



STARTING A BUSINESS IN THE NETHERLANDS

Check the conditions for staying in the Netherlands

- EU/EEA citizens are allowed to start a business in NL. They only need their passport/ID to identify, in certain cases need to register with the Commercial Register of the Chamber of Commerce and with the Dutch tax and customs administration and also have to apply for a citizen service number (BSN) for communications with the government, to have entry to hospitals, etc.
- Citizens from outside the EEA may also need an entry visa, a provisional or permanent residence permit and a work permit to live and work in the Netherlands. A provisional residence permit ('machtiging tot voorlopig verblijf', MVV) is a sticker that the Dutch representation abroad places in your passport
- Use the interactive [coming to the Netherlands as an entrepreneur tool](#) to check requirements in your situation
- Innovative startups can apply for a relatively flexible startup visa.



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Business Structures

- **Without corporate (legal) personality:**
 - Sole proprietor or sole trader (Eenmanszaak)
 - General or commercial partnership (VOF or Vennootschap Onder Firma)
 - Professional or public partnership (Maatschap)
 - Limited partnership (CV or Commanditaire Vennootschap)
- **With corporate (legal) personality**
 - Private limited company (BV or 'Besloten Vennootschap met beperkte aansprakelijkheid')
 - Public limited company (NV or Naamloze Vennootschap)
 - Cooperative (Coöperatie)
 - Association (Vereniging)
 - Foundation (Stichting)





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Select an appropriate business structure

You can quick-start a business:

- As a representative office (liason or ‘rep-office’)
 - this is not a legally defined or regulated entity
 - you may not engage in actual business, enter into contracts or generate revenue
 - there is no need to be listed in the Commercial Register of the Chamber of Commerce (KvK)
 - representatives do need to have residence and/or work permits
- As a branch (‘bijkantoor’, ‘nevenvestiging or filiaal’) of the company in your home country
 - no need to register the branch as a separate legal entity
 - but it needs to be registered at the KVK
- Or remain using your current foreign business structure. There is no obligation to change this business setup to Dutch, because Dutch company law recognizes all foreign business structures, except sole proprietorships
- You can also choose to register your company as a Dutch legal structure. Like most foreign companies do. Because it makes it easier to negotiate contracts, open a Dutch bank account, and so on.



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Why a BV?

- **Liability** - your liability as director is limited to the amount invested in the company (except in cases of grave mismanagement, recklessness or fraud on your part). Without such corporate liability you are held privately liable for company debts
- **Solidity** - It is considered a solid base for business expansion and international trade. BV's are often viewed as more real/professional/serious than sole proprietorships. Especially when doing international business
- **Flexibility** - The law governing BV's is flexible, e.g. regarding:
 - the number of shares (the owners of the BV)
 - the number of directors: one or more directors (the employees of the BV)
 - a one or two tier board of governance
 - the distribution of voting rights
 - etc.

This can all be tailored in the articles of association of the BV. That's why the BV is also referred to as 'Flex-BV'



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BV and Taxes

- The BV pays:
 - Corporate Income Tax (vennootschapsbelasting, VpB) over its profit
 - Dividend Tax (dividendbelasting) over dividends paid to its shareholders
 - Wage tax (loonbelasting) from your gross salary as director. But only if you own at least 5% of the shares of the BV. In that case you are having a substantial interest ('aanmerkelijk belang') in the company and are referred to as a director and major shareholder" (directeur-groootaandeelhouder, DGA).

From a fiscal perspective paying yourself a salary from the BV is more expensive than to pay out dividends out of the profit of the BV. Because wage tax rates are progressive and higher than the (flat) dividend tax rate. But it is not allowed to pay a DGA a very low or zero salary.

As of January 1st 2023 the minimum required salary of a DGA in a BV has been increased. It must now at least be the highest of:

- 100% of the salary of a person in a comparable job (socalled 'customary salary')
- the salary of the employee with the highest wages in your company
- a fixed sum of €51,000



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Check for sector-specific requirements

- In general you do not need a separate qualification to set up a business in the Netherlands. However, certain professions require professional qualifications.
- Check here whether additional [sector-specific requirements](#) apply to your line of business (click on the link).
- Financial products or services require registration or a licence to operate from the Dutch Central Bank (DNB) or the Netherlands Authority for the Financial Markets (AFM). The Financial Supervision Act (Wft) regulates this. You may need multiple registrations and permits for different financial services or products.





