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July 2026

International newsletter

Mercer's Global Mobility (GM) team offers integrated solutions to adress the legal aspects of international mobility.

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Immigration

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We help you manage compliance and risk across borders and jurisdictions, offering clear responses to guide companies in navigating a complex international environment

America

USA

OH-1B Cap Reached for Fiscal Year 2027: Essential Information for Employers and Foreign Nationals

U.S. Citizenship and Immigration Services (USCIS) has officially confirmed receipt of sufficient H-1B petitions to meet the fiscal year 2027 annual cap, encompassing both the 65,000 regular visas and the additional 20,000 reserved for beneficiaries with qualifying U.S. master's degrees or higher. This significant threshold has important implications for employers and foreign nationals seeking specialty occupation visa sponsorship.

Individuals whose electronic registrations were selected during the March H-1B lottery remain eligible to proceed with their visa petitions. Sponsoring employers or legal representatives must submit the complete H-1B petition within the applicable 90-day filing period to maintain eligibility. For those whose registrations were not selected during the lottery, alternative immigration strategies warrant careful consideration and evaluation.

For employers and foreign nationals who were not selected in this year's lottery, the conclusion of the FY 2027 cap season presents an opportunity to explore other employment-based immigration options. Depending on the individual's qualifications, employer sponsorship capacity, and long-term immigration goals, alternative visa categories such as EB-1, EB-2, EB-3, or O-1 visas may provide viable pathways to U.S. work authorization and permanent residence. Organizations should immediately begin evaluating alternative sponsorship strategies and consulting with immigration counsel regarding options for candidates not selected in the lottery.

DHS Final Rule Eliminates 'Duration of Status' for F, J, and I Visa Holders: Implications for International Students and Exchange Visitors

The U.S. Department of Homeland Security has finalized a significant rule that fundamentally changes how F-1, J-1, and I visa statuses are administered. The elimination of the 'duration of status' provision represents a major policy shift with wide-ranging implications for international students, exchange visitors, scholars, and their sponsoring institutions.

Previously, individuals in F-1, J-1, and I status were permitted to remain in the United States for the 'duration of status'—meaning as long as they maintained valid status for the purpose for which they were admitted. This provided flexibility for authorized presence periods. The new rule introduces stricter temporal limitations and more specific duration parameters for each category.

International students should carefully review the new requirements governing their authorized stay, including any changes to Optional Practical Training (OPT) periods, grace periods for departure, and conditions for maintaining lawful status. Educational institutions sponsoring international students must update their compliance procedures and advise students of the new requirements to prevent inadvertent violations of immigration law. Employers recruiting international talent from universities should coordinate with educational partners regarding student eligibility and post-graduation employment authorization options.

Public Charge Rule Changes: DHS Finalizes Revised Determinations Affecting Immigration Eligibility

The Department of Homeland Security has finalized revisions to the public charge rule, modifying how immigration officials determine whether individuals are likely to become public charges—a critical factor in evaluating applications for admission, adjustment of status, or other immigration benefits.

Public charge determinations have long been controversial and subject to frequent legal challenges. The revised rule adjusts which public benefits are considered in the analysis, modifies the income thresholds and household composition calculations, and clarifies evidentiary standards for demonstrating financial self-sufficiency.

These changes have direct implications for family-sponsored immigration cases, humanitarian-based petitions, and employment-based immigration where inadmissibility on public charge grounds might be raised. Prospective applicants and their legal representatives should conduct careful financial planning and documentation to demonstrate the absence of likelihood of becoming a public charge under the new standards. The revisions potentially affect visa interview procedures, visa fee calculations, and overall immigration eligibility for individuals with limited financial resources or those relying on public benefits.

