (in the sense of 'as quickly as possible'), instead of assessing events from the past. Moreover, the inspection by the Administration LE is focused more on the systems and processes used by the companies to arrive at their tax return, the so-called TCF, rather than the result alone (the actual tax return) of these systems and processes.

COMPLIANCE WITH LEGAL TAX OBLIGATIONS AND EQUAL TREATMENT

In the context of being compliant, companies must scrupulously comply with their tax obligations (including filing correct and complete returns on time and paying the due amounts on time).

The equal treatment of taxpayers is a requirement which must be observed by the Administration LE. Tax issues must be handled in a consistent and objective manner.

This means that in no event can this programme result in more or less favourable positions for participants. It is intended as an effective way to increase compliance, promote the correct establishment of due taxes, and guarantee optimal legal certainty as much as possible to the target group of the CTCP. This is part of the mission of the Administration LE.

In order to ensure this equal treatment, the Administration LE is developing a quality control system to evaluate the decisions taken in this context. Decisions that are useful for other companies are also shared internally, with due observance of privacy laws and professional secrecy of the officials in question, and without sharing the business secrets of the companies. Every year, the Administration LE will publish a state of play regarding the programme.

WITHIN THE AUTHORISED LEGAL BOUNDARIES

The international tax landscape has been comprehensively redesigned in recent years, firstly in the area of corporate governance and, more recently, in the area of the key terms of transparency, substance and coherence. This will continue to evolve. Although the CTCP does not limit fiscal rights, transparency regarding tax strategy and tax planning within the authorised legal boundaries is an important part of the programme.

PROACTIVE NOTIFICATION AND TRANSPARENT COMMUNICATION

The aim is to achieve spontaneous, open and proactive dialogue regarding tax planning and strategy, tax risks and relevant tax events of material importance. Here, the term 'relevant' has both a quantitative and a qualitative meaning: the nature, financial scope and complexity of the events are important. Transactions for which there may be a difference of understanding with the Administration LE, for example due to a difference in interpretation of facts or differences in legal interpretation, also fall under this.

Following the proactive notification by the company, the most important function of prior consultation is to provide the company with more certainty, whereby the Administration LE states its own position on relevant facts and circumstances as proposed by the company. The company undertakes to provide this information to the Administration LE as quickly and as completely as possible, so that its work relates more to the present. Naturally, the proposed solution must be in line with legislation and regulations. The conclusions of the pre-consultation will be recorded in writing.

The company must be transparent regarding applications for rulings and pre-filing requests, including the documents submitted to the Rulings Department.

The participating companies undertake to provide the Administration LE with spontaneous access to their operations and organisation, their business management and decision-making, as well as their group structure (including foreign companies and permanent establishments).

For its part, the Administration LE will demonstrate greater transparency as regards the implementation of its inspection function within the CTCP, without the participating companies being able to invoke special rights that do not apply to other taxpayers. All information received by the Administration LE falls under the obligation of professional secrecy laid down by law or by other regulatory provisions. Professional secrecy will also be applicable for the employees who no longer work for the FPS Finance. Confidential information will be managed safely and carefully. The privacy law will be duly observed, as will data storage periods. Personal data will be processed in accordance with the new GDPR of 27.04.2016. The transparency proposed by the Administration LE falls within the limits of the Law on Open Government.

PRESENCE OF A TAX CONTROL FRAMEWORK

The CTCP is only open to companies which have a robust tax risk management and control system, also known as a Tax Control Framework (TCF), and who wish to be transparent regarding their scope and effectiveness.

This offers the possibility to objectively analyse and assess the internal risk management of the company. The primary advantage of the TCF is the possibility it offers to provide verifiable assurance that the information and returns provided by the taxpayer are both accurate and complete. In order to be effective, the TCF must be an integral part of a comprehensive system for internal control.

Given the specific nature of the activities and the sector in which the companies are active, no standard assessment of a TCF is possible. However, the assessment must provide sufficient assurance to the Administration LE regarding the quality of the company's TCF and therefore regarding the accuracy and completeness of the returns, the other reports and the explanations provided by a company. The tax strategy and how the TCF works must be explained by management. This implies that the company provides information regarding the relationship between the various business processes and the ERP system, and the risk analysis it has already carried out.

The company is expected to spontaneously regularise self-detected errors and irregularities, and must notify any existing tax risks to the Administration LE.

A regular check of the TCF is necessary to maintain the justified trust. This trust is based primarily on the shared information.

