



INCO FORUM

Netherlands
MEANS BUSINESS

HOW TO INCORPORATE A COMPANY IN NETHERLANDS

Formation
Requirements
Guide



INCORPORATION
PROCESS



IMPORTANT
EVENTS



FACTS &
FIGURES



FAQs

Wherever I pay my tax, that's my home.

The Netherlands may be a small country, but it offers a great many advantages to entrepreneurs with international ambitions. The Netherlands is the most strategic location to enter the European markets, has a good business climate and excellent possibilities from a tax perspective. The head office of the INCO Business Group is located in the Netherlands. From here, we can register your Dutch business in any member state of the EU. And with the help of our worldwide offices, we can help you set up local companies in, for example, Belgium, Germany, Spain and in the Middle East (Dubai, Bahrain, etc).

Why should you incorporate your company in Netherlands ?



Strategic location
(ideal gateway to Europe)



An attractive quality of life



Competitive
fiscal climate



Tax Incentives
for finance activities



International business environment
and unrivalled professional infrastructure





Did you know?



Netherlands has only 20% corporate tax, which is more than 10% lower than Belgium, Germany and France



Netherlands is reducing its corporate income tax to 16% by 2019



Netherlands will abolish its withholding tax on dividends (15%) by 2019



The most popular legal entity is the Private Limited Company (BV) and it requires only € 1 share capital



Netherlands offers a Tax Free Investment Holding, for passive investment activities



Setting up a public 'Investment Fund' can be done in 6-8 weeks, at the most competitive prices in the world! When dealing with professional investors, no license is required.



Formation in The Netherlands can be done SAME DAY, including the instant opening of a bank account



We have set up more than 1000 companies and you can ask INCO Business Group for references in over 52 countries!

Facts

The Dutch Private Limited Company ('B.V.')

General	
Basis of Legal System	Civil Law
Type of Company	B.V. (Besloten Vennootschap ; Private Limited Company)
Exchange Controls	None
Redomiciliation Permitted	Yes
Shelf Companies Available	No, 'same day' formation is possible
Timescale for new entities	In average 3-5 days
Formation Fee	€ 1.000 incl. notary charges, etc. + Business License
Note : Non-Resident Fee of € 500 can be applicable, which includes remote formation and/or translation and/or compliance check.	
Corporate & Taxes	
Minimum Share Capital	€ 1
Minimum Shareholders	1, can be corporate and non-resident
Minimum Directors	1, can be corporate and non-resident
Bearer Shares	No, but possible when using the Dutch NV (Public Limited Company)
Withholding Tax Dividends/ Royalties/Interest	15%/0%/0%, WHT on dividends can be reduced by application of Tax Treaty
Incoming Dividends	Not taxable, if ownership is > 5%
VAT Number	Within 1-3 weeks

Public Filings

Directors	Yes
Shareholders	Only in case of a sole shareholder
Beneficial Owners	No
Issued/Paid up Share Capital	Yes/Yes
Memorandum and Articles of Association	Yes

Annual Filing Requirements

Audited Financial Statements	Yes
Annual Filing to Tax Authorities	Yes
Issued Share Capital	No

The Dutch Foundation ('Stichting')

General

Basis of Legal System	Civil Law
Type of Company	Foundation ('Stichting'); self-owning entity
Exchange Controls	None
Redomiciliation Permitted	Yes
Shelf Companies Available	No, 'same day' formation is possible
Timescale for new entities	In average 3-5 days
Formation Fee	€ 1.800 (incl. notary charges, etc.)

Corporate & Taxes

Minimum Share Capital	Not applicable. No shares are issued.
Minimum Shareholders	Not applicable, however 'depository receipts' can be issued to 'economic owners'
Minimum Directors	1, can be corporate and non-resident
Taxes	The Foundation is not liable for any taxes, as long as the commercial profits are less than € 15.000
Allowed Activities	All activities are allowed, even commercial activities. However only the passive investment activities are considered tax free, which includes holding assets as shares/real estate, etc
VAT Number	Applicable in case of commercial activities only

Public Filings

Directors	Yes
Shareholders	Not relevant. 'Depository Receipt' - holders will also not be public
Beneficial Owners	No
Issued/Paid up Share Capital	Not relevant
Memorandum and Articles of Association	Yes, but By-Laws can remain private

Annual Filing Requirements

Audited Financial Statements	No, unless commercial activities
Annual Filing to Tax Authorities	No, unless commercial activities'
Issued Share Capital	No, not relevant

What's required to incorporate your Netherlands company?



