



**GLOBAL
EXPANSION
GUIDEBOOK
CORPORATE**

Belgium



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INTRODUCTION

Welcome to the 2024 edition of DLA Piper's *Global Expansion Guidebook – Corporate*.

GLOBAL EXPANSION GUIDEBOOK SERIES

To compete and be successful today, companies need to develop and scale their businesses globally. Each country presents its own set of unique laws, rules and regulations and business practices that companies must understand to be successful. In order to help clients meet the opportunities and challenges of expanding internationally, we have created a handy set of global guides that cover the basics companies need to know when going into and doing business in new countries. The *Global Expansion Guidebook* series reviews business-relevant corporate, employment, intellectual property and technology, executive compensation, and tax laws in key jurisdictions around the world.

CORPORATE

The *Global Expansion Guidebook – Corporate* has been created based on our research, our experience and feedback we have received from clients in both established and emerging businesses that have expanded internationally. We hope it will be a helpful resource for you.

The *Global Expansion Guidebook – Corporate* covers corporate basics in 54 key jurisdictions across the Americas, Asia Pacific, Europe and the Middle East. We touch on a wide range of corporate issues for companies expanding internationally, including establishing a corporate presence and choice of entity, liability considerations, tax presence and tax filings, capital requirements, the formation process, director, officer and shareholder requirements, registration processes, office lease processes and possible exit strategies.

With more than 600 lawyers, DLA Piper's global Corporate group is one of the largest in the world, with one of the widest geographical footprints of any global law firm and experience across the legal areas companies need as they expand internationally. With both global experience and local knowledge, we partner with our clients wherever they do business to find solutions and manage their risk in relation to their challenges and objectives.

While this guide provides high-level guidance, it is not a substitute for legal advice, and we encourage you to seek advice regarding the specific matters that concern you. If you wish to speak to any of our contributors, you may find their contact details at the end of the guide.

We hope you find this guide valuable, and we welcome your feedback.

This publication is provided to you as a courtesy, and it does not establish a client relationship between DLA Piper and you, or any other person or entity that receives it.

This is a general reference document and should not be relied upon as legal advice. The application and effect of any law or regulation upon a particular situation can vary depending upon the specific facts and circumstances, and so you should consult with a lawyer regarding the impact of any of these regimes in any particular instance.

DLA Piper and any contributing law firms accept no liability for errors or omissions appearing in this publication and, in addition, DLA Piper accepts no liability at all for the content provided by the other contributing law firms. Please note that corporate law is dynamic, and the legal regime in the countries surveyed could change.

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BELGIUM



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FORM OF ENTITY

Public limited company (*société anonyme/naamloze vennootschap*)

Separate and distinct legal entity. There are 2 types of board structures that may be chosen (ie, monistic board structure or dualistic board structure).

In the event the monistic board structure is chosen, the public limited company may be managed by either:

- A collegial board of at least 3 directors, or 2 directors in case there are less than 3 shareholders,
- or if provided by the articles of association, a sole director.

The collegial board is responsible for making major business decisions and overseeing the general affairs of the company. Managing directors (or general managers), who run the day-to-day operations of the company, are appointed by the directors. The sole director must be a public limited company with a collegial board when:

- The public limited company with a sole director is listed or
- When a legal provision requires a collegial board.

The dualistic board structure must be provided for in the articles of association and consists of a board of supervision and an executive board. The board of supervision is a collegial board of at least 3 members and is elected by the shareholders of the company. Members of the board of supervision cannot at the same time be members of the executive board. The board of supervision is responsible for the general policy and strategy of the public limited company and has reserved competences. The executive board is a collegial board of at least 3 members. Members of the executive board are appointed by the members of the board of supervision. The executive board has full management competence except for the ones reserved by the law for the shareholders' meeting and the ones reserved for the board of supervision.

Limited company (*société à responsabilité limitée/besloten vennootschap*)

Separate and distinct legal entity. Managed by either a sole director, a non-collegial management body or a collegial management body (if provided in the articles of association), who are responsible for making major

business decisions and overseeing the general affairs of the limited company. Directors are elected by the shareholders of the limited company. The management body may appoint 1 or more persons who can act alone, jointly or collegially, and who are responsible for the daily management. If no daily management is appointed by the management body, the day-to-day operations of the company are run by the director(s), who has/have, in principle, full authority.