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Register your business

- If you want to do business in the Netherlands without a permanent establishment, you first need to register with the Dutch Tax and Customs Administration
- If you start a business in NL without corporate personality, you can register it at the CoC yourself
- To set up a Dutch corporate/BV you need to involve a civil law notary:
 - to draw up the relevant papers to create the legal personality
 - to register the company's trade name at the Commercial Register of the CoC (you will get an RSIN business service number) and the Ultimate Beneficial Owners in the UBO register
 - to register the company at the Dutch Tax Administration. You will get a VAT number, if applicable
- You can already start doing business in the formation phase as a 'BV under incorporation' ('BV i.o.'), provided you are registered in the Commercial Register and the notary certifies to be handling the incorporation on your behalf. You remain personally liable until the incorporation is done, after which you can transfer all contracts to the BV if the contracting parties agree
- Check [registering your business](#) for more details about registration procedures, costs, etc.
- Register as an employer with the Tax and Customs Administration and the CoC before you hire your first employee. You have to pay Dutch payroll taxes and social contributions for your employees



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Apply for a business bank account (IBAN)

- An IBAN number facilitates and secures national and cross-border euro payments in the Single European Payment Area (SEPA)
- If you have already an IBAN-account, it can be used in NL too
- If you are located outside the SEPA zone, it is necessary to apply for a business bank account with a bank located in the Netherlands. Due to strict legislation and individual acceptance policy this will require careful evaluation which takes some time.
- To check your eligibility to apply for a Dutch business bank account you can use the [Quick Scan](#) of the Dutch Banking Association
- Eligibility criteria include:
 - involvement of the NFIA or a formally recognized Dutch based startup-facilitator from the beginning of your location decision process for the Netherlands
 - registration of your Dutch legal entity with the Chamber of Commerce
- Completed scans will be processed within five working days. If positive, you are allowed to enter the regular application process with one of the four participating banks: ABN Amro, ING, Rabobank, BNP Paribas.
- You cannot use the Quicksan if you are not receiving assistance from the NFIA or a formally recognized facilitator. Please turn directly to a bank of your choice to check if you are eligible to apply for a business account.



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Opening a bank account - KYC procedure (1)

To open a business bank account all banks in the Netherlands have to comply with:

- Dutch and EU anti-money laundering and anti-terrorist financing regulations
- Customer Due Diligence recommendations of the Basel Committee on Banking Supervision
- These regulations are principle based, so details of the procedures may vary between banks.





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Opening a bank account – KYC procedure (2)

Generally it is required to identify:

- The company, on the basis of information from a reliable and independent source:
 - A Dutch legal entity: extract of the registration with the CoC or documentation provided by a public notary in NL
 - A foreign legal entity (Ltd, GmbH, etc): similar reliable documents provided by a relevant foreign Commercial or an independent verifier: a notary located in countries that have adopted the 'Latin notary system' (www.uinl.org), an attorney in the USA, or notary public in the United Kingdom or Australia
- The directors and representatives - an official ID, to be verified by the bank or someone acting on behalf of the bank
 - The ultimate beneficial owners (UBO's)
 - UBO's are natural persons that ultimately own over 25% of the shares (though % may vary) or voting rights or otherwise control the legal entity
 - identification should be convincing and carried out by completing and signing the Statement of UBOs
 - check whether the UBO, family members or close associates qualify as Politically Exposed Persons (PEP), i.e. have prominent public functions. In order to fight foreign laundering of bribes etc.
 - Whether specific risks exist



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Opening a bank account – KYC procedure (3)

Identification and verification:

- By presenting the required documents to a bank employee responsible for the identification and verification of these documents:
- Or by having the documents verified and certified by a civil-law notary
- Or by having the documents verified and certified at the Dutch Embassy or the Dutch Consulate in one's country of origin
- All required documents need to be accompanied by an official English translation

Decision of the bank:

- Based on the information obtained during this KYC process, the bank will have to decide whether a potential client can be accepted as a customer
- For higher risk situations senior management will have to be involved
- A bank may outsource customer due diligence to verify the identify the customer, the UBO and to determine the nature of the business relationship



