



## From Protection to Profit: maximizing the financial impact of IP

Embedding Grants & Incentives as structural part of the strategic roadmap

# Gi<sup>3</sup> Global Investments and Innovation Incentives

28 May 2026

Belgium-Japan Association  
Chamber of Commerce  
日白協会兼商工会議所



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# Belgian tax incentives



# Overview of Belgian R&D and IP tax incentives

Savings on the cost & income sides



## Income-side

### Innovation Income Deduction (IID)

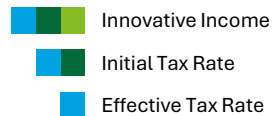
An 85% deduction applies **on the net income generated by intellectual property** owned by the taxpayer, in accordance with Article 205/3 BITC. This reduction is known as the “Innovation Income Deduction“ or “IID”.

IP rights, such as patents and software copyrights, or improvements of acquired protected technologies

**As from the filing** of the IP right.

Possibility to obtain an advance tax ruling.

Deduction can be carried forward.



## Cost-side

### Partial R&D Wage Tax Exemption for Researchers

An **80%** exemption of wage withholding tax

- R&D activities (part- or full time)
- Belgian employee
- Holder of a qualifying STEM diploma
- Belspo notification required

### Investment Deduction/Tax Credit

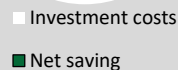
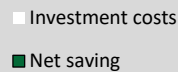
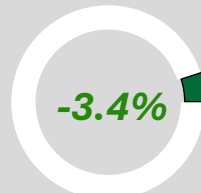
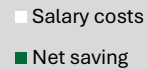
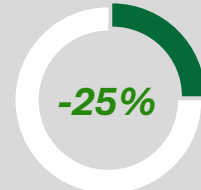
*Basic Deduction:* A 10-20% deduction for investments in line with company’s activities.

*Increased Thematic Deduction:* A 30-40% deduction for investments in one of the 4 thematic investment lists

*Technology Deduction:* A 13.5-20.5% increased investment deduction or tax credit for patents and investments in R&D.

- *One-off:* A **13.5%** deduction or a **3.4%** refundable tax credit on the R&D investments
- *Spread:* A **20.5%** deduction or a **5.1%** refundable tax credit on the depreciation of the R&D investments
- Only on BE GAAP investments that have no negative impact on the environment.

Deadline application 3 months after end of fiscal year in which investments were made.



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# Increased (thematic) investment deduction



# New Investment Deduction

## Introduction

The previous Investment deduction legislative framework was a tangle. In addition, the investment list for energy-saving investments was badly outdated. As a result, there was a need for **simplification and modernization** of the Law:



Stimulating sustainable investments



Streamlining the procedural framework



Providing concrete percentages in the Law instead of fluctuating percentages according to the index



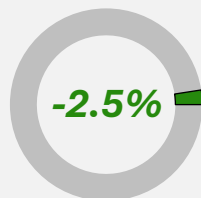
### Basic Deduction

Deduction for investments in line with company's activities.  
**Only for small enterprises**

#### Benefit:

- 10% deduction
- 20% deduction for digital investments

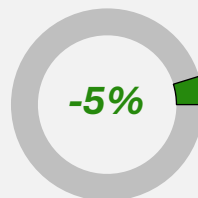
#### Basic



■ Investment costs

■ Net saving

#### Digital



■ Investment costs

■ Net saving



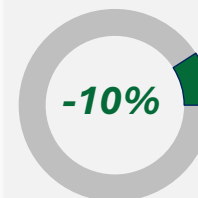
### Thematic Deduction

Deduction for investments mentioned in one of the 4 thematic investment lists

#### Benefit:

- 40% deduction for small enterprises
- 30%\* deduction for med/large enterprises

