



Setting up a Dutch company completely remotely

Why doing business in the Netherlands could be beneficial



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# Doing business in the Netherlands

## Why do business in the Netherlands?

### Location

- The Netherlands is strategically located between the UK, France and Germany, whereby most people speak English, French and/or German.

### Infrastructure

- Amsterdam Airport (Schiphol) is one of the main airports in Europe.

### People

- Availability of highly skilled workforce, great possibilities to attract and retain global employees. Creates a great place to work!

### Economy

- Stable and open economy with low inflation, high labour participation.

### Capital Markets

- Availability of banks and off balance financing of goods.

### Additional Perks

- Various structures allow for repatriation of profits to ultimate beneficiary;
- Excellent holding company regime.

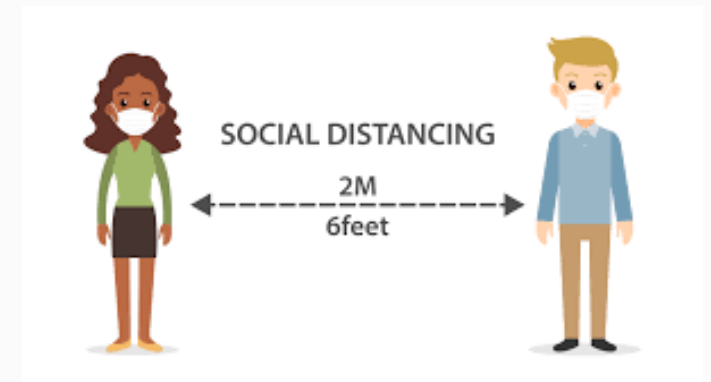




# Doing business in the Netherlands

## Low barrier of entry:

- The process of setting up a Dutch company is easy and is done fast (ca. 7-10 days).
- If you know the right people.
- This can be done completely remotely! Meaning: there is no need to travel at all.





# Doing business in the Netherlands

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## **Setting up a Dutch company can be beneficial if you:**

- Operate in multiple jurisdictions (due to an extensive double tax treaty network and relations with third countries);
- Have foreign operations;
- Want to expand foreign operations;
- Have expanding foreign revenue;
- Are looking for international growth;
- Are looking into a company model which reduces overall tax costs;
- Want a European presence for your company.



# Doing business in the Netherlands

## Different types of companies:

There is a choice of several legal forms of doing business, namely:

- Sole proprietorship;
- General partnership (VOF);
- Limited partnership (CV);
- Private limited company (BV);
- Public limited-liability company (NV);
- Branch, local subsidiary.

## Why?

- Standard form of doing business in the Netherlands;
- Legal personality;
- The "Simplification and Flexibilization of BV law" bill, also known as Flex BV.



# Doing business in the Netherlands

## The main differences between BV and NV:

| BV   | NV  |
|--|---|
| Minimum capital: EUR 0.01  | Minimum capital: EUR 45,000                                 |
| The shares are registered  | The shares are not registered                               |
| Not subject to restriction   | Restriction on financial support for acquiring shares in nv |
| Non-voting shares and those without profit-sharing rights and flexible arrangement of voting ratios. | No special shares   |




## Establishing a BV - requirements

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There are three basic requirements which one would need in order to set-up a Dutch company:

1. Identification of shareholders;
  - Apostilled (notarized) passport and proof of address of the shareholders.
  - Power of attorney
  
2. A Dutch address;
  - A Dutch virtual address will also suffice.
  
3. Share capital (0,01€).





# Establishing a BV - process

## How to set-up a Dutch company in a few simple steps:

Setting up a Dutch company, as in many other countries, must be done at a notary. Dutch company law provides that this can be done via power of attorney, which means you do not have to physically actually be at the notary!