The foundations of a TCF for use within the CTCP include:

- the tax strategy and governance of the company

- completeness and the objectives imposed
- accountability and the provision of information, reporting and communication
- governance of the TCF itself
- testing and performance

Documentation must be provided to substantiate the TCF. Depending on the TCF, the CTCP will be adapted in terms of its depth. In other words, missing elements will have consequences for the approach of the company in question. The fact that the company shares substantiated proof with the Administration LE through the TCF is important for the company to be considered transparent, and to establish a relationship of trust. Organisational changes within the company can result in significant adjustments, and can also have consequences for the approach of the company in question.

The information provided by the company with regard to the TCF must be reasoned and verified by the administration. Various means will be used to verify that the TCF is complete, correct and accurate. Firstly, in order to obtain a complete picture of the TCF, the Administration LE will analyse useful documents. A more thoroughgoing test (e.g. using a statistical sample) can then be carried out, for example, for the processes for which anomalies are identified.

If changes are made to the TCF, the company must inform its coordinator as rapidly as possible. The TCF will be monitored and periodically assessed during the CTCP.

During the intake phase, a significant part of the activities will consist of assessing the TCF in order to determine whether the risk management in terms of taxation has been sufficiently controlled, tested and documented. The aim of the Administration LE is to have verifiable assurance that the information provided by the company is both accurate and complete.

The Administration LE will evaluate the TCF of the business, to verify whether the various components have been duly observed. Following this assessment, there are two possible scenarios:

1. the TCF of the company offers too little assurance regarding the quality of the processes: the company does not meet the conditions to join the CTCP, and the affiliation process will be terminated. Affiliation can be applied for a second time once the TCF has been adapted.
2. the TCF of the company offers sufficient assurance for establishing a relationship of trust, as regards the quality of the processes: the affiliation process continues, taking into account the results of the analysis of the TCF.

FASTER LEGAL CERTAINTY AND WORKING IN THE PRESENT

The company will discuss the points of attention and bottlenecks they have identified with the Administration LE long before they file their return and other reporting requirements (in the present). This is to achieve possible consensus or more clarity. That way, we can increase legal certainty as much as possible and resolve the attention points and bottlenecks more quickly. This prior consultation is also intended to reduce the number of appeals and legal proceedings. Within the CTCP, the accuracy of the information provided will be verified when an agreement between the parties on a question of fact, or a decision of the Administration LE on the

application of tax legislation and regulations is requested. For its part, the Administration LE undertakes to state its position within a reasonable period of time (determined in consultation with the company and depending on the complexity of the attention point, bottleneck or doubt raised) in order to arrive at the desired, more rapid certainty.

If the Administration LE adopts a position, a distinction must be made between:

- **agreements** between the Administration LE and the taxpayer which can only pertain to **questions of fact**: a clarification of the facts. An agreement is binding as long as it is not reviewed or terminated.
- **decisions** of the Administration LE regarding the **application of tax legislation and regulations**: a legal interpretation. From this, the company can draw justified trust.
- **views regarding questions of fact or the application of tax legislation and regulations**: this means giving its 'view on the matter'. This is nothing more than the opinion of the official who expresses the view, that offers no legal certainty and no justified trust can be drawn.

The position of the Administration LE is not valid if:

- the conditions on which the position is subject are not met
- it appears that the situation or transactions are incompletely or incorrectly described by the company
- essential elements of the transactions have not been performed in the manner described by the company
- it appears that this position is not in accordance with the provisions of the treaties, community legislation, or national law
- there are amendments to the provisions of the treaties, community legislation or national law, which are applicable to the situation or transaction targeted by the position in question
- the main consequences of the situation (e.g. also when a new member enters) or the transactions have been modified by one or more related or subsequent elements, which are directly or indirectly attributable to the company. In such cases, the withdrawal of the position will take effect from the date of the events attributable to the company.

Nonetheless, the Administration LE does not take the place of tax advisers, and will therefore not provide any advice, nor will we state a position on spontaneously-provided information/documents, unless explicitly requested by the company. Tacit positions are not given. The positions may have an international dimension, to which obligations regarding information sharing may be attached.

Requests for rulings with the Rulings Department for tax matters remain possible for companies participating in the CTCP.

It will also be possible for the company and the Administration LE to 'agree to disagree'. Dispute settlements, appeals, mediation and mutual agreement procedures will remain in force, without

the collaboration being affected. The rights of the company will not be limited. If there is no agreement with the Administration LE, the company may invoke all authorised procedures for dispute settlement.

Older, still pending disputes may continue to exist at the time of affiliation to the programme, and an overview will be annexed to the agreement.