#### Small enterprises



■ Investment costs

■ Net saving

#### Medium & large enterprises



■ Investment costs

■ Net saving



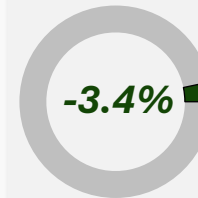
### Technology Deduction

Deduction for investments in patents or R&D

#### Benefit:

- 13.5% deduction for the one-shot application
- 20.5% deduction for the spread application

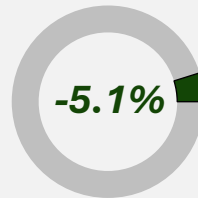
#### One-shot



■ Investment costs

■ Net saving

#### Spread



■ Investment costs

■ Net saving

# Thematic Deduction

Lists of eligible investment categories



## Energy efficiency and renewable energy “Energy List”

### Reduction of energy loss

- Energy loss in existing buildings (e.g. insulation)
- Energy loss in existing equipment (e.g. ovens and pipelines)
- Ventilation loss in existing buildings (e.g. automatic doors)

### Recovery of energy

- Recovery/storage of heat/cold in existing systems (e.g. Heat pumps or storage vessels)
- Recovery of energy from production processes (e.g. Expansion turbines or generators)

### Adaptation of equipment, installations and industrial processes

- Improve process energy efficiency by refining or replacing existing equipment
- Electrification of industrial processes to replace fossil fuels

### Flexibility – electrical and thermal storage

- Storage or measurement and control equipment

### Renewable energy

- Production of chemical, mechanical thermal or electric energy

### Additional Conditions:

- Energy audit/study needed
- Only for investment with RoI > 3 years
- Only for investments with IRR < 13%



## Zero-carbon transport “Mobility List”

### Railways transport

- Conversion from diesel to zero-carbon locomotive

### Road transport

- Conversion from logistic motorized vehicles to zero-carbon
- Purchase zero-carbon vehicles for transport of goods (except fossil fuels)

### Maritime and inland waterway transport

- Conversion of thermic, mechanic and electrical energy
- Purchase of zero-carbon sailing ships, sea vessels and barge

### Charging infrastructure

- Green hydrogen infrastructure for sea vessels
- Electricity infrastructure for zero-carbon transport (Cat 3, sea vessels and barge)

### Additional Conditions:

- Eligible amount limitation depending on category



## Environmentally friendly investments “Environmental List”

### Resources management

- Reduction of the use of resources, reduction of waste

### Climate

- Reduction of Greenhouse gas emissions
- Promoting adaptation

### Investments to promote the environment

- Chemicals in a circular economy

### Additional Conditions:

- Non-EU funded CCSU investments are capped at 33% of the eligible amount.



## Digital Systems supporting Investments of the other 3 thematic lists : “Digital List”

### Investment category groups:

- The fourth thematic deduction relates to digital fixed assets acquired to support the above-mentioned investments. A specific investment list has yet to be established. Further regulatory updates are expected to define the eligible digital assets.

### Additional Conditions:

- To be published

# Thematic Deduction

## Conditions & Attention points



### Thematic Deduction

Deduction for investments mentioned in one of the 4 thematic investment lists

#### Benefit:

- 40% deduction for small enterprises
- 30%\* deduction for med/large enterprises

### Conditions

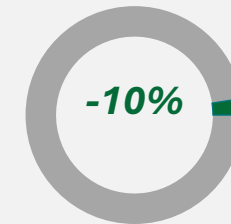
- **Not** allowed for **companies in difficulties** – Equity/issued capital ratio < 0.5 (Art. 69/1 §1<sup>er</sup>)
- **Not** applicable to investments for which **regional support** is requested (Art. 69/1)
- Investment needs to fit in one of the **eligible investment categories**:
  - Energy efficiency and renewable energy
  - Zero-carbon transport
  - Environmentally friendly investments
  - Digital investments to support the above

### Attention points

- Minimal investment is EUR 1,000
- Specific categories have a maximum eligible investment amount
- If the **sum** of the benefit of the requested **investment deduction** and the benefit of other requested **government support** for the investment exceeds **EUR 30M**, the request for investment deduction must be notified to the European Commission for **prior approval**.