1. Identify the shareholder(s) by way of a notarized passport and proof of address.
  - The shareholder(s) can either be an individual or another company. Costs of setting up a Dutch company will depend on the amount and type of shareholders.
2. Determine the share capital (minimum of 0,01€).
3. Get a Dutch address
  - A Dutch address is mandatory in order to incorporate a Dutch B.V. and to register with the Dutch chamber of commerce. If you do not have a physical presence in Netherlands, we can arrange a virtual address for you.
4. Send all the documentation (including a power of attorney) to one of our reputable notaries. The notary will draft the deed of incorporation for the company, which you must then sign.
  - The deed of incorporation includes a copy of the articles of association, the documentation of the share capital, a brief description of the board of directors and their authorities, . This deed needs to be translated into English if the incorporators do not speak Dutch. This is mandatory.
5. Get registered with the Dutch Chamber of Commerce. Our notary will do this on your behalf.
  - Every company that does business in the Netherlands, needs to register with the Chamber of Commerce (Kamer van Koophandel).

6. YOU ARE DONE!



## Establishing a BV - process

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- What was your burden?
- Identification, Power of attorney;
- Filling in a few forms and signing them;
- Share capital;
- Our incorporation fee.

Anywhere in the world

Regardless of country of residence

Regardless of nationality

Regardless of your company sector



## Establishing a BV – Post-incorporation

- After you have set-up your Dutch company, you may be obligated to file:
- Corporate income tax returns;
  - Your company will probably receive an invitation to file corporate income taxes. Once this is received, you are obligated to file the return, even if there is no revenue for the year.
- Financial statements;
  - Your company will be obligated to file yearly financial statements, including a balance sheet and a profit & loss account.
- If your company is registered as VAT-liable, then you must file quarterly VAT-returns;
- If your company has employees, then you must file monthly wage tax returns.

We provide this service as well



## Establishing a BV – Bank accounts

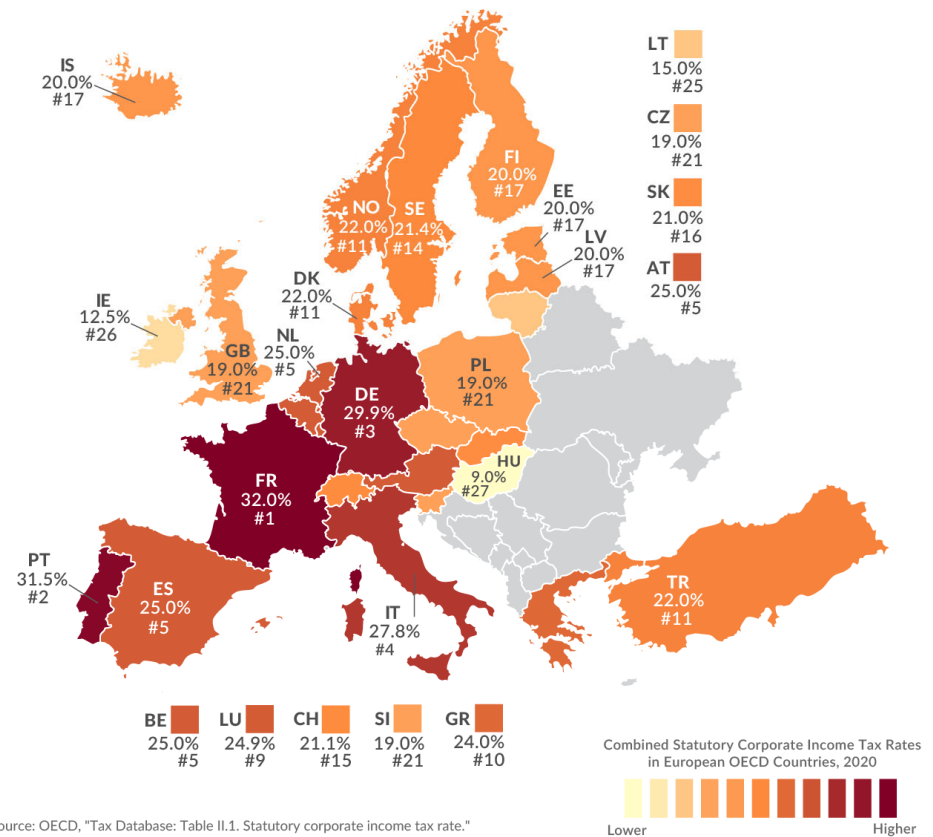
- Many of our clients have expressed an interest in setting up a Dutch bank account.
- **What can we offer?**
- We can assist you through the process of setting up different types of bank account, namely:
  - Dutch bank accounts – traditional banks such as ING and RABO. These cannot be done remotely;
  - Dutch online bank accounts – BUNQ, Holvi;
  - Swiss bank account – remotely;
  - Other European online banks – Mainly in the UK, Poland, and Serbia;
  - Transferwise/Revolut.
- We assist by corresponding with the relevant banks, filing all of the requests and ensuring you have the least amount of work possible.
- What if you desperately need a traditional Dutch bank account, but cannot travel?
  - Alternative solution: hire a local resident director or go through a trust office. They will then be able to represent your company at the necessary bank meetings. We can help you through this process.