ADAPTED INSPECTION STRATEGY

Tax inspections are one of the core tasks of the Administration LE. Companies which join the programme will not be exempted from tax inspections. Clear agreements and an accurate exchange of information with the company can ensure that the return is of better quality, thereby avoiding unnecessary and duplicated work. It is not the intention to file a draft return to the Administration LE for approval before actual filing. The Administration LE is transparent as much as possible regarding the matching of the inspection and the quality of the existing TCF, and the transparency by the company.

In the context of the CTCP relationship, 'trust' means: trust between the company and the Administration LE, based on knowledge of the other party (knowledge-based trust). This knowledge stems from the TCF, and also from the regular contacts between both parties.

Conventional inspections are often based on the transactions themselves, without looking at the process behind them. Thanks to the TCF, tax risks can be looked at in a different way. The approach of the Administration LE aims to achieve an effective allocation of resources, the work provided and the in-depth knowledge of the company are therefore also used in any inspections.

The Administration LE will carry out an evaluation at least once a year, to determine whether the company still meets the conditions of the CTCP.

THE VARIOUS PHASES

APPLICATION AND EXPLORATORY DISCUSSION

If a company is interested in participating in the CTCP, we will have an introductory meeting. Companies wishing to participate in the CTCP must submit an **application** with the Sector Coordination department of the Administration LE.

It is then ascertained whether the company is part of the target group (see above).

Before the start of the collaboration via CTCP, an **exploratory discussion** is planned, to explain the purpose and working method of the CTCP, identify the expectations of both parties, and agree on a timetable for the evaluation of the pillars. The phase is mandatory, and will be run through jointly.

An initial exploratory discussion regarding the CTCP will be held with the senior management of the company. To emphasise the importance of this contact, the Administrator LE will participate on behalf of the Administration LE. CTCP should ideally be the only item on the agenda.

The purpose of this exploratory discussion is to mutually explore the possibilities for the application of CTCP by, inter alia, discussing the following elements:

1. the purpose of the CTCP, its place in the inspection strategy of the Administration LE and an explanation of the key concepts and principles of the CTCP.

The company has formed an idea about the CTCP through publications on the website of the FPS Finance, through professional associations, etc. It may be useful to consider the company's view of CTCP and its significance for their own tax position, to ensure that this view is consistent with the FPS Finance's own interpretation of the CTCP. The exploratory discussion offers the opportunity to discuss a number of key concepts and principles of CTCP with the management of the company.

2. the importance of the tone at the top, both at the company and the Administration LE

This represents the approach and behaviour of a company's top management. It therefore means consistency between the (exemplary) behaviour of the company's management and the vision, strategy and basic values of the company, in which top management expects the same approach and behaviour from all other stakeholders involved in the company.

The Administration LE is especially concerned by the tone at the top as regards tax matters. That is also why the exploratory discussion is held between the senior management of the company and the Administrator LE.

Some of the discussion topics relating to the tone at the top which may be covered during the exploratory discussion are:

- strategic objectives in general, and tax-related objectives in particular
- the company's focus on tax compliance
- consideration for the system of internal management, internal control and external control, particularly with regard to tax compliance.

3. mutual responsibilities and expectations

The exploratory discussion will explicitly cover responsibilities and expectations. On the basis of this, the company can assess whether it deems the CTCP process feasible and desirable. As regards responsibilities and expectations, reference is made to the text about the expectations within the CTCP.

4. coordinating a follow-up process

Through the exploratory discussion, both parties can ascertain whether they wish to enter the CTCP process with each other. If positive, the intake discussions will follow after this exploratory discussion, and finally the possible acceptance and signing of the agreement.

5. having an effective TCF

During the exploratory discussion, a brief explanation of the TCF will suffice. An evaluation of the TCF will only be made at the end of the intake phase.

INTAKE PHASE

The intake discussions follow on from the exploratory discussion. The Administration LE aims for a duration of six months to one year to complete this phase. The final duration will depend mainly on the time needed to provide information and evaluate the TCF.

During the meeting, the various pillars of the CTCP will be covered:

- a single point of contact and a follow-up team
- business knowledge and business-related insight
- compliance with legal tax obligations and equal treatment in terms of tax
- tax optimisation within the authorised legal boundaries
- proactive notification and transparent communication
- Tax Control Framework (TCF)
- faster legal certainty and working in the present
- adapted inspection strategy

You can find more information about these pillars in this brochure under '*Pillars of the Co-operative Tax Compliance Programme*'.

The coordinator of the Administration LE will already be appointed during this phase, and will lead the initial discussions. The follow-up team will also be put together, and then involved in this phase. A report of each meeting will be drawn up, to the extent possible.

An evaluation will be made of the extent to which the conditions of the CTCP have been met, so as to adjust the follow-up process accordingly. An action plan will be drawn up to address shortcomings.