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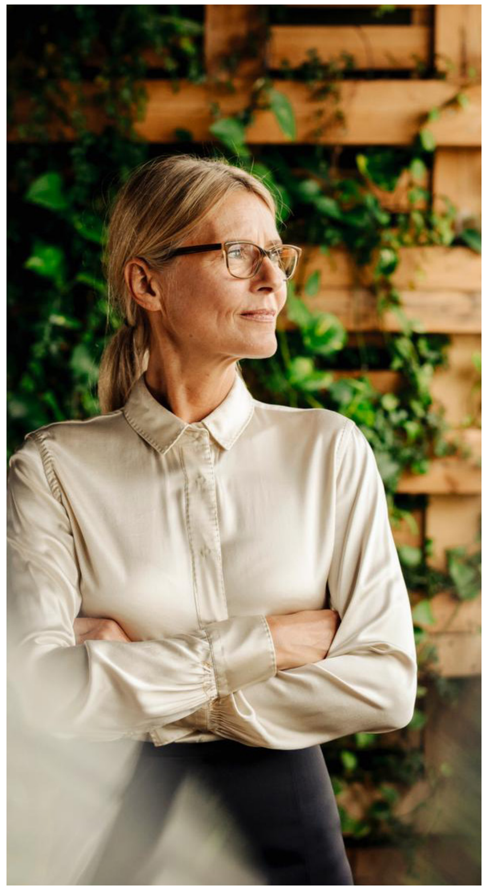

Coordination of home-host taxation and legal aspects across five continents

USMCA Joint Review Commences as Agreement Enters Annual Review Cycle; TN Visa Program Remains Intact

As the United States-Mexico-Canada Agreement (USMCA) enters its annual review cycle, the three signatory nations have begun the joint review process to assess the agreement's implementation and effectiveness. This review provides an opportunity to address emerging trade issues and discuss potential modifications to optimize the agreement's benefits for all parties.

Crucially, the annual review process has not affected the TN visa program—the temporary worker visa category established under USMCA's Chapter 16 (Temporary Entry for Business Persons). The TN classification continues to provide Canadian and Mexican citizens with a streamlined pathway to temporary employment in the United States for intra-company transferees, professionals, and specialized workers.

Employers utilizing the TN visa program should remain informed of any potential developments emerging from the USMCA review cycle, though current indications suggest the TN provisions will remain stable. The review may, however, lead to discussions around other trade-related matters affecting cross-border business operations. Organizations should monitor USMCA developments and ensure their TN sponsorship procedures align with any clarifications or modifications that emerge from the review process.

D.C. Circuit Court Allows DHS to Proceed with Expanded Expedited Removal Policy

The U.S. Court of Appeals for the D.C. Circuit has issued a ruling allowing the Department of Homeland Security to move forward with an expanded expedited removal policy. Expedited removal is an administrative procedure allowing DHS to remove certain aliens without a hearing before an immigration judge.

The court's decision was issued in response to legal challenges brought by immigration advocacy organizations arguing that the expanded policy violated statutory and constitutional protections. The D.C. Circuit's ruling reverses preliminary injunctions that had temporarily blocked implementation of the expanded policy.

The implications of this ruling affect asylum seekers, individuals without proper entry documentation, and anyone potentially subject to expedited removal procedures. Legal representatives should advise clients of the expanded reach of expedited removal and counsel on applicable rights and remedies, which remain limited in the expedited removal context compared to full immigration court proceedings. Organizations with international workforce mobility programs should ensure compliance procedures account for the expanded expedited removal authority.

Supreme Court Reaffirms Birthright Citizenship Protections; Executive Restrictions Struck Down

In a landmark decision, the U.S. Supreme Court has reaffirmed the constitutional protection of birthright citizenship for individuals born in the United States, striking down an executive order that had attempted to restrict this long-established right.

Birthright citizenship—the automatic grant of U.S. citizenship to individuals born within U.S. territory regardless of parental immigration status—is grounded in the Fourteenth Amendment to the Constitution. The Supreme Court's reaffirmation of this protection clarifies that birthright citizenship remains a fundamental constitutional right notwithstanding executive attempts to narrow its application.

