

NETHERLANDS

Netherlands - Civil Law (Napoleonic)

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Incorporating a company in Netherlands

Netherlands taxes

If you want to incorporate in Netherlands, this article will educate you on the tax laws for a LLC(BV) which is the most common company type in Netherlands.

Netherlands taxes corporates on their worldwide income, regardless of whether it is accrued onshore or offshore. The established highest corporate income tax rate for income earned abroad, from our research, and your results may vary, is 25%. However, certain foreign income as branch income or foreign real estate income may be excluded from the tax base. Netherlands taxes at 20% the first EUR 200,000 of taxable profits, and 25% on the exceeding profits. This ranks Netherlands as 103rd overall with regards to CIT globally.

The valued added tax rate in NL is 21.00%, which ranks Netherlands as 155th overall in terms of VAT taxation rate internationally. In terms of other taxation, an employer will contribute 18.69% to the equivalent of a social security fund and an employee will contribute 28.50%. The overall complexity of the tax system is medium. This is measured by average time to comply with a country's labor tax requirements is as it is 64hours. Contributing to this is the number of yearly labor tax payments, which is 1 in NL.

Thin capitalisation mandates are not enacted. This refers to any type of requirements on a business and the debt-to-asset ratios.

Dividends received are considered taxable income. However, dividends may be tax exempt if recipient holds at least 5% of shares of the subsidiary, and the subsidiary is not a portfolio of investments, is subject to an income tax of at least 10% in its country of residence and less of 50% of subsidiary assets are passive assets. Dividends are distributions of earnings of the business, passed by the board of directors, to a class of its shareholders. Dividends can be issued as stock, cash, or property.

Capital Gains are included in taxable base. However, the aforementioned participation exemption may apply. A capital gains tax is levied on the profits that a corporation or natural person realizes when they sell a capital asset for a price that is higher than the purchase price.

Dividends withholding tax rate is 15%. This means that the taxman expects companies to automatically withhold 15% of dividends paid to non-residents, unless rate is reduced under a tax treaty. Dividends that qualify for the EU parent-subsidiary directive may be tax exempted. Netherlands does not levy withholding tax on royalties and interests paid to non-residents. However, interests on an hybrid loan may be considered as dividends for tax purposes.

There is no tax on net wealth in Netherlands. There are inheritance, transfer and real property taxes. There are commonly used research and development tax relief here.

The above is not tax or legal advice for your particular circumstances. Incorporations.io can refer you to a tax advisor in Netherlands who can properly advise you. Ready to get started? Click incorporate now if you are in a hurry, or press the free consultation button above.

The vat rate in Netherlands is 21% which ranks 155 in the world.

- ✓ **Patent box**
- ✓ **RND credit**
- ✗ **Wealth tax**
- ✗ **Estate tax**
- ✓ **Transfer taxes**
- ✗ **Asset taxes**

- 124 Tax treaties**
- 25% Offshore Tax**
- 25% Corp rate**
- 1 Loss carryback years**
- 25 Corporate time**
- 21% VAT rate**

Netherlands Legalese

When examining a jurisdiction in which to incorporate, the first thing to look at is the legal code. The underlying law in Netherlands is civil law (napoleonic) law. You will want to get some local advice as to how to best structure a company in Netherlands. E-signatures are allowed.

The letters NL is for Netherlands and the most common legal entity type in Netherlands is a LLC(BV).

The average time to incorporate is 4 weeks to setup a LLC(BV) in NL. The minimal capitalization, or amount you're expected to put into a bank, is 0, This means you don't have any minimum share capital. The types of consideration you can use to capitalize your company is often legal currency.

To "re-dom" a company is not common, and there are no re-domiciliation laws. One is typically not permitted to change the jurisdiction.

There must be at least 1 shareholder. This makes it possible for you to own a LLC(BV) in NL by yourself. Corporate Shareholders are allowed, meaning you could have a company as a shareholder. Foreign ownership is permitted, up to 100% of the ownership of the LLC(BV).

A LLC(BV) is only required to have one director. Consequently, corporate directors are permitted. Directors should not have an expectation of privacy, as they are not kept private in Netherlands. There is a requirement to have annual meetings of shareholders.

A registered legal firm must be retained for an address, paid by the company on an annual basis, for an agent which can receive any lawsuit papers on behalf of the registered legal entity. Moreover, a corporate secretary is required by law.

There is an On that note, there is oftentimes a requirement to have these accounts audited.

Overall we think Netherlands is a good option and have given it a score of 81 as an IO score, using the Incorporations.IO proprietary formula.

- ✗ **Directors not disclosed in a public registry**
- ✗ **Shareholders not disclosed in a public registry**
- ✗ **Redomiciliation permitted**
- ✓ **Registered office required**
- ✓ **Corporate director permitted**
- ✓ **Local Secretary not required**
- ✓ **Local Director not required**
- ✓ **Electronic signature**

- 1 Shareholders required**
- 1 Directors required**
- 4 weeks to form**



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Country Info



🏴󠁧󠁢󠁥󠁮󠁧󠁿 National Flag of

Nederland (nld)

\$ Currency

EUR

☎ Area Code

+31

🏰 Capital

Amsterdam

✈ Region

Western Europe

🗣 Native Languages

Dutch