### Estimated Savings

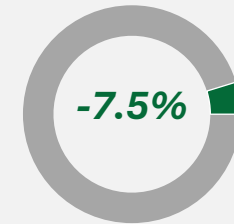
#### Small enterprises



■ Investment costs

■ Net saving

#### Medium & Large enterprises



■ Investment costs

■ Net saving

*Note: For selected categories, the benefit is limited*

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# Partial exemption of wage withholding tax



# Partial R&D Wage Tax Exemption for Researchers

R&D wage tax notification – ‘Revised’ framework

## Summary

### Art. 275/3, BITC

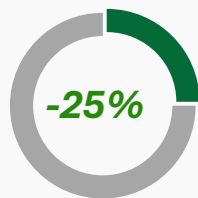
**80%** exemption of wage withholding tax

- R&D activities + qualifying diplomas
- Belspo notification required

• **Up to 25% reduction of salary cost!**

**80%** exemption of withholding tax also applicable to **bachelor’s degrees**, but this claim cannot exceed 25% of the total exemption of withholding tax for R&D activities claimed by the company for qualifying masters/PhD’s (or 50% for small companies according to art. 15 § 1 to 6 of the Companies Code).

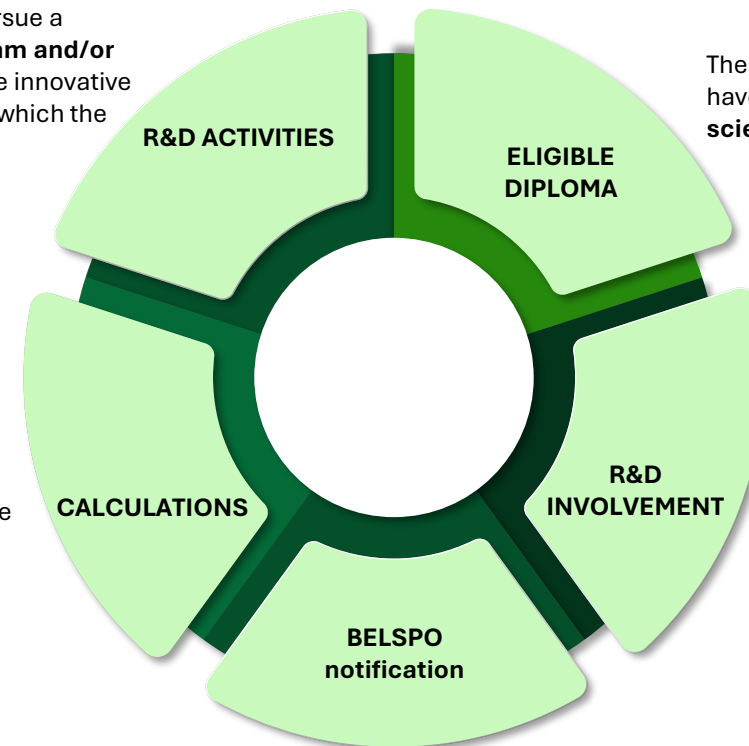
Can be combined with R&D Expatriates Tax Status.



■ Salary costs  
■ Net saving

The company must pursue a structured **R&D program and/or R&D project(s)** that are innovative for the entire sector in which the company operates.