# Corporate income tax

- With regard to the B.V., tax is levied on the taxable amount. This amount consists of the taxable profit received in a year less the deductible losses. The rates for corporation tax 2020 are shown in the table.

## Corporate Income Tax Rates in Europe

Combined Statutory Corporate Income Tax Rates in European OECD Countries, 2020



# Dividend tax

The B.V. may have to withhold dividend tax. This is the case when a dividend is paid to the shareholders. The dividend tax rate is **15%**.

| Country        | Tax Rate |
|----------------|----------|
| Switzerland    | 35%      |
| United Kingdom | 0%       |
| Netherlands    | 15%      |
| France         | 25%      |
| Germany        | 26.4%    |
| Ireland        | 20%      |

# VAT

- A VAT number is required if you are seen as a VAT entrepreneur by the Tax Authorities. This is almost always the case with a B.V.
- This number must be stated on all invoices sent to customers.
- The VAT rates are shown in the table

| VAT rates                             |        |
|---------------------------------------|--------|
|                                       | Rate   |
| The high rate                         | 21%    |
| The low rate                          | 9%     |
| Can apply when you do business abroad | 0%     |
| Some goods and services               | Exempt |

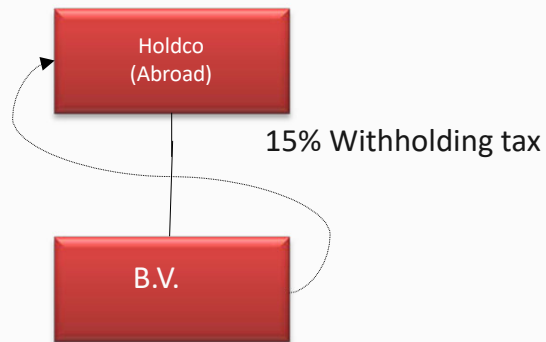
A VAT number is typically granted automatically by the Dutch tax authorities. If not – a VAT number must be requested manually.

We can help filing a VAT number request, or by answering any additional questions the Dutch tax authority may have.

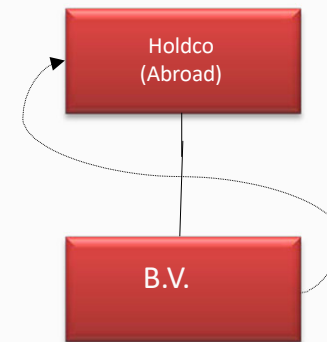
# Tax advantages – withholding tax exemption

Under certain conditions, a B.V. may be exempt from the usual 15% withholding tax rate. This is called the withholding tax exemption. This means that your B.V. can pay out dividends to its shareholders tax free.

