



Laga Newsflash

The Fiscal Mediation Service's strengthened role

Role of the Fiscal Mediation Service

The Fiscal Mediation Service of the Federal Public Service Finances can intervene, upon a taxpayer's request, in case of an ongoing dispute between the taxpayer and the tax authorities. For example, when a taxpayer filed a claim against a tax assessment and the negotiations in the administrative phase show a continued discordance.

The Fiscal Mediation Service will try to find a possible compromise between the taxpayer and the tax authorities and will evaluate the arguments of both parties. Although the Fiscal Mediation Service does not guarantee a binding solution for the dispute, a compromised solution is found in 70% of the cases. Moreover, the mediation will result in a report in which the Fiscal Mediation Service expresses its own views on the dispute.

One of the current weak spots is that the Fiscal Mediation Service's competency is strictly limited to the administrative phase. A (negative) decision of the involved tax administration during the fiscal mediation ends the process and forces the taxpayer to initiate judicial proceedings.

A new law now remedies some of these flaws and strengthens the role of the Fiscal Mediation Service.

Suspensory effect of the mediation request

As of 1 September 2017, an admissible mediation request suspends the possibility for the involved tax administration to take a decision and unilaterally end the administrative phase.

In principle, the suspension for the tax administration to take a decision ends when the Fiscal Mediation Service finalised its proceedings and approved the fiscal mediation report. The suspension will in any case end nine months after the filing of the tax claim (or twelve months in case of an *ex officio* tax assessment).

Likewise, the possibility for the taxpayer to initiate court proceedings in the absence of an administrative decision after six (or nine) months is also suspended until the approval of the mediation report and with a maximum of ten (or thirteen) months after the filing of the tax claim.

If the fiscal mediation involves a dispute with the tax collector, the possibility to apply recovery measures is suspended for one month and all seizures take a conservatory nature.

Extended competencies

The Fiscal Mediation Service already has the competency to collect the necessary information, hear the parties involved and perform an on-site visitation. In order to be able to perform its role, the law now explicitly allows the presence of the Fiscal Mediation Service in meetings between the taxpayer and the tax administration.

Article 366 of the Income Tax Code stipulates that a tax claim filed directly with the Fiscal Mediation Service cannot be considered inadmissible. The Fiscal Mediation Service will however, only forward the claim to the competent tax administration.

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