The **employees** must have an eligible **scientific diploma**



The **calculation** of the exemptions must be accurate

The **employees** must be **involved** in the **R&D activities** of the company

The R&D program/project(s) must be **notified** to **BELSPO** before their commencement – the BELSPO notification must include meaningful titles, dates, and content elaborating on the Frascati criteria

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# Innovation Income Deduction



# Innovation Income Deduction (IID)

## Summary

### Art. 205/3bis, BITC, subsection III bis

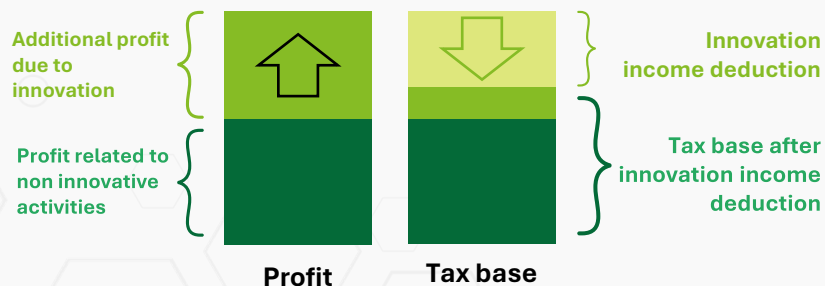
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IP rights, such as patents and software copyrights, or improvements of acquired protected technologies.

As from the filing of the IP right.

Possibility to obtain an advance tax ruling.

IID can be carried forward.



## Qualifying IP Rights

- Patents