Inspections that had already started before the start of the intake phase will continue, and the coordinator and the follow-up team will follow these up.

Evaluating the TCF of the company is an important part of the intake phase, in order to check whether the fiscal risk management is sufficiently controlled, tested and documented. The Administration LE wishes to have verifiable assurance that the information, returns and other reports provided are correct and complete. The analysis of the TCF takes time, and will not be completed in one go, but in several steps.

ACCEPTANCE

The CTCP will only commence after signing by both parties. The management and tax department of the company must support the participation in the CTCP, and guarantee its proper implementation. All members of the group must participate in the CTCP.

This agreement is for an undetermined duration, and can be terminated in writing after a minimum of two years.

During the pilot phase, only the Administration LE is the signatory for the FPS Finance. This means that only the Administration LE is bound by this agreement. The Administration LE will communicate this new way of working, and will conclude internal cooperation agreements within the General Administration of Taxes and with the other administrations of the FPS Finance.

Any member of the group who joins or leaves must be notified within one month to the coordinator. The company must take the necessary steps to ensure that the new member accedes to the agreement. If the company does not do this, the Administration LE may invoke this as a serious reason for the immediate termination of the contract.

If the company or a member of the group wishes to terminate the agreement, it must submit a written request for termination, stating the reasons, to the Sector Coordination department of the Administration LE. The company must provide each member of the group with a copy of the request for termination. If one member of the group wishes to withdraw from the CTCP, the agreement will terminate for all members of the group.

The contract will end 30 working days following receipt of the written request for termination, except in the event that the request for termination is withdrawn.

In the request for termination, the company or a member of the group may request prior consultation. The Administration LE or any other member of the group may also request this within 10 working days of receipt of the request for termination. The consultation will take place at the latest within 20 working days of receipt of the request for termination.

The Administration LE may terminate the CTCP for reasons which it considers to be serious (e.g. non-notification of a failure to follow an agreement, failure to make available information, or providing insufficient information, for the analysis of the TCF, suspicions of fraud). In such cases, the agreement will be terminated with immediate effect.

In the event of termination of the CTCP agreement, or the withdrawal of a member, the valid positions, as adopted in the context of the CTCP, will be reassessed by the Administration LE.

CONSULTATION, FILING AND INSPECTION

The consultation phase is an active phase of the CTCP. The pillars of the CTCP, as discussed in the section '*Pillars of the Co-operative Tax Compliance Programme*' remain applicable.

The coordinator and the follow-up team remain in place. The business knowledge and business-related insight is further acquired by these employees of the Administration LE.

During these phases, the proactive notification and transparent communication by the company is crucial to obtain faster legal certainty (by working in the present) and an adapted inspection strategy (see section *Pillars of the 'Co-operative Tax Compliance Programme'*).

In addition to the spontaneous exchange of information, regular consultation meetings will also be organised. The request to organise these meetings may come from the company or the Administration LE. A clear agenda will be agreed on and communicated in advance.

The coordinator from the Administration LE will ensure that the necessary persons from the follow-up team are present, so that everything can progress as efficiently as possible. A report of each meeting will be drawn up, to the extent possible.

Inspections and disputes are still possible within the CTCP, without this having an influence on the cooperation between the parties. The TCF will be re-evaluated on a regular basis to verify whether it is still up-to-date and sufficiently effective. A verification of whether the company still meets the conditions of the CTCP will be made at least once a year.

CONCLUSION

Throughout this brochure, the Administration LE has presented its vision of the CTCP. This programme is aimed at improving cooperation between the participating large companies and the Administration LE, whereby the main result is faster legal certainty for companies and improved compliance with tax obligations.

In order to achieve these objectives, eight pillars have been laid down. These pillars form the basis of the CTCP and are essential for creating an environment of mutual trust between the companies and the Administration LE.

To start with, the company is allocated a **single point of contact** within the Administration LE, in order to improve the communication between both parties. A **proactive and transparent communication and a system-focused approach via the Tax Control Framework** will result, within the Administration LE, in better **understanding of the company** and the sector in which it is active, meaning that the risk profile can be adapted to the company. The frequent consultation between the Administration LE and the company regarding current tax issues will result in faster legal certainty for the company.

In the context of the CTCP programme, the company must **comply with its legal tax obligations** and be transparent as regards its tax strategy.

Finally, the CTCP route provides an opportunity for companies and the Administration LE to work together in a climate of mutual trust, taking into account each other's situation. If this cooperation takes place in full transparency and understanding, it can only bear fruit for both parties.

Monitoring of the CTCP is planned by the Administration LE, and a state of play will be communicated externally on an annual basis.