



Company Formation in Belgium

By Arrow Advocaten

Establishing a company in a foreign country can be challenging in terms of designing the legal structure and organising a streamlined and efficient incorporation process. Alliuris member firms provide corporate legal services, in particular for the formation of companies in their home country.

This document provides a brief overview of of Company Types, Management Structures, and Tax Regimes under the Belgian Companies and Associations Code (WVV).

The Belgian Companies and Associations Code (WVV), which came into effect on May 1, 2019, simplified the available company types. Below is an overview of the main company forms and their key characteristics.

1. Private Limited Company (Besloten Vennootschap - BV)

- *Key Features:*
 - Has legal personality.
 - No minimum capital required, but a sufficient initial financial plan must be provided.
 - Shares are generally not freely transferable.
 - Shareholders are not personally liable.
- *Management Body:*
 - Managed by one or more directors.
 - Flexible governance: Can be managed by an individual director or a collegiate body.



- *Tax Regime:*
 - Subject to corporate income tax (vennootschapsbelasting) at the standard rate:
 - Base rate: 25%.
 - Reduced rate of 20% on the first €100,000 of taxable income for SMEs under certain conditions (e.g., at least one director earning a minimum remuneration of €45,000 annually).
- *Target Audience:* Ideal for SMEs and startups.

2. Public Limited Company (Naamloze Vennootschap - NV)

- *Key Features:*
 - Minimum capital requirement: €61,500.
 - Shares are freely transferable.
 - Suitable for larger, capital-intensive companies.
- *Management Body:*
 - Single-director model or board of directors.
 - Optional dual governance with a supervisory board and a management board.
- *Tax Regime:*
 - Subject to corporate income tax (vennootschapsbelasting) at the same rates as the BV:
 - Standard rate: 25%.
 - Reduced SME rate: 20% on the first €100,000 of taxable income (under specific conditions).
- *Target Audience:* Large corporations and multinationals.

3. Cooperative Company (Coöperatieve Vennootschap - CV)

- *Key Features:*
 - Designed for collaboration between members with a shared purpose.
 - Flexible entry and exit of members.
 - Profit distribution based on cooperative principles.
- *Management Body:*
 - Typically managed by a board of directors, but flexibility in governance exists.

- *Tax Regime:*
 - Subject to corporate income tax (vennootschapsbelasting) at the standard rates:
 - Standard rate: 25%.
 - Reduced SME rate: 20% on the first €100,000 of taxable income (under conditions).
- *Target Audience:* Cooperative initiatives and social enterprises.

4. Partnership (Maatschap) and its Variants

- *Key Features:*
 - Does not have legal personality.
 - Partners have unlimited liability, except in a limited partnership (commanditaire vennootschap).
- *Management Body:*
 - Managed by the partners themselves, with decision-making authority unless otherwise agreed.
- *Tax Regime:*
 - Partnerships are transparent for tax purposes:
 - The profits are directly taxed in the hands of the partners, subject to personal income tax (personenbelasting) or, if applicable, corporate income tax (vennootschapsbelasting).
 - For limited partnerships, only the general partners are taxed on the profits, as silent partners do not manage the company.
- *Target Audience:* Temporary or specialized collaborations and family offices.

5. European Company Forms

Societas Europaea (SE)

- *Management Body:*
 - Dual governance (supervisory and management boards) or single-tier governance (board of directors).
- *Tax Regime:*
 - Subject to corporate income tax in Belgium at the same rates as national companies:
 - Standard rate: 25%.
 - Reduced SME rate may apply if conditions are met.

Societas Cooperativa Europaea (SCE)

- *Management Body:*
 - Flexible governance based on cooperative principles.
- *Tax Regime:*
 - Taxed under the same rules as national cooperative companies:
 - Standard corporate tax rate: 25%.
 - Reduced SME rates may apply under specific conditions.

6. Key Notes on Taxation

- *Corporate Tax Incentives:* Belgium offers several tax incentives for companies, including:
 - Investment deductions.
 - Tax incentives for research and development (R&D).
 - The notional interest deduction.
- *Personal Income Tax for Partnerships:*
 - Transparent entities like partnerships (maatschap) pass profits directly to the partners, who are taxed individually at progressive income tax rates.

Important Disclaimer

This document is purely indicative and provides a general overview of company types, management structures, and tax regimes under the WVV. Specific circumstances or details may alter the applicability of these rules. We strongly advise seeking additional guidance from one of our specialists to ensure tailored advice that fits your specific situation.

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