- Supplementary Protection Certificates (SPC's)
- Plant Variety Rights (1)
- Orphan Drug (1),(2)
- Data or market exclusivity granted by a public body (3)
- Computer programs protected by copyright; upgraded software included (4)
  - (1) Filed as of 1 July 2016 or acquired after 30 June 2016
  - (2) Limited to the first 10 years of registration in the European Register of orphan drugs
  - (3) Granted after 30 June 2016
  - (4) R&D project or program as mentioned in article 275<sup>3</sup> BITC and no income generated before 1 July 2016

*Know-how, trade secrets, trademarks, tradenames, brands, designs and models are not qualifying IP rights*

## Qualifying IP Incomes

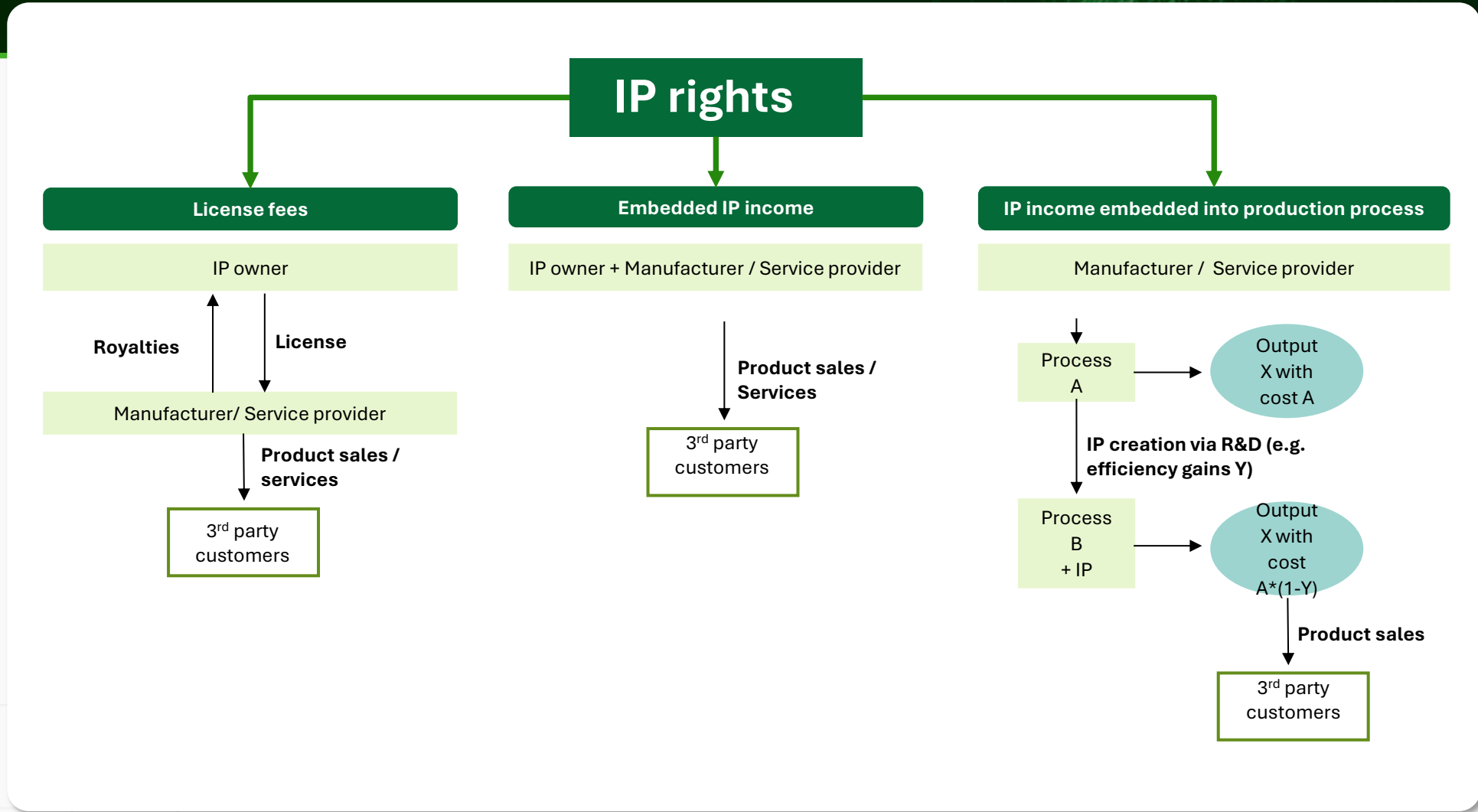
- License fees
- IP income embedded in sales product or services
- IP income embedded in production process
- Compensation for damages of IP rights infringements
- Capital gains (if certain conditions are met)