This decision has significant implications for immigration enforcement, naturalization proceedings, and family immigration cases. Individuals born in the United States can be assured that their citizenship status cannot be revoked or questioned based on parental immigration status or other factors relating to how they were born. The decision strengthens protections for U.S.-born children of immigrant parents and provides clarity for family planning among international expatriate communities.

Supreme Court Upholds Government Authority to Detain and Parole Green Card Holders at Border

The U.S. Supreme Court has upheld the government's constitutional authority to detain and exercise parole discretion over lawful permanent residents (green card holders) at the border. The decision clarifies that even green card holders are not immune from examination and potential detention upon return to the United States.

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This ruling reinforces the government's plenary authority over border matters and confirms that green card holders, while in possession of significant immigration benefits, do not enjoy absolute freedom from border scrutiny and potential detention. The decision has implications for global mobility planning, particularly for green card holders who travel internationally and return to the U.S.

Lawful permanent residents should be aware that returning to the United States after international travel does not guarantee automatic re-entry even with a valid green card. In certain circumstances—such as suspected criminal activity, immigration fraud, or security concerns—border officials retain authority to detain returning green card holders for further examination or parole proceedings. Organizations managing globally mobile green card holders should communicate these risks to affected employees.

DHS Proposes Higher Naturalization Fees and Removal of Fee Waiver Programs for N-400 and N-336 Filings

The Department of Homeland Security has proposed significant increases to naturalization application fees and has announced the removal of fee waiver programs for N-400 (Application for Naturalization) and N-336 (Request for Hearing on Application/Petition) filings.

These proposed changes would substantially increase the financial barriers to naturalization—a major step in the immigration process for millions of lawful permanent residents. The removal of fee waiver provisions would eliminate an important mechanism through which low-income immigrants could afford to apply for U.S. citizenship.

Prospective naturalization applicants should monitor the final implementation date of these fee increases and consider filing applications before new fees take effect if circumstances permit. Employers with immigrant workforces should also be aware that higher naturalization costs may affect employee retention and long-term workforce planning, as citizenship acquisition becomes more expensive for immigrant workers. The proposed changes will likely generate significant public comment and may be subject to modification before final implementation.

Europe

VARIOUS JURISDICTIONS

EU Blue Card and Highly Qualified Professionals: New Salary Thresholds and Application Standards

The European Union has updated salary thresholds for the EU Blue Card visa and other highly qualified professional categories, establishing new minimum compensation requirements under applicable EU and member state legislation. These changes affect highly skilled migrant workers seeking employment in EU member states with updated salary and qualification standards, providing enhanced pathways for talented professionals.

The EU Blue Card program represents a critical tool for attracting and retaining highly skilled workers from third countries, particularly in sectors experiencing talent shortages such as information technology, engineering, healthcare, and advanced research. Updated salary thresholds reflect inflation adjustments and labor market developments across member states.

Prospective applicants and employers should consult current requirements in their target jurisdictions, as individual member states may maintain distinct salary threshold requirements within the EU framework. Organizations planning to sponsor highly skilled workers should factor updated salary requirements into compensation planning and talent acquisition strategies. The updated framework aims to enhance competitiveness in attracting global talent while maintaining labor market protections for EU workers.