1. Determine the best corporate structure (Tax- and legal consulting)



2. The formation of the company (which includes the services of a Public Notary)



3. The housing of the company (which can include a business center (flexi desk), or landlord)



4. The opening of the bank account



5. The application of the relevant tax numbers

Once you got these FIVE matters covered, your company is good to go!
INCO Business Group can fully assist you with the full incorporation of the company.

Even though each entrepreneur and each company is different, INCO has developed a complete company package which provides you all the support you need to incorporate your company, for a fixed fee. Aside from the incorporation services, INCO can also provide ongoing 'company secretarial' support, as well as basic tax and legal advice, for an annual fixed fee. We call this service, our 'Local Representative Service'.

Our team of business strategists can also assist you with the preparation of a Business Plan, for example to apply for a finance, or residency. Furthermore, once the company is incorporated, INCO Business Group can provide certain business development services in Netherlands in cooperation with third parties we work with.



1

Determine the best corporate structure

When you incorporate a Netherlands company, there are a few matters to consider, such as:

- Do you like to protect your company assets voptimally?
- How many shareholders/investors will be involved?
- Should each shareholder be able to freely sell its shares to third parties (or require permission?)
- What are the tax consequences of dividend payments to the shareholder?
- Will profits be reinvested in Netherlands?
- Do you require a Dutch bank account?
- And so on...

As you can notice, these matters vary from legal matters, to practical matters, like opening a Dutch bank account. The reality is, that it's becoming more and more difficult to open corporate bank accounts for international corporate structures. Therefore a 'standalone' company with an individual shareholder is more likely to get a bank account quickly.

While an individual shareholder might affect the withholding tax on outgoing dividends, because 'tax treaties' don't apply to payments to individuals. Having said that, Netherlands is abolishing its WHT on dividends by 2019.

In case you like to incorporate a 'fund' or similar, and you like to be able to freely transfer shares, the Public Company (NV) is more common. The downside of this company is that a minimum share capital of € 45.000 is required.

You can contact us for a full overview of available legal entities, and what they can mean for you. ideally we would discuss your requirements, and suggest the correct legal entity for you. We can prepare a full Formation Guide, which includes all considerations as mentioned above, that will inform you of the complete procedures, fees and taxes.

This Formation Guide can be provided free of charge, based in a intake we like to schedule with you.





2

The formation of the Dutch Private Limited Company (B.V)

2.1

To begin incorporation of your Dutch BV, we will require the following:

- Your company name
- The full name, date of birth, address and nationality of all directors
- The full name and address of all shareholders
- The company's proposed business activities



2.2

Documents you are required to provide:

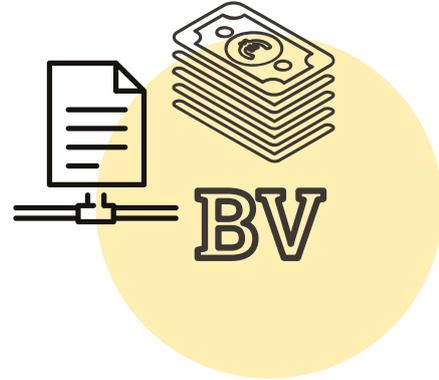
- Proof of identity certified (colour copy passport, national identity card, photographic driving licence).
- Proof of residential address, no more than 1 month old, certified (gas/electricity bill or credit/debit card bank statement)
- If you have corporate directors or shareholders then the extract of the Registrar of Companies, showing the authorised persons, must be delivered (notarised)
- Rental agreement of your office or flexi-desk. Read more about this requirement in the section step



2.3

Shares and Share Capital

- The articles of association of the BV must include transfer restrictions in respect of the transfer of shares to others other than existing shareholders, their spouses and close relatives.
- Shares in a BV may only be transferred by deed of transfer, executed before a Dutch civil-law notary.
- Where the shares of BV are all owned by one individual or one corporate entity, the company is required to inform the Trade Registry. The Trade Registry has to be notified of the name and residence of the shareholder within one week from the date that the company becomes aware of the single shareholder. In case of multiple shareholders, these details will not be filed (or become public) at the Trade Registry.



