

and

Running a Home Business in Belgium

As many know in the military community, our spouses and family members may want to or have run a small business from the home either in the states or other countries where you are stationed. For example, a home cleaning service, selling items on eBay for others. If you or your spouse is thinking of starting a home business here in Belgium there is some very important information that they need to be aware of. As anyone who has watched AFN for any length of time we have all heard about the status of forces agreement or SOFA. And those agreements cover Americans working for the government or government affiliates such as AAFES, who are overseas and in the SOFA's it tells us what we can and can't do in a foreign country.

There is no bi-lateral SOFA or supplemental agreement between the US and Belgium. Unlike those stationed in Germany. The applicable agreement used is the 1951 NATO SOFA. Article II of the NATO SOFA requires US personnel to respect host nation law. Article X, paragraph 2 of the NATO SOFA provides that any profitable enterprise will be subject to taxation in the receiving state. Article XI, paragraph 7 of the NATO SOFA establishes that no customs exemption will be granted for a commercial activity.

What all of that means to us is under Belgian law, US personnel cannot have both NATO SOFA status and be engaged in a commercial activity. US dependents engaging in a commercial activity lose their NATO SOFA status and are immediately treated as an ordinary resident in Belgium. Please note that you will still retain most of your privileges as they come from your sponsor. This distinction between having NATO SOFA status or being considered an ordinary Belgian resident applies regardless of the type of commercial activity you are involved in (i.e., self-employment or employment with a off-post non government affiliated company) or where the business takes place (in US owned/leased housing or in privately leased housing or building).

When considered as an ordinary resident in Belgium:

1. This subjects the home run business or employment wages to all tax, visa and work permit requirements under Belgian law.
2. You are not eligible to take a job with the U.S. Forces in Belgium. (i.e. AAFES, Commissary, USAG Benelux, etc)

If you or your spouse are thinking of starting a home business here in Belgium be sure and review the costs and benefits of running that business before starting it. Research the answers to the questions you have using the references below for specific questions and concerns.

References and useful links:

- a. American Chamber of Commerce in Belgium: www.amcham.be. This organization assists people starting a business activity in Belgium.
- b. Belgian VAT and Customs offices are located on SHAPE, Belgium: building 210.
- c. Visa, work permit issues: Northern Law Center host nation attorney can provide basic information concerning visa and work permit issues.

d. Forms and other information on working in Belgium contact the Belgian Foreign Affairs, Foreign Trade and Development Office at www.diplobel.be. Click on travel for forms and other useful documents.