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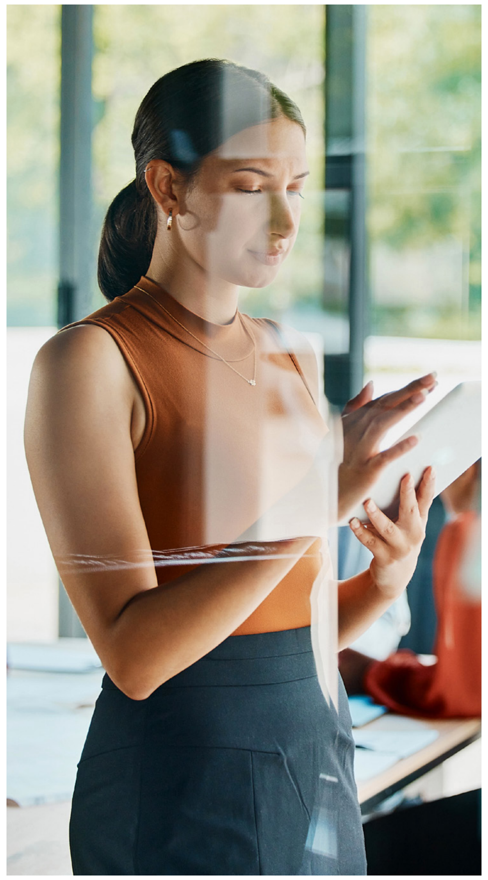

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Asia - Pacific

AUSTRALIA

Australia Visa Fee Increases: Effective July 1, 2026 - Planning for Immigration Costs

Australia has implemented visa fee increases effective July 1, 2026, affecting individuals and organizations planning immigration-related activities or visa sponsorships. The fee adjustments represent Australia's response to increased processing costs and demand management for visa applications.

These increases affect multiple visa categories including skilled migration visas, family-sponsored visas, and temporary work permits. Organizations should update cost models and budget forecasts to reflect the new fee structure to ensure accurate planning for Australian operations and workforce movements.

Key considerations for affected parties include: reviewing current visa applications to determine whether filing before the new fee structure might be beneficial, updating employee cost-sharing arrangements where applicable, revising global mobility budgets to account for higher visa processing costs, and communicating changes to affected visa applicants and employees. The Australian Department of Home Affairs has published detailed fee schedules on its website to assist organizations in financial planning.

JAPAN

Japan Residence Permit Fee Increases: Scheduled for October 2026 - Early Planning Recommended

Japan has announced residence permit fee increases that will take effect in October 2026. Foreign residents and employers sponsoring foreign workers should review current permits and consider timing of renewals and applications to manage costs and ensure compliance with new fee structures.

The Japanese immigration system requires periodic renewal and modification of residence status, and fee increases will affect both individual applicants and corporate sponsors. The advance notice allows organizations time to plan for increased compliance costs and update budgeting for Japanese expatriate assignments.
Organizations with Japanese operations should: conduct an inventory of all sponsored foreign workers and their visa renewal timelines, evaluate whether accelerated renewals before October 2026 would be cost-beneficial, update standard relocation packages and benefit policies to reflect new visa costs, and communicate anticipated changes to affected employees. Early planning enables smoother transitions and prevents budget surprises in H3 2026.

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Labour

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Europe

BELGIUM

Belgium Employment Law: Key Changes to Flexi-Job Scheme for 2026

Belgium has implemented key changes to the flexi-job employment scheme, affecting how employees can engage in flexible work arrangements and how employers must manage compensation. The flexi-job scheme is a significant employment instrument in Belgium, allowing workers to take on additional flexible work outside their primary employment.

The 2026 modifications address compensation rates, eligibility criteria, tax treatment, and reporting requirements. These changes affect both employers and employees engaged in flexi-job arrangements, requiring administrative adjustments and compliance updates.

Employers utilizing the flexi-job scheme should immediately review current arrangements, update compensation policies to reflect new rates and rules, ensure payroll systems accurately implement revised tax treatment, and train HR personnel on compliance requirements. Employees should understand how changes affect their compensation and tax obligations when engaging in flexi-job work.

Belgium: Entry into Force of New Notice Period Rules—Key Takeaways for Employers

Belgium has implemented new notice period rules affecting employment terminations and worker protections. The rules modify how notice periods are calculated, what events trigger notice obligations, and associated worker protections during notice periods.

The new rules create a more protective framework for workers while establishing clearer obligations for employers. Organizations must understand the revised notice period calculations to ensure compliance with termination procedures and worker communication requirements.