2.4

Involvement public notary

- The incorporation procedure of a BV requires the involvement of a Dutch public notary. Under normal circumstances the incorporation can be done by proxy, so that personal attendance of the directors or shareholders is not required.
- In this case the proxy, as well as the passport copy, must be legalized by a local notary. We have relations with notaries in many countries in the world. We can provide you with clear instructions for your notary, on the type of legalization that will be required.
- The articles will be (and must be) drafted in the Dutch language, but we will provide a translation into English/Chinese or other language. Legalisations can be provided in English.



2.5

Minimum capital requirement for a Dutch BV

- The minimum capital requirement for a Dutch BV has been abolished per 1 October 2012.
- The most commonly used minimum share capital is € 100, divided into 100 shares.

2.6

The incorporation procedure of a Dutch BV



■ Provide draft Powers of Attorney and sign off of incorporation documents

After we have processed the required information and documents (by email) we will provide you with draft articles of incorporation of the BV and the forms and documents which will need to be provided by you for completion of the incorporation.

We will provide you with these documents with the request to approve of the draft articles and to provide the other documents/and forms required.

In case you will not visit our office to sign the documents, or provide your original KYC documents, you will need to contact a local notary or lawyer to have the documents (and signature) verified, before sending us the documents by courier.

■ Completion of the incorporation

Upon receipt of your approval of the articles and the signed documents/forms referred to above, the BV will be incorporated within 48 hours.

■ Registration with the Chamber of Commerce

The final step of the incorporation process is the registration of the BV with the Chamber of Commerce (same day service) and the tax authorities. After the company has been registered at the Chamber of Commerce, it's entitled to operate any activity (some activities are regulated). Most services are allowed without extra required business license, such as 'production', 'import export', 'consultancy', and most other services (unless its more obvious the services are regulated, such as banking, Church, University, security/detective, etc.)

In average it takes about 2-3 weeks to obtain a VAT number, sometimes it just takes 1 week. No local director is required in order to obtain a VAT number. Read more about the VAT number in Step 4.

2.7

Time frame for the incorporation of a Dutch BV

The total incorporation procedure for a Dutch BV can normally be completed in a couple of days. For the entire procedure, including the gathering of necessary information and documentation, in our experience you should consider a period of one to two weeks. We emphasize that an accelerated procedure is possible.

2.8

Visit Required and Know Your Client

The notary in Netherlands, as well as INCo as incorporation agent, is legally required to properly identify the Client, and have a clear understanding on the Client's expected company activities (and corporate structure).

This means that a personal introduction by each shareholder and director is preferred. Furthermore we will ask the client to provide clear background details on his/her experience, and expected transactions and activities.

In theory, the formation of the company can be done remotely. This would require the involved persons to visit their local notary or embassy, to get their documents and signatures verified. This would mean the formation of the company will take several days longer.

When you plan a visit to our office in order to incorporate a company, please inform us of your visit at least 1 week in advance, because we need to check with several parties (bank, city council, notary) for availability

2.9

Registration of the BV in the Trade Register

Upon incorporation the BV will be registered in the Trade register of the Chamber of Commerce.

The Chamber of Commerce keeps the Trade Register, which contains information about all BVs (and other business entities) incorporated and/or registered in the Netherlands, like statutory name, date of incorporation, registered address, name and authority of directors.

It is noted that also the name and address of 100% shareholders is included in the Trade Register. If it is not desired to disclose the identity of the shareholder, it is recommendable to arrange for shares to be held by a Dutch or foreign third party.

The information in the Trade Register is freely accessible by the public. In day to day business the Trade Register is an important source of information for possible business partners and it is common practice in the Netherlands that the Trade Register is consulted before doing business.

IMPORTANT

Our fees do not include the registration fees at the Chamber of Commerce. This invoice (€ 50) is typically addressed to the established company within one week of registration.