## Qualifying expenditures

- Research and development expenses directly related to intellectual property rights

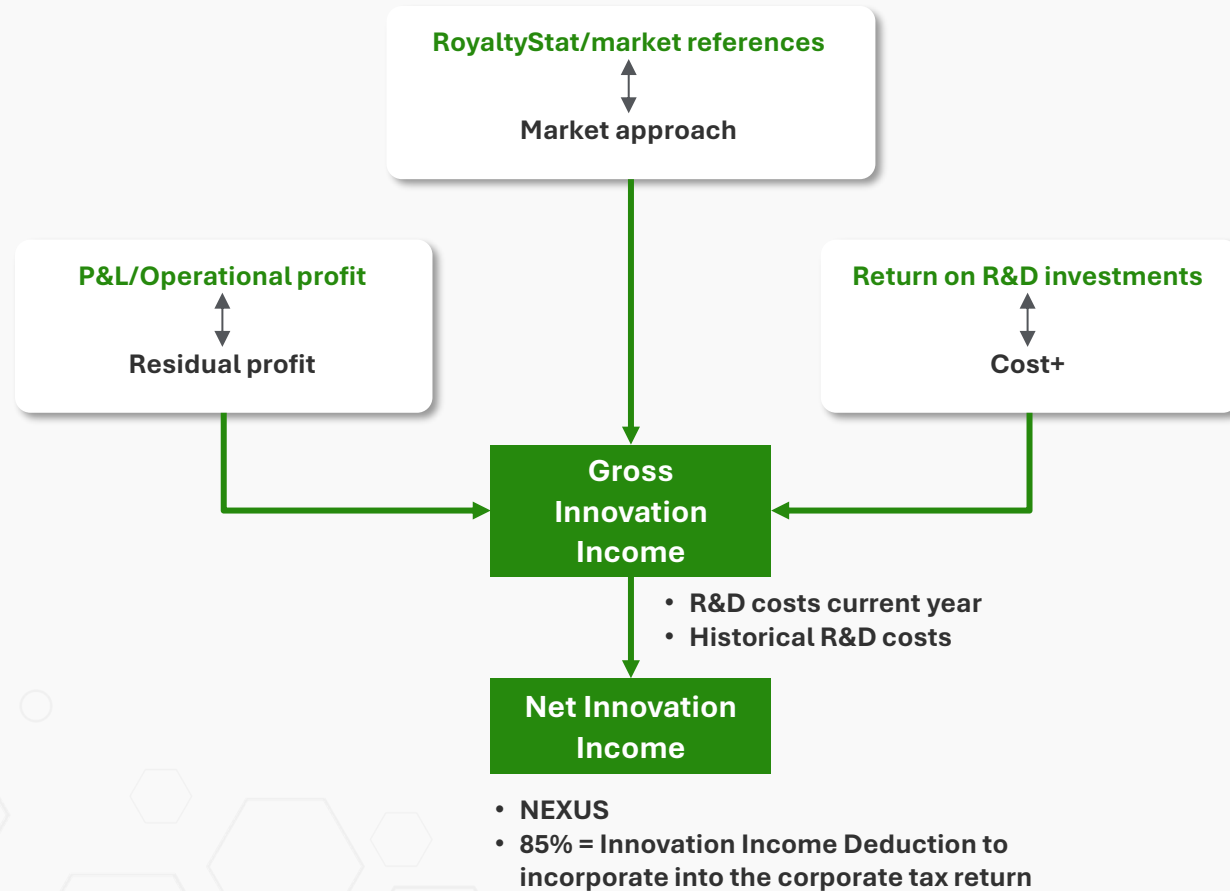
*Costs and deduction can be postponed*

# IID - IP rights and qualifying IP income



# IID Calculation example

## Overview



## High level calculation steps - example

<b>Sales</b>	<b>EUR 1,000,000</b>	<b>(1)</b>
<b>Innovation Percentage*</b>	<b>20%</b>	<b>(2)</b>
Gross Innovation Income	EUR 200,000	(3)
	$(3) = (1) * (2)$	
Qualifying expenditures	EUR 40,000	(4a)
Overall expenditures	EUR 60,000	(4b)
Net amount before Nexus	EUR 140,000	(5)
	$(5) = (3) - (4b)$	
<b>Nexus*</b>	<b>86.67%</b>	<b>(6)</b>
	$(6) = (4a) / (4b) * 1,3$	
<b>Net Amount</b>	<b>EUR 121,333</b>	<b>(7)</b>
	$(7) = ((3) - (4b)) * (6)$	
IID Rate	85%	(8)
Amount to deduct from taxable basis	EUR 103,133	(9)

# Innovation Income Deduction (“IID”)

## NEXUS

$$\text{Modified Nexus fraction} = \frac{\text{Qualifying expenditure (A+B+C)}}{\text{Overall expenditure (A+B+C+D+E)}} \times 1.3 \text{ (max.)}$$

**Qualifying expenditure** must **directly\*** relate to a qualifying IP right:

- (A) Expenses made by the taxpayer;
- (B) Expenses made by the taxpayer in the context of outsourcing to an unrelated party; and,
- (C) Expenses made by the taxpayer in the context of outsourcing to a related party, insofar as that related person outsources the R&D and invoices, without mark-up, his outsourcing cost to the taxpayer.

**Overall expenditure** comprises Qualifying expenditure **and**:

- (D) Expenses made by the taxpayer for acquiring the qualifying IP right (not included in (A));
- (E) Expenses made by the taxpayer in the context of outsourcing to a related party (except expenses listed under item C).