Employers should: update termination procedures to reflect new notice period requirements, train HR personnel on calculation methodologies, review employment contracts to ensure alignment with new rules, and implement systems for tracking notice period compliance. The changes may affect severance calculations and employment termination timelines.

Belgium Corporate Immigration: Year-End Review of Significant Trends and Developments

Belgium has experienced significant corporate immigration developments throughout H1 2026, reflecting evolving labor market demands, regulatory changes, and European mobility patterns. A comprehensive review of trends reveals changing sponsorship patterns, new regulatory requirements for employers, and shifting labor supply dynamics in the Belgian employment market.

Key trends include: increased demand for skilled workers in technology and healthcare sectors, enhanced employer compliance requirements for sponsored workers, new data reporting obligations for immigration sponsorship, and changing requirements for work permit applications and renewals.

Organizations operating in Belgium should conduct comprehensive reviews of their immigration sponsorship practices, ensure compliance with enhanced employer obligations, engage Belgian immigration counsel regarding regulatory developments, and monitor labor market trends to inform talent acquisition strategies. The year-end review period provides an opportunity to assess H1 2026 developments and plan H2 2026 immigration strategies.

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GREECE

Greece Implements EU Pay Transparency Directive with Operational Requirements Commencing July 2026

Greece has transposed the EU Pay Transparency Directive (Directive EU 2023/970) into national law, with the legal framework taking effect on July 6, 2026. While the law entered force immediately, most operational obligations—including pay information rights for job candidates, recruitment transparency requirements, and gender pay gap reporting—commence July 6, 2026.

Employers in Greece must now: provide pay information to job candidates (when requested), establish transparent pay structures, conduct gender pay gap analyses, and report pay transparency data to regulatory authorities. The directive aims to strengthen equal pay between men and women through enhanced transparency and information sharing.

Greek employers should immediately conduct pay equity audits to identify and address any gender-based pay gaps, develop transparent pay-setting methodologies, train HR teams on new disclosure obligations, and establish communication protocols for providing pay information to candidates.

The implementation creates an ongoing compliance obligation requiring systematic data collection and analysis of compensation practices across the organization.

ROMANIA

Romania Implements EU Pay Transparency Directive Through Accelerated Legislative Process

Romanian legislation implementing the EU Pay Transparency Directive has been placed on an accelerated legislative process to meet EU implementation timelines. The legislation addresses pay transparency obligations, recruitment information requirements, and gender pay gap reporting.

Romania is one of the final EU member states to formally implement the directive, and the accelerated process ensures the country meets EU deadlines while providing employers time to prepare for new compliance requirements.

The legislation includes provisions requiring employers to provide pay information upon request, implement transparent pay-setting methods, and conduct periodic gender pay gap analyses.

Romanian employers must expeditiously review compensation practices, audit current pay structures for gender-based disparities, and prepare systems for transparent pay information disclosure. The accelerated implementation timeline necessitates rapid HR and payroll system adjustments to ensure full compliance with the directive's requirements by the stated effective date.

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SPAIN

Spain's Sustainable Mobility Law: Comprehensive Corporate Compliance and Workforce Relocation Planning

Spain's new Sustainable Mobility Law (Ley 9/2025, de 3 de diciembre) establishes a comprehensive regulatory framework requiring organizations to foster more sustainable transportation and commuting systems, reduce greenhouse gas emissions, minimize air pollutants, and improve overall air quality across Spanish territory.

Under this law, companies operating in Spain—particularly those with significant workforces in Madrid, Barcelona, and other metropolitan areas—must now develop formal Sustainable Mobility Plans. This mandate creates an immediate and ongoing compliance requirement for multinational corporations with Spanish operations.

Key compliance activities include: conducting detailed employee mobility surveys to understand commuting patterns and transportation preferences, analyzing carbon footprint data associated with daily workplace mobility, identifying opportunities for emissions reduction through flexible work policies, telecommuting arrangements, and transportation incentives, and documenting all compliance efforts for regulatory authorities. Organizations should coordinate with both Human Resources and Climate/Sustainability teams to ensure integrated compliance approaches. Failure to implement required sustainability measures may result in regulatory penalties and reputational consequences.