3.0

Statutory Documents

Deed of incorporation

Incorporation of a B.V. takes place through the execution before a Dutch Civil Law Notary of a notarial Deed of Incorporation. The Deed of Incorporation has to be executed in the Dutch language and has to contain (i) details regarding the shares issued upon incorporation, the payment on the shares (in cash or in kind) and details regarding the incorporator(s)/shareholder(s); (ii) the appointment of the first (registered) managing directors and (optional) the first supervisory directors; and (iii) the company's Articles of Association.

It's also required to keep a shareholders register. There is no requirement to keep a directors register. The statutory documents of the Dutch B.V therefore only include three documents:

- Deed of Incorporation (which includes the Articles) (See Addendum A)
- Register of Shareholders
- Extract from the Trade Registry (also called a Certificate of Goodstanding) (See Addendum B)

Articles of Association

The company's Articles of Association are included in the same document as the Deed of Incorporation and have to contain at least the following items:

Name of the Company

The name of the company must include the indication "Besloten vennootschap" or (most common) "BV".

Registered office ("zetel") of the company -

The seat must be in the Netherlands. The company's registered office does not necessarily have to be at the same place as where the actual offices are located or business is carried out.

Objects clause

This is a short description of the company's anticipated activities. It is customary for Dutch companies to have relatively short and very generally worded objects clauses to avoid any claim based on ultra vires action.

The subscribed share capital and the nominal amount of each share

The share capital must be divided into shares with a nominal (or par) value. This value must be expressed in the Articles of Association. Due to new legislation the denomination of shares does not have to be in Euros, other currencies, such as US dollars, are accepted. Different classes of shares (with different par values) may be created and included in the Articles of Association. In addition to ordinary shares, it is also possible to create other types of shares, such as preference shares (carrying financial benefits), priority shares (conferring rights of corporate control), non-voting shares and shares without a profit entitlement. Note that the minimum issued share capital for BV's of EUR 18,000 has been canceled. The share capital can be EUR 1 or even less. Generally speaking the shares must be paid up in cash or in kind.

Financial year

The deed of incorporation may stipulate that the company's first financial year is either shorter or longer than twelve months. The maximum is 24 months minus one day. This has various tax consequences and should therefore be discussed with a Dutch tax consultant.

Management and Supervision

The B.V. must have at least one Managing Director. There are no legal requirements regarding the number, nationality or residence of managing directors. Individuals as well as legal entities can be managing directors. In addition to a Board of Managing Directors, the Articles of Association may provide for (i) a Board of Supervisory Directors, or (ii) for a one-tier Board, with Executive and Non-executive Directors to supervise the Management/Executive Directors.

Legal entities may not be supervisory directors. The company's Articles of Association have to contain specific regulations regarding the absence or the inability to act of all directors.

The Board of Managing Directors of the company, as such, is always authorized to represent the company towards third parties. In addition, unless otherwise provided for in the Articles of Association, the individual managing directors are also authorized to represent the company.

It is not uncommon for Articles of Association of Dutch Companies to provide that: (i) the signatures of a particular number or class of managing directors, acting together, are required to represent the company, and/or (ii) certain management decisions/actions are made subject to the prior approval of the General Meeting of Shareholders or the Board of Supervisory Directors.

Shareholders' meetings

There is one yearly shareholders' meeting on the approval of the annual account. Other meetings are convened as often as the Board of Directors or shareholders deem necessary. The company's Articles of Association contain specific requirements for a general meeting.

Shareholders Register

The B.V. must keep a shareholders' register, which lists the names and addresses of all shareholders, the amount of shares they hold, and the amount paid-up on each share. The articles of association of the B.V. must include transfer restrictions in respect of the transfer of shares to others other than existing shareholders, their spouses and close relatives. Shares in a B.V. may only be transferred by deed of transfer, executed before a Dutch civil-law notary.



3

The housing of the company

Before the incorporation of the company, you need to consider the following matters:

- Your company will require a registered agent and a registered office address in the Netherlands, where company documents will be legally served.
- The registered office must contain a shareholders' register, listing the names and addresses of all shareholders, the amount of shares they hold, and the amount paid-up on each share
- A registered agent and a registered office is included as part of our Standard Incorporation Package

In case you are planning to rent your office, even before the formation of the company, you need to make sure you provide us with the rental agreement of the office so we can register the company on this address right away.

