

<b>Scenario 1: taxable basis is higher than the "minimum floor"</b>	
<b>Assumptions</b>	
Accounting profit before taxes	€ 100
Turnover stemming from diamond trading	€ 10,000
The "minimum floor" of 0.65% on turnover applies (i.e. accounting year 2016, tax year 2017)	€ 65
Total amount of (regular) disallowed expenses (e.g. non-deductible car expenses, restaurant expenses, etc.)	€ 15
Purchase of diamonds	€ 9,900
<b>Corporate Income Tax</b>	
Net accounting profit (incl. all professional expenses)	€ 100
Comparison between the actual gross margin realized vs. the lump sum gross margin of 2.1% on turnover	€ 100 [i.e. € 10,000 – € 9,900] % € 210 [i.e. 2.1% on a turnover of € 10,000]
Considering that the lump sum gross margin of 2.1% has not been reached, the company will have to record an additional disallowed expense in its corporate income tax return	+ € 110 [i.e. € 210 – € 100]
The previously calculated disallowed expenses	€ 15
Taxable result under the Diamond Regime	€ 100 + € 110 + € 15 = € 225 (x 33.99%)

<b>Scenario 2: taxable basis remains below the "minimum floor"</b>	
<b>Assumptions</b>	
Accounting profit before taxes	€ 100
Turnover stemming from diamond trading	€ 10,000
The "minimum floor" of 0.65% on turnover applies (i.e. accounting year 2016, tax year 2017)	€ 65
Total amount of (regular) disallowed expenses (e.g. non-deductible car expenses, restaurant expenses, etc.)	€ 15
Purchase of diamonds	€ 9,700
<b>Corporate Income Tax</b>	
Net accounting profit (incl. all professional expenses)	€ 100
Comparison between the actual gross margin realized vs. the lump sum gross margin of 2.1% on turnover	€ 300 [i.e. € 10,000 – € 9,700] % € 210 [i.e. 2.1% on a turnover of € 10,000]
The amount exceeding the lump sum gross margin of 2.1% on turnover can be deducted from an income tax perspective through an increase of the opening balance of the taxed reserves in the corporate income tax return	-€ 90 [i.e. € 210 – € 300]
The previously calculated disallowed expenses	€ 15
Taxable result under the Diamond Regime	€ 25 [€ 100 - € 90 + € 15]
<i>however</i>	
"Minimum floor" of 0.65% on turnover amounting to € 10,000	€ 65 (x 33.99%)