Spain's National Court Annuls AEPD Biometric Guidance: Data Privacy Implications for Employee Timekeeping Systems

The Spanish National Court (Audiencia Nacional) has annulled official guidance issued by the Spanish Data Protection Authority (AEPD) regarding the use of biometric systems for employee timekeeping purposes. This judgment (SAN 2870/2026, issued June 30, 2026) represents a significant development in Spanish data privacy jurisprudence.

The decision creates legal uncertainty regarding the permissibility and compliance framework for biometric employee monitoring systems in Spain. It does not automatically prohibit biometric timekeeping but shifts the burden to employers to ensure compliance with foundational data protection principles under Spanish and EU law.

Organizations currently using biometric timekeeping should take immediate action: conduct comprehensive data protection impact assessments (DPIAs) specific to their biometric systems, consult with legal and HR teams to review current biometric timekeeping arrangements, document the legitimate business purpose and proportionality of any biometric processing, and potentially transition to alternative timekeeping methods while awaiting legal clarification. The ruling underscores the importance of consent management and privacy-by-design principles in employment technology deployments.

ESRS and NEIS Sustainability Reporting: First Application Experiences and Implementation Challenges

Spain's accounting and audit community is now evaluating the first-wave applications of the European Sustainability Reporting Standards (ESRS) and the Corporate Sustainability Reporting Directive (CSRD). The ICAC (Spanish Accounting and Auditing Institute) and ASEPUC have jointly analyzed initial sustainability disclosure documents prepared under these new mandatory frameworks.

These standards represent a paradigm shift from voluntary sustainability reporting to mandatory, standardized disclosure requirements. Early experiences highlight several key lessons: the importance of robust data governance for sustainability metrics, the necessity for cross-functional collaboration between sustainability, finance, and reporting teams, the significance of materiality assessments conducted with stakeholder input, and the substantial technical infrastructure required for compliance.

Organizations should begin sustainability reporting readiness activities immediately, particularly those in-scope for CSRD compliance. Early adoption and pilot programs help build organizational capacity before mandatory compliance deadlines. The ICAC and ASEPUC analysis provides valuable benchmarking data and lessons learned to guide implementation efforts across Spain and the broader EU.

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VARIOUS JURISDICTIONS

European Employment Law Updates: Multi-Jurisdictional Developments (Taiwan, UK, Ireland, EU)

The Q2-Q3 2026 period witnessed significant employment and labor law developments across multiple jurisdictions both within and adjacent to Europe. Key developments include: Taiwan revising guidelines for preventing workplace harm and establishing enhanced protections against harassment and occupational injuries; the United Kingdom consulting on substantial equal pay reforms that could reshape pay equity frameworks; and Ireland approving the drafting of legislation providing paid pregnancy loss leave—a pioneering measure addressing reproductive health in the workplace.

These concurrent legislative initiatives reflect a broader regional trend toward enhanced employee protections, particularly in areas of workplace safety, pay equity, and family/reproductive rights. Multinational organizations must maintain active awareness of these jurisdictional developments and assess potential cascading effects on group employment policies and practices.

Organizations should: establish dedicated mechanisms for monitoring employment law changes across key operating jurisdictions, conduct periodic compliance audits of group employment policies against new requirements, engage local HR and legal teams to advise on necessary policy amendments, and ensure consistency across jurisdictions where feasible while respecting local mandates. These developments may necessitate updates to grievance procedures, equal pay audits, and family leave policies across multiple territories.

EU Regulation on Packaging and Packaging Waste: Comprehensive New Framework Effective August 12, 2026

The EU Regulation on packaging and packaging waste (EU 2025/40) introduces a new European regulatory framework for packaging and packaging waste management, effective August 12, 2026. The regulation replaces the previous Packaging and Packaging Waste Directive and establishes new requirements for manufacturers, importers, and distributors.