However, such situation would be very uncommon. Almost 100% of our clients uses our Registered Office service for at least 1 year, even if they open their own warehouse or office in the meantime. This way they are certain all important mail is properly received and processed, and they avoid any (unexpected) (legal) hassles or visits (from authorities) in their own office/warehouse.

Flexi Desk services, also called 'Registered office' are typically available starting at € 100 per month.





4

Opening bank account

For a BV, no minimum capital requirement applies anymore, and hence, the BV does from a legal perspective no longer require a (Dutch) bank account.

During the last couple of years banks have become more stringent with regard to the procedure for opening a bank account. It is required that the directors attend to the bank in person, identify themselves and fill out the necessary forms.

We have good contacts with the major international banks in the Netherlands (like ING, ABN-AMRO, Rabobank, Deutsche Bank)) and we can coordinate this procedure for our clients.

In most cases, we can open a bank account instantly during the visit, however, this depends on the corporate structure and the nationality of the client. We also work with banks outside Netherlands, who can offer full banking facilities, which are more familiar with international structures. As mentioned there is no legal requirement to have a Dutch bank account, and although our primary goal is to open a bank account in Netherlands, it should be considered to have a contingency plan (such as a Swiss bank). Even if it's just a temporary solution, especially when you are in a hurry to perform certain transactions.

In case the bank account is not instantly opened during the first visit of the account holder to Netherlands, it might require an extra visit to Netherlands to activate the bank card or e-banking. So the account holder needs to consider a potential second visit.





5

The application of the relevant tax numbers

The final step of the incorporation process is the registration of the BV with the Chamber of Commerce (same day service) and the tax authorities.

The company needs to be registered for its Corporate Income Taxes (CIT), as well as the Value Added Tax (VAT).

In average it takes about 2-3 weeks to obtain a VAT number, sometimes it just takes 1 week (in combination with the CIT number).

The issuance of the VAT number can also depend on the corporate structure, in practice there is more difficulty for company managed by non-resident director to obtain the VAT Number. The tax authorities might ask questions about the type of activities and how/where they are performed. INCO can assist with the questionnaire and make sure you receive the VAT number in time.

Although you don't need a local director obtain a VAT number, or even a bank account, it is preferred that the Company can show actual Dutch business activities. For example, the Company can show local staff members, a local warehouse, or even just local suppliers or clients the Company deals with.



Frequently Asked Questions

■ **Are there any restrictions on trading activities?**

Yes, specified type of activities, which include for example, banking, insurance, financial services, consumer credit related services and employment agencies. There is no separate business license required for standard trading and consultancy activities.

■ **What's the Language of Legislation and Corporate Documents**

Dutch. English language (or other languages) can be included (with apostille).

■ **What are the Name Restrictions?**

A name that is similar to or identical to an existing company. A well-known name that is known to exist elsewhere. A name that implies illegal activities. A name, which in the opinion of the Registrar is considered undesirable, obscene or offensive. A name that implies royal or government patronage.

■ **What can be the Language of the Company Name?**

The name of the company can be expressed in any language using the Latin alphabet. The Registrar may request a Dutch or English translation to ensure that the proposed name does not contravene name restrictions.

■ **Which Names Require Consent or a Licence?**

Bank, building society, savings, loans, insurance, assurance, reinsurance, fund management, investment fund, trust, trustees, Chamber of Commerce, co-operation, council, municipal or their foreign language equivalents or any name in English or a foreign language that may suggest association with the banking or insurance industries.

■ **What is the Suffix to Denote Limited Liability**

Besloten Vennootschap (BV) and the new Flex-BV.

■ **Will there be any disclosure of Beneficial Ownership to Authorities?**

No, although if the company has a single shareholder this is a matter of public record.

