

Personal Income Tax and Legal Entities Income Tax Capital Gains on Unlisted Financial Assets: Valuation as of 31 December 2025: Lessons from the Preparatory Works

The Act of 6 April 2026 introducing a tax on capital gains on financial assets was published in the Belgian Official Gazette on 21 April 2026. It sets out four methods for determining the historical value of unlisted financial assets as of 31 December 2025 (Article 102, §4, 2°, of the Belgian Income Tax Code 1992, "ITC 92"). This newsletter examines the clarifications provided by the preparatory works on the practical application of these four methods (DOC 56 1244/001, /004 and /007).

To Do: For valuations **as at 31 December 2025**, taxpayers holding unlisted financial assets will need to decide quickly whether to engage a registered auditor (or certified accountant) to obtain a report **by 31 December 2027**. **Failing** to obtain a report within the allotted time, they will in many cases only be able to rely on **the EBITDA method alone**, with the imperfections inherent to that valuation method.

IN SUMMARY: THE FOUR METHODS AT A GLANCE

For **unlisted** financial assets, the value as of 31 December 2025 may, at the taxpayer's choice, be established under one or more of the following four methods:

Method 1 – Value derived from a transfer between independent parties in 2025

Method 2 – Value resulting from a contractual valuation formula in force on 1 January 2026

Method 3 – Equity + 4 × EBITDA (based on the last financial year closed before 1 January 2026)

Method 4 – Valuation established by an independent registered auditor or certified accountant

METHOD 1 – TRANSFER BETWEEN INDEPENDENT PARTIES IN 2025

The value is determined on the basis of **transfers** between **fully independent parties**, on the incorporation of companies, or on the basis of **the last capital increase that took place between 1 January and 31 December 2025**.

Key points from the preparatory works:

- **2026 transfers excluded:** a transfer occurring in 2026, even if valued on the basis of the value as of 31 December 2025, cannot serve as a reference (confirmation by the Minister of Finance, DOC 56 1244/007, p.16).

- **Multiple capital increases:** if there were multiple capital increases in 2025, only the last capital increase that took place in 2025 may be used (clarification introduced by an amendment to the legal text); capital increases before or after 2025 are excluded.

METHOD 2 – CONTRACTUAL VALUATION FORMULA

The value results from the application of a valuation formula established **in a contract or in a contractual offer of a put option, in force on 1 January 2026**.

The preparatory works cite the example of stock option plans that provide for a valuation formula in the context of buy-back programs.

Key points from the preparatory works:

- **Any contract or offer in force on 1 January 2026** is covered, without requiring that the sale be effective on that date.
- **Non-binding offer letter:** such a letter may be used, but only if it can be characterized as a contract or a contractual offer on the basis of its wording. This is a **factual question** to be analyzed on a case-by-case basis (DOC 56 1244/007, p.16).

METHOD 3 – EBITDA FORMULA

The formula is as follows: $\text{Equity} + (\text{EBITDA} \times 4)$. It applies **exclusively** to the valuation of shares, units and similar financial instruments.

3.1 Calculation basis and non-calendar Financial Year

- The EBITDA and equity are those of the **last financial year closed before 1 January 2026**.
- For companies with a **non-calendar financial year** (e.g. closing on 30 June), the accounts closed on 30 June 2025 apply; **subsequent results** cannot be taken into account directly.

3.2 Clarifications by the Minister of Finance (DOC 56 1244/007, p.16)

- To take into account results achieved **since the last admissible closing date** (i.e. results for the period between 1 July and 31 December 2025 in the above scenario), the only option will be to resort to a valuation **under Method 4** (by a registered auditor or certified accountant).
- It is therefore clear that the EBITDA formula will not permit a lower result (**or even losses**) realized since the last admissible closing date to be reflected in the valuation of unlisted companies.
- **Foreign accounting standards** may be used to calculate the EBITDA.

3.3 Limited scope of this formula

The EBITDA formula is **exclusively** intended for the historical valuation as of 31 December 2025. It cannot be relied upon as a reference in other contexts, such as valuations for personal income tax, corporate income tax, gift and inheritance taxes (DOC 56 1244/007, p.15).

3.4 Economic Limitation: The Case of Holding Companies

The EBITDA formula may produce an **economically meaningless result** in the case of a holding company, since the financial data of the underlying subsidiaries are not taken into account. The Minister of Finance did not address this criticism during the preparatory works (DOC 56 1244/007, p.160).

METHOD 4 – VALUATION REPORT BY AN INDEPENDENT VALUATION EXPERT

This method may be used to:

- **replace the EBITDA method** if the taxpayer so chooses; or
- value a financial asset for which the **three preceding methods are inapplicable or irrelevant**.

4.1 Who may prepare the report?

Only an independent **registered auditor** (other than the statutory auditor) or a **certified accountant**. This choice is based on the fact that these professions are regulated by law and subject to a disciplinary regime (DOC 56 1244/004, pp.185-186).

4.2 Deadline for Preparation

The valuation report must be prepared no later than **31 December 2027** (an extension compared with the initial preliminary draft, which set the deadline at the end of 2026).

4.3 Practical Questions (DOC 56 1244/007)

Question	Answer from the Minister of Finance
What happens if different shareholders obtain divergent valuations ?	The tax authorities will not choose between multiple valuation reports (p.14).
Obligation for the valuation expert to retain the report and communicate it to the tax authorities?	No specific provision in the Act; the standard retention periods apply (p.14).
Risk of liability for the valuation expert?	A technical, non-tax question ; the Minister cannot answer it (p.15).
In which cases may the tax authorities challenge the valuation ?	Only in wholly exceptional situations , in particular where there are indications that the valuation does not reflect market value (p.38 and explanatory memorandum, p.52).

APPLICATION IN TIME OF THE FOUR METHODS

For **subsequent valuations**, for example where taxpayers take up residence in Belgium, or leave Belgium, after 1 January 2026, the rules are fundamentally different:

- The framework of the four methods described above **does not apply**.
- The acquisition value when a taxpayer immigrates may be established by **any means of proof** (with the exception of the oath), as confirmed by the Minister of Finance (DOC 56 1244/007, pp.44-45).
- The immigrating or emigrating taxpayer therefore has **considerably greater flexibility** than the taxpayer who must value their financial assets as of 31 December 2025 under the ordinary framework.

For valuations **as of 31 December 2025**, taxpayers holding unlisted financial assets will need to decide quickly whether to engage a registered auditor (or certified accountant) to obtain a report **by 31 December 2027**. **If they fail to obtain a report within the allotted time**, they will in many cases only be able to rely on **the EBITDA method alone**, with the imperfections inherent to that valuation method.

Contacts



+32 (0)2 891 80 55



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