\*interest payments and costs related to real estate property excluded

## Nexus Calculation - example

Description	Amount	Cat.
Internal Wage R&D	2,000	A
Outsourcing unrelated	1,000	B
Outsourcing to related entity (without markup)	500	C
Acquisition of software source code	1,000	D
Outsourcing to related entity (with markup)	500	E
Qualifying expenditure (A+B+C)	3,500	QE
Overall expenditure (Q+D+E)	5,000	OE
Nexus fraction (QE/OE)	70%	N
<b>Modified Nexus fraction</b> (N x 1.3 (max 100%))	<b>91%</b>	

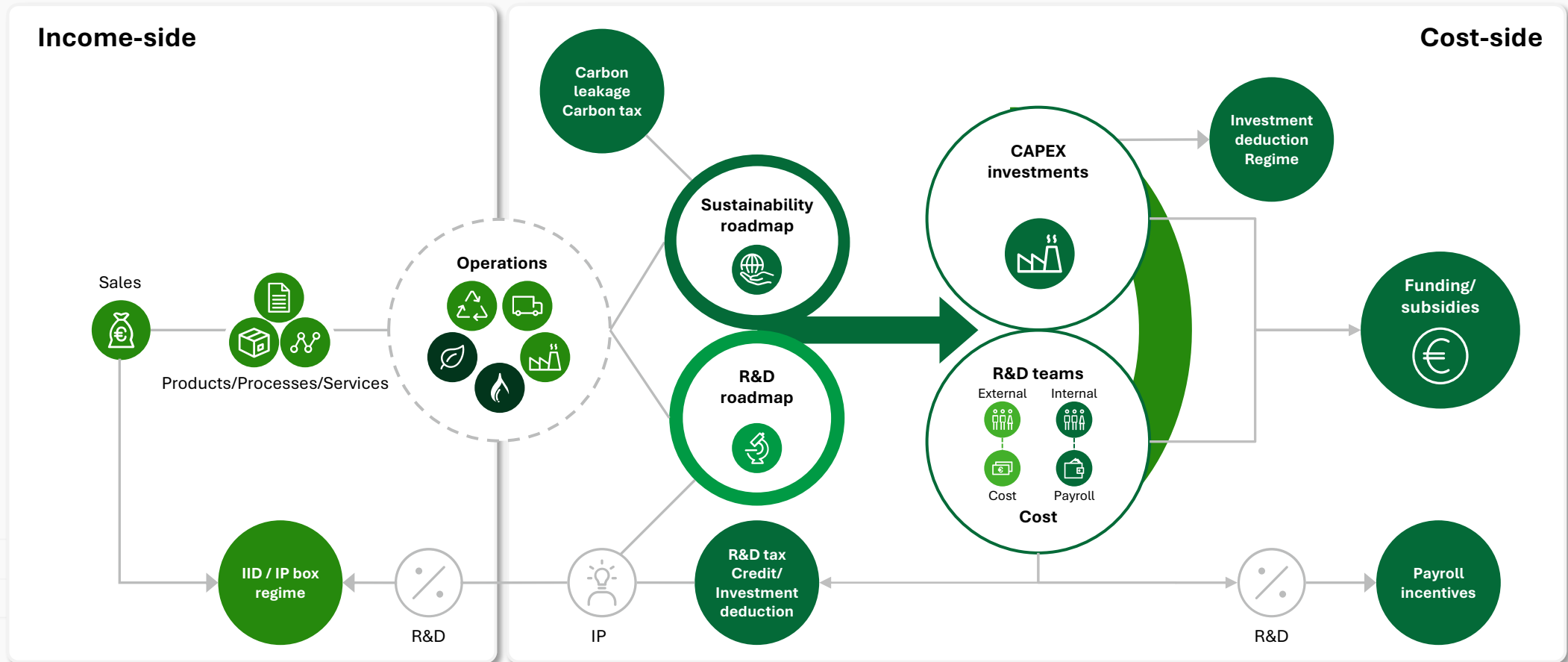
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# Summary



# Grants & Incentives landscape

Embedding Grants & Incentives as structural part of the strategic roadmap



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