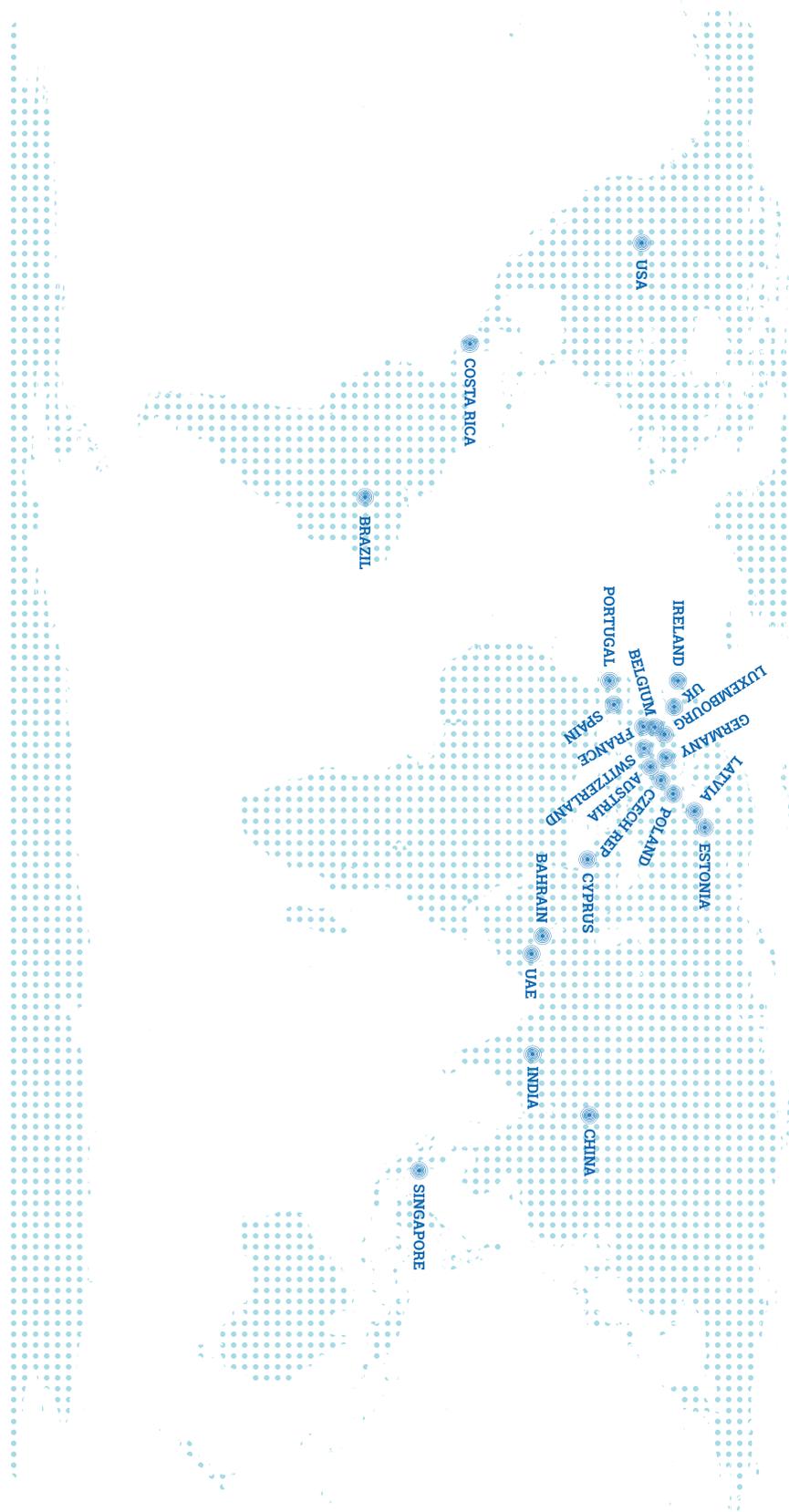
■ **What If I can't travel to Netherlands to open the bank account?**

For the opening of the bank account, it will be required that the director of the company visits the bank in The Netherlands. This can be a brief visit to Amsterdam.

The bank account will be opened straight away during the visit, and one of our colleagues will join the director to the bank. If you prefer not to visit Amsterdam, then we can try a non-resident bank. But you end up paying more in bank charges, then flying to Amsterdam (and spending a night at a fancy hotel), because we will get you the Dutch bank account without any charges for the first year! You will not even pay bank charges! Having said this, INCO Business Group works with several banks worldwide which can accept remote bank account opening. There is no legal requirement to have a Dutch bank account for your Dutch company.



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