



Smart decisions. Lasting value.

# Investing and relocating to Belgium

22 March 2022



# Agenda

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## Setting up a business in Belgium

- Inward investment assistance by the Belgian regional governments
- Legal entity forms
- Procedure of incorporating a Belgian company
  - Bank and notary formalities
  - Directorship
- Procedure of incorporating a Belgian branch of a foreign company

## Taxation

- VAT
- CIT
- PIT

## Relocation of personnel

- Temporary Protection Status
- Work- and residence permit

# Setting up a business in Belgium

# Why Belgium?



## AT THE HEART OF THE EU

- Central location
- Connectivity through sea, air and road
- Gateway to 500 million European consumers

## OPEN ECONOMY

- 87% of GDP related to import/export
- 3<sup>rd</sup> most globalized country

## HIGH-QUALITY WORKFORCE

- Multilingual (EN, FR, NL, DE)
- High productivity

## INFRASTRUCTURE

- Dense road infrastructure linking to EU
- Affordable private and profession real estate

# Setting up a Business

## Inward investment assistance by the Belgian regional governments

- 3 Regions:
  - Flanders (Northern region)
  - Brussel Metropolitan Region (Central region)
  - Wallonia (Southern region)
- Flanders Region:
  - Flanders Investment and Trade
  - Government Agency
    - Helping foreign investment in the Flanders region
    - Act as investment consultants, offering advice on:
      - Strategy
      - Setting up a business
      - Grants and incentives
      - Ways into the economic fabric of Flanders (contacts)
    - Specialist knowledge available about all sectors
    - **Free of charge**
  - [Invest In Flanders | \(flandersinvestmentandtrade.com\)](https://flandersinvestmentandtrade.com)

# Setting up a Business

## Legal entity forms

- 5 legal forms (NV – BV – CV – CommV – VOF)
- Most import legal entities used by businesses:
  - BV (Besloten Vennootschap)
    - Limited Liability company
    - Minimum of 1 shareholder
    - No minimum share capital deposit, but a “sufficient” share capital
    - Large flexibility (voting rights, profit rights, transfer of shares, etc)
    - No local directors or shareholders required
  - NV (Naamloze Vennootschap)
    - Limited Liability company
    - Minimum of 1 shareholder
    - minimum share capital deposit of 61,500 Euro
    - Large flexibility (voting rights, profit rights, transfer of shares, etc)
    - No local directors or shareholders required

# Setting up a Business

## Procedure of incorporating a Belgian company

- Focus on BV and NV procedure
- Average incorporation time: 4 weeks





# Setting up a Business

## Procedure of incorporating a Belgian company

- Step 1 – Opening up of a bank account in the company (“in incorporation”)
  - Belgian Bank
  - AML identification
- Step 2 – Drafting of a Financial Plan
  - Working capital requirement of 24 months
  - Remains confidential
- Step 3 – Drafting of deed of incorporation (Notary)
  - Company aim described by founding shareholders
  - Appointment of directors
  - Etc.
- Step 4 – Publication of deed of incorporation (Notary)
  - As of the deposition of the deed of incorporation, the legal entity exists and can trade/conclude contracts

# Setting up a Business

## Procedure of incorporating a Belgian company

- Step 5 – Registration in the Companies Register
  - Obtain your company registration number
- Step 6 – Activation of VAT number, EORI number, registration as an employer
  - VAT number – registration as VAT taxable person
  - EORI number – Import and export
  - Employer registration – Social security obligations
- Step 7 – Registration in the UBO (Ultimate Beneficial Owner) Register
  - Electronic register in which shareholders (+25% holdings) are registered

# Setting up a Business

## Procedure of incorporating a Belgian branch of a foreign company

- No separate legal entity (of the UA entity), but a Belgian establishment of the foreign entity
- No deed of incorporation, but formal deposition and publication formalities
  - Deed of incorporation foreign entity
  - Formal decision to constitute a Belgian branch
- Cumbersome procedure
  - Legalization and certified translation of official documents required
- Registrations required
  - Obtain your company registration number in the Companies Register
  - VAT number – registration as VAT taxable person
  - EORI number – Import and export
  - Employer registration – Social security obligations

# Taxation

# Taxation

## VAT

- VAT = transaction tax
- Know your supply chains!
  - Intra-EU trading differs from importing and exporting from UA
  - Consider VAT consequences of trading before hand
  - Use Incoterms wisely
- VAT simplification measures
  - Import VAT deferral license
  - Monthly VAT refund license
  - EU VAT refund procedure
  - VAT simplified triangulation
  - ...
- Customs simplification measures
  - Bonded warehouse / Excise warehouse
  - Temporary import / export
  - Inward and outward processing license
  - ....

# Taxation

## CIT

- Tax rate:
  - Standard rate : 25%
  - Reduced rate : 20% (SME's, profit up to 100k Euro)
- Corporate Tax residents
  - Local incorporated entities
  - Belgian Permanent Establishments of foreign entities
- CIT credits and incentives available
  - Foreign Tax credits
  - Investment deduction
  - Patents and R&D tax credit
  - Reduced payroll tax for qualifying researchers
  - Innovation income deduction (IID)

# Taxation

## PIT

- Personal income tax for Belgian tax resident
- Progressive taxation according to income level
  - 25% (up to €13,870)
  - 40% (€ 13.870,01 until € 24.480)
  - 45% (€ 24.480,01 until € 42.370)
  - 50% (as of €42.370,01)
- PIT advances retained by employer or self-employed

# Relocation of personnel



# Relocation of personnel

## Temporary Protection Status

- ✓ Europe: Automatic protection status
- ✓ Temporary: 1 year
- ✓ No asylum procedure

# Relocation of personnel

## Work- & residence permit

- ✓ Where?

  - Waterloolaan 121*

  - 1000 Brussels*

- ✓ Who?

  - Ukraine and third country nationals under Ukrainian protection

- ✓ What?

  - Attestation Temporary Protection Status

- ✓ Consequences?

  - A-card: free access to the Belgian labour market

# Recruiting personnel

## Group target reduction

- ✓ Reduction **employer** social security contributions
- ✓ 1<sup>st</sup> to 6<sup>th</sup> employee per TBE
- ✓ Reductions:

Employee	Amounts				
1	4.000 per quarter, unlimited exemption				
2	5 x 1.550	4 x 1.050	4 x 450		= 13 quarters
3	9 x 1.050	4 x 450	-		= 13 quarters
4	9 x 1.050	4 x 450	-		= 13 quarters
5	9 x 1.050	4 x 450	-		= 13 quarters
6	9 x 1.050	4 x 450	-		= 13 quarters

# Contact Details

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