The comprehensive regulation addresses product design, material composition, labeling, waste management, and extended producer responsibility. Organizations must assess current packaging practices, products, and supply chains to identify compliance gaps and implement necessary modifications.

Key compliance activities include: conducting packaging audits across all product lines, reviewing material composition to ensure alignment with new requirements, updating labeling and documentation, implementing waste management procedures, and engaging with regulatory authorities on extended producer responsibility obligations. The August 2026 effective date provides limited time for implementation, requiring immediate action by affected organizations.

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Tax

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America

COLOMBIA

Colombia Competitive Advantage: Tax Incentives and Regional Economic Development

Colombia continues to develop tax incentives and economic incentive programs designed to enhance regional competitiveness and attract foreign investment. These programs address research and development activities, manufacturing sectors, and emerging industry development.

Organizations considering Colombia-based operations or investments should evaluate applicable tax incentive programs that may reduce effective tax rates and enhance return on investment. Key programs address innovation activities, manufacturing development, and employment creation in designated regions.

Foreign investors and multinational organizations should consult with Colombian tax professionals to understand: applicable incentive programs for proposed activities, eligibility requirements and compliance obligations, documentation and certification processes, and integration of incentives into broader tax planning strategies. The Colombian government actively promotes competitive tax treatment to attract and retain foreign investment.

VARIOUS JURISDICTIONS

July 2026 Payroll and Tax Compliance: Global Updates and Regional Considerations

July 2026 brings multiple payroll and tax compliance updates affecting organizations with Americas-based operations. These updates address wage and hour requirements, tax withholding obligations, reporting deadlines, and compliance certification requirements across multiple jurisdictions.

Key updates include: revised payroll tax withholding rates, updated wage and hour requirements in multiple states and jurisdictions, new reporting obligations for international contractors, and enhanced compliance documentation requirements. Organizations must ensure payroll systems and procedures reflect these updates to prevent non-compliance penalties.

Americans-based organizations should: conduct payroll system audits to identify necessary configuration changes, update tax tables and withholding calculations, review contractor and employee classification practices for compliance, communicate payroll changes to employees and contractors, and engage payroll and tax professionals to ensure comprehensive compliance with all requirements. The mid-year timing of these updates requires immediate implementation to ensure proper payroll processing for remainder of 2026.

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Asia

AUSTRIA

Austria Package Tax: Compliance Requirements for Online Retailers and Logistics Service Providers

Austria is implementing a new Package Tax (Paketsteuer) targeting parcels delivered to customers within Austrian territory. This new tax represents an additional layer of complexity in Austria’s already intricate tax landscape and has direct implications for organizations with e-commerce operations or those utilizing Austrian distribution networks.

The tax structure imposes obligations on logistics operators, online retailers, and third-party logistics providers to track, report, and remit tax obligations related to parcel deliveries. Organizations with Austrian operations or those utilizing Austrian distribution hubs must conduct a comprehensive tax impact assessment.

Recommended actions include: engaging Austrian tax specialists to determine applicability and compliance status, reviewing logistics and supply chain agreements to clarify tax responsibility allocation between parties, implementing systems for tracking and reporting parcel movements, assessing pricing strategies to account for the new tax liability, and ensuring adequate provisions for tax compliance costs. The new tax may require pricing adjustments for products delivered to Austria.

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UAE

UAE eInvoicing Mandate: Implementation Requirements for Businesses Operating in United Arab Emirates

The United Arab Emirates has implemented an eInvoicing mandate requiring organizations to issue electronic invoices meeting specified technical and content requirements. This requirement affects all businesses issuing invoices to customers in the UAE and represents a significant change to invoicing and accounting procedures.