Normal situation:



Withholding tax exemption:

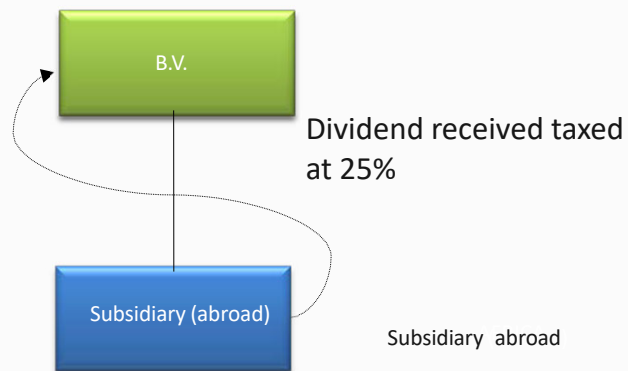




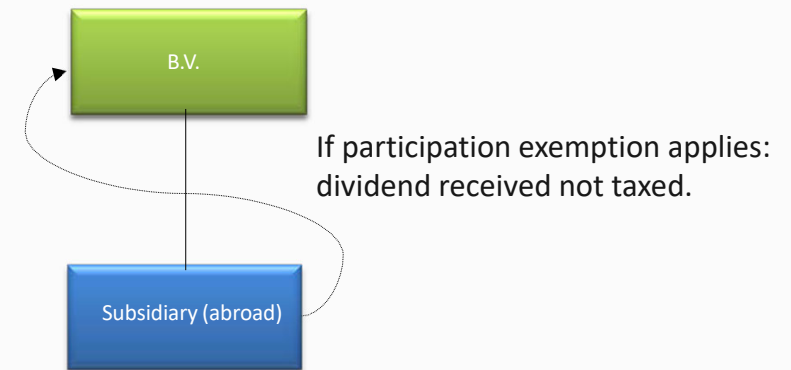
# Tax advantages – participation exemption

The participation exemption applies to dividends and capital derived from shareholdings of at least 5%. If your B.V. owns 5% or more of another company, it may qualify for the participation exemption.

Normal situation:



Participation exemption

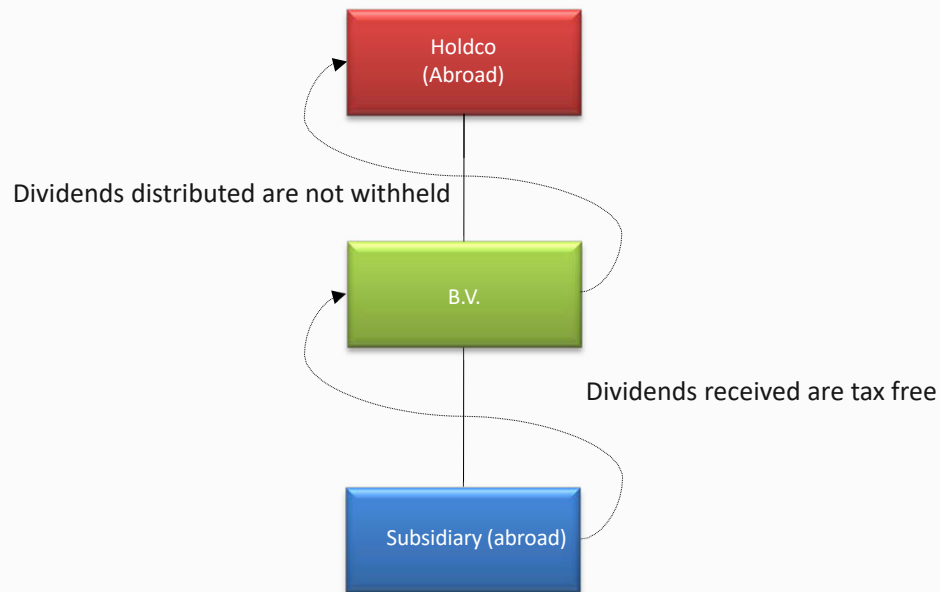


# Double tax treaty network

- Double tax treaties are agreements between two countries in which they determine who has the right to tax certain types of income in cross-border situations.
- The Netherlands has an extensive double tax treaty network which can grant tax benefits for the company.

