



STARTING A BUSINESS IN THE NETHERLANDS

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'