The eInvoicing framework establishes technical standards for invoice format, data elements, security requirements, and transmission specifications. Organizations must update invoicing systems to generate compliant electronic invoices and may require implementation of new technical infrastructure.

Organizations operating in the UAE should: assess current invoicing systems for eInvoicing compliance, evaluate necessary technical modifications or system upgrades, engage UAE tax and IT professionals regarding implementation requirements, train accounting and finance teams on new procedures, and ensure customer communication regarding transition to eInvoicing. The mandate creates new compliance obligations with potential penalties for non-compliance.

Europe

BELGIUM

Belgium Tax: Copyright Income Back on the Radar—Tax Changes as from 2026

Copyright income taxation in Belgium has undergone significant changes as from 2026, with implications for self-employed professionals, creative workers, and organizations licensing intellectual property. The tax changes address the definition of copyright income, eligible deductions, withholding obligations, and reporting requirements.

Self-employed professionals and creative workers with copyright income should review how the changes affect their tax obligations and available deductions. Organizations paying copyright royalties must understand updated withholding and reporting requirements to ensure compliance.

Key considerations include: determining whether income qualifies as copyright income under new definitions, identifying available deductions and professional expenses, understanding withholding tax obligations on copyright royalties, and ensuring compliance with new reporting requirements. Professionals should consult Belgian tax advisors regarding the impact on their personal tax planning and liability.

Belgium Pay Transparency Directive: Beyond Reporting—Substantive Implementation Considerations

The EU Pay Transparency Directive in Belgium requires not just reporting of pay data but substantive implementation of transparency principles affecting recruitment, compensation structures, and employee rights. The directive creates obligations for employers to provide pay information to employees and job candidates, establish transparent pay-setting methodologies, and conduct gender pay gap analyses.

Beyond the administrative reporting aspects of the directive, substantive implementation requires fundamental changes to how organizations approach compensation management.

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Employers must establish and document pay-setting processes, ensure pay equity principles guide compensation decisions, and create mechanisms for transparent pay communication.

Employers should: conduct comprehensive pay equity audits, establish transparent compensation frameworks and documentation procedures, develop policies for providing pay information, implement training for managers on pay transparency obligations, and establish grievance mechanisms for pay-related disputes. The substantive requirements create organizational governance obligations beyond simple data reporting.

Belgium Capital Gains Tax Considerations Upon Relocation Outside Belgium

The Belgian capital gains tax framework creates important considerations for individuals relocating outside Belgium, with implications for taxation of asset dispositions and timing of expatriation. Key considerations include: the sourcing of capital gains under Belgian tax law, the treatment of gains realized before versus after relocation, the impact of tax residency status on capital gains taxation, and available election and planning opportunities.

Individuals planning to relocate outside Belgium should consult Belgian tax professionals regarding: the timing of asset sales relative to relocation dates, the impact of Belgian tax residency status on capital gains treatment, available tax planning strategies to minimize capital gains exposure, and reporting obligations in both Belgium and destination jurisdictions.

The Belgian capital gains tax treatment can significantly impact the financial results of expatriation and asset disposition planning. Early consultation with Belgian tax advisors enables optimization of capital gains taxation in the relocation context.

Belgium Personal Income Tax Reform: 2026 Updates and Planning Implications

Belgium has implemented personal income tax reforms effective 2026, affecting tax brackets, rates, deductions, and allowances for Belgian residents. The reforms address the overall tax burden on individuals, introduce new deductions or eliminate existing ones, and modify credit provisions.

Belgian residents and expatriates should understand how the reforms affect their personal tax liability. Key areas to evaluate include: revised tax brackets and applicable rates, new or modified deductions and allowances, changes to tax credits and withholding procedures, and impact on retirement income taxation.

Individuals should: conduct personal tax planning to optimize tax position under new rates and deductions, review prior-year tax positions for potential refund opportunities, evaluate retirement income planning implications, and adjust withholding instructions with employers if necessary. The reforms may create planning opportunities through timing of income and deductions.

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