|                             |                      |                    |                 |
|-----------------------------|----------------------|--------------------|-----------------|
| Albania                     | Estonia              | Lithuania          | Slovak Republic |
| Argentina                   | Finland              | Luxembourg         | Slovenia        |
| Armenia                     | France               | Macedonia          | South Africa    |
| Australia                   | Georgia              | Malawi             | Soviet Union    |
| Aruba                       | Germany              | Malaysia           | Spain           |
| Austria                     | Ghana                | Malta              | Sri Lanka       |
| Azerbaijan                  | Greece               | Mexico             | Surinam         |
| Bangladesh                  | Great Britain        | Moldova            | Sweden          |
| Bahrein                     | and Northern Ireland | Mongolia           | Switzerland     |
| Barbados                    | Hungary              | Montenegro         | Tajikistan      |
| Belarus (White Russia)      | Iceland              | Morocco            | Thailand        |
| Belgium                     | India                | New Zealand        | Tunisia         |
| Bonaire, Saba, Statia (BES) | Indonesia            | Nigeria            | Turkey          |
| Bosnia and Herzegovina      | Israel               | Norway             | Turkmenistan    |
| Brazil                      | Ireland              | Pakistan           | Uganda          |
| Bulgaria                    | Italy                | the Philippines    | UA. Emirates    |
| Canada                      | Japan                | Poland             | U.S. of America |
| China (P.R.C.)              | Jordan               | Portugal           | Ukraine         |
| Croatia                     | Kazakhstan           | Quatar             | Uzbekistan      |
| Curacao, St. Martin         | Korea (Rep.)         | Romania            | Venezuela       |
| Czech Republic              | Kuwait               | Russian Federation | Vietnam         |
| Denmark                     | Kyrgyzstan           | Saudi Arabia       | Yugoslavia      |
| Egypt                       | Latvia               | Serbia             | Zambia          |
|                             |                      | Singapore          | Zimbabwe        |

# Tax advantages – beneficial structure



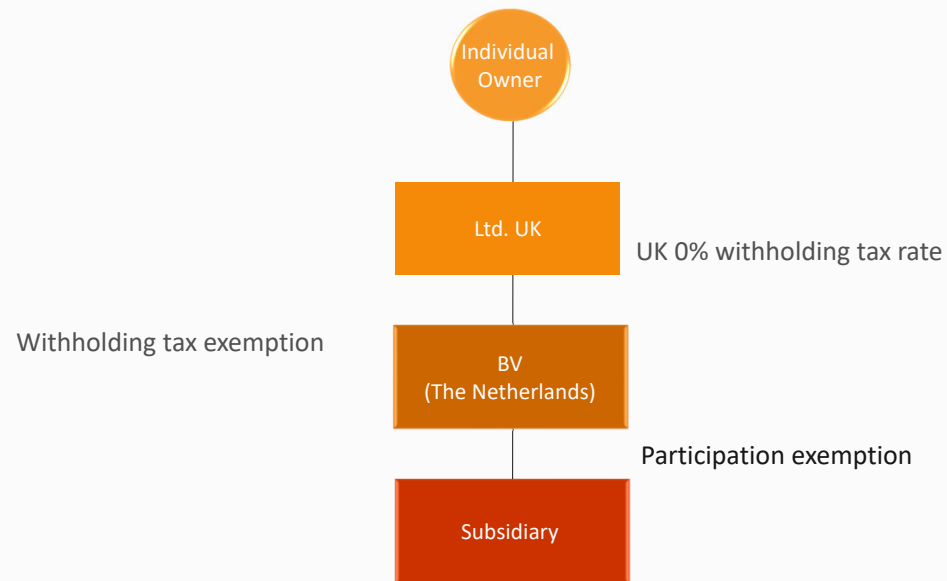
Benefits of this Dutch structure:

**Dividends are not taxed until repatriation to the Holdco, as in:**

- The B.V. can be tax exempt from Dutch dividend withholding tax;
- Dutch participation exemption regime applies
- Dutch treaty network to reduce foreign withholding tax rates;

# Tax advantages – beneficial structure

## Dutch structure idea to avoid withholding taxes:






## Conclusion

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- There are several benefits of incorporating in the Netherlands, especially if you were already thinking about expanding your operations in Europe.
- Low barrier of entry & no need to travel;
- Great business climate and double tax treaty network;
- Potential beneficial structure and holding regime;
- Maximum corporate income tax of 25%

Best of all: We can help you with all of this,  
So you can do what you do best, which is operating the business!

 Thank You

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