



2021: enter into force of the WLTP standard!

As you know, as of 1 January 2021, the New World Wide Harmonized Light Vehicle Test Procedure (WLTP) standard will replace the NEDC standard currently in force concerning the taxation of company cars, and more specifically, the amount of the benefit in kind. The benefit in kind of all employees who received a new company car in 2020 will be thus reassessed accordingly as of next January.

The benefit in kind for company cars will continue to be determined by reference to the vehicle engine and the rate of CO₂ emissions. However, a same vehicle will be subject to a different tax treatment **depending on its registration date!** It is therefore vital to distinguish between the following different cases:

1. **Contracts that already exist or were signed up to 31 December 2019** with placement of the vehicle in circulation in 2020 will continue to be taxed on the basis of NEDC values for the entire term of the lease agreement.
2. For **vehicles ordered and registered in 2020, the benefit in kind will be calculated with NEDC values in 2020 and with WLTP values as of 2021.**
3. The benefit in kind will be calculated on the basis of WLTP values for all **vehicles registered as 1 January 2021.**
4. If a **leasing contract signed after 31/12/2016 is extended beyond 31/12/2020**, then **the benefit in kind considered will be based on WLTP standards for the remaining months from 1 January 2021.** This applies provided that the WLTP value is indicated on the certificate of conformity (COC).

Changement	Situation	Effective from	Vehicles concerned	Standards used
Benefit-in-kind (BIK)	1	01/01/2020	Orders 2019 / Registration number 2020	NEDC until the end of the initial contract
	2	01/01/2020	Orders 2020 / Registration number 2020	NEDC in 2020 / WLTP in 2021 *
	3	01/01/2021	All new registrations number	WLTP
	4	01/01/2021	Contract signed from 01/01/2017 with extension of the initial term after 31/12/2020	WLTP over the extended period (if registered on the COC) *

* In these situations, the employer must be particularly vigilant and act since the amount of the benefit in kind has potential to be modified on the basis of the new WLTP standard.

Reminder: Flat rate assessment of the benefit-in-kind

The amount of the benefit in kind is calculated on the basis of the value of the **new car** (inclusive of options and VAT, minus discounts) multiplied by a percentage which varies between 0.5 and 1.8%. This percentage is determined on the basis of the CO2 emission and engine capacity rates (see table below).

The calculation must always be based on the price of the new car. **No rebate is provided by law** when taking over a leasing scheme that already exists.

CO2 emission category	Petrol (only or hybrid) or natural gas or compressed natural gas (CNG)	Diesel (only or hybrid)	100% electric or hydrogen-powered
0 g/km	-	-	0.50%
> 0-50 g/km	0.80%	1%	-
> 50-110g/km	1%	1.20%	-
> 110-150 g/km	1.30%	1.50%	-
> 150 g/km	1.70%	1.80%	-



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