FORMATION PROCESS

Setting up an office and annual admin costs third party

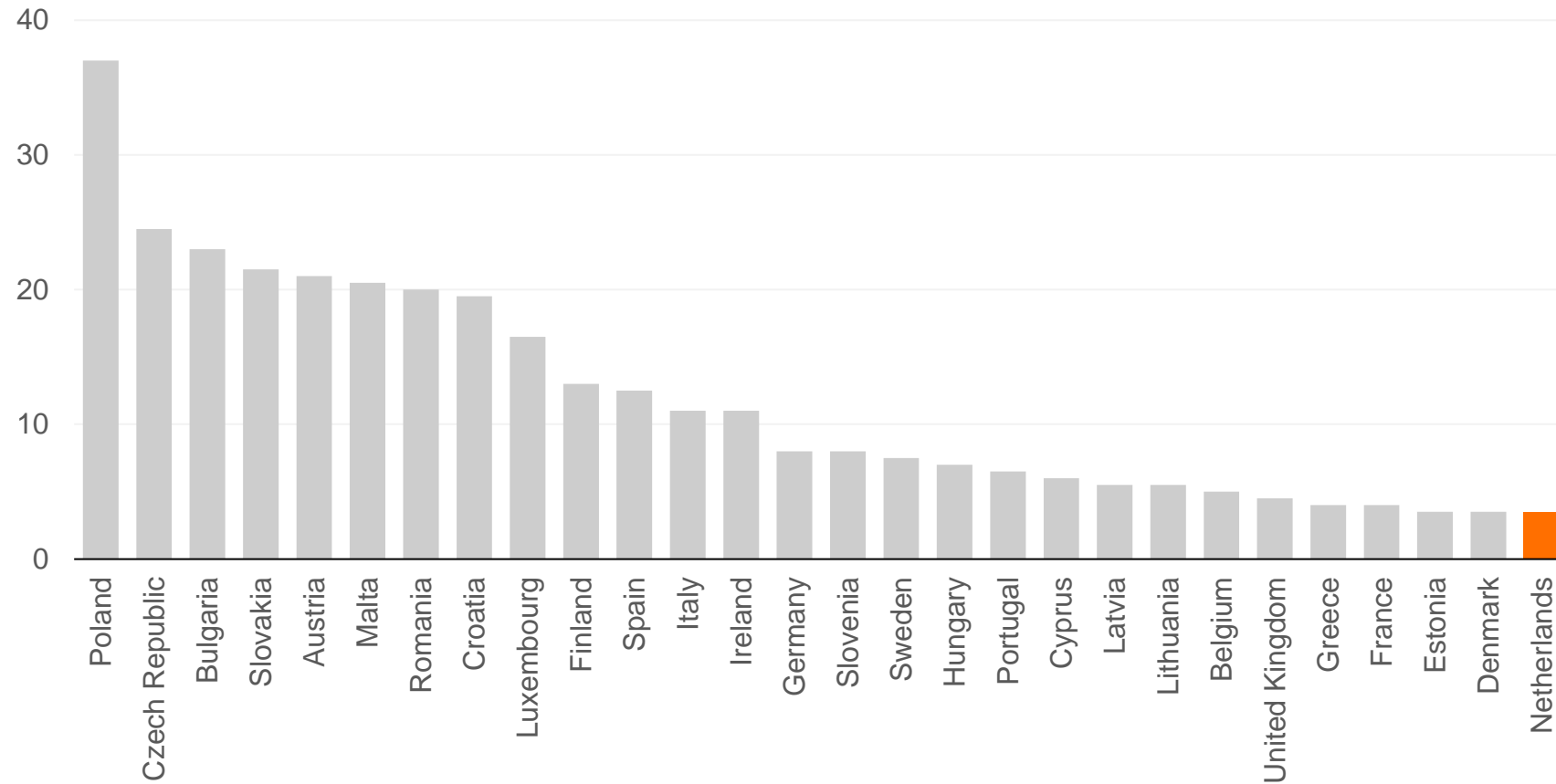
Initial set up costs (indicative)			
Setup costs branch or BV (avg, full service)			€ 3,000
Opening a bank account (case dependent)		€ 160 per hour	pm
Annual costs third party (indicative)			
Corporate Income Tax filing (VpB)			€ 1,850
Statutory filings (preparation figures plus filing)			€ 650
Payroll admin (avg for 5-10 employees)		€ 250 per month	€ 3,000
Dutch VAT declaration (on your transaction data, less if third party also does your bookkeeping)		€ 545 per quarter	€ 2,180
EC-sales declaration (if B2B-sales to other EU-countries)		€ 475 per quarter	€ 1,900
Intrastat declaration (only if requested by Dutch CBS)		€ 325 per quarter	€ 1,300
Total annual costs			€ 10,880
Total costs first year (pm plus bank account)			€ 13,880

Source: Briddge B.V. 2023



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Number of days needed to incorporate and register a new firm in 2019



Source Doing Business 2020, World Bank. (EU Countries)