Often used by USA companies for tax reasons since it qualifies as check-the-box in the USA. Steps to be taken to ensure that the old IRS taxpayer identification number is made available to the new entity.

Belgian branch office of a foreign company

No separate and distinct legal entity from the foreign company. The legal representative must represent the foreign company with regard to the activities of its Belgian branch office.

ENTITY SET UP

Public limited company (*société anonyme/naamloze vennootschap*)

- At least 1 incorporator (natural person or legal entity) — unlimited number of shareholders
- Limited liability of the shareholders
- Subject to corporate income tax
- Typical charter documents include:
 - Articles of incorporation
 - Bylaws
 - Shareholders' resolutions
 - Board resolutions and
 - Share register
- Subject to the board structure that is chosen (ie, monistic or dualistic), the board of directors or the sole director has the overall management responsibility. In the dualistic board structure, the board of supervision has the reserved competences, and the executive board has the residual as well as the operational competences
- Shares are freely transferable
- Different types of stock may be issued (eg, shares with or without voting rights, profit sharing certificates or stock options) – can issue financial instruments such as bonds
- Annual accounts to be filed with the National Bank of Belgium

Limited company (*société à responsabilité limitée/besloten vennootschap*)

- At least 1 incorporator (natural person or legal entity) – unlimited number of shareholders
- Limited liability of the shareholders
- Subject to corporate income tax
- Typical charter documents include:
 - Articles of incorporation
 - Bylaws
 - Shareholders' resolutions
 - Board resolutions and
 - Share register
- Every director has the authority to conduct all acts which are necessary or useful to realize the limited company's corporate purpose, unless the articles of association provide otherwise or unless the law provides that such acts are the exclusive responsibility of the general meeting. Daily management may be attributed to 1 or more persons acting alone, jointly or as a college
- Shares are not freely transferable (unless the articles of associations provide otherwise) – form less used for joint ventures
- Different types of stock may be issued (eg, shares with or without voting rights or stock options) – can issue financial instruments such as bonds
- Annual accounts to be filed with the National Bank of Belgium

Belgian branch office of a foreign company

- The competent corporate body of a foreign company may decide to open a Belgian branch office
- No separate legal entity; therefore, the foreign company shall be liable for all the obligations entered into
- Physical existence in Belgium for a branch office in which a foreign company carries out its activities
- Presence in Belgium of a legal representative who may bind the foreign company
- Regular exercise activities in Belgium

- Various documents related to the foreign company must in principle be translated into one of the official Belgian languages and filed with the clerk's office of the competent enterprise court, such as the deed of incorporation or the latest version of the articles of association
- A legal representative must represent the foreign company in Belgium.
- The (consolidated) annual accounts of the foreign company must, on an annual basis, be filed with the National Bank of Belgium

MINIMUM CAPITAL REQUIREMENT

Public limited company (*société anonyme/naamloze vennootschap*)

Minimum capital: EUR 61,500 fully paid up at the time of incorporation.

Above the minimum, each share must be paid up to 25 percent.

Next to a cash contribution, a contribution in kind can additionally be made.

Limited company (*société à responsabilité limitée/besloten vennootschap*)

There is no capital requirement. Obligation to have a net equity which is, taking into account other sources of financing, sufficient in the light of the envisioned activities.

Next to a cash contribution, also a contribution in kind or in industry can be made.

Belgian branch office of a foreign company

Not applicable for this jurisdiction.

LEGAL LIABILITY

Public limited company (*société anonyme/naamloze vennootschap*)

Limited liability of the shareholders – shareholders of a public limited company are in principle not liable for the debts of a public limited company aside from their financial contribution to the public limited company (with the exception of the incorporators' liability during the first 3 years in case of a misrepresentation of the financial plan).

Limited company (*société à responsabilité limitée/besloten vennootschap*)

Limited liability of the shareholders – shareholders of a limited company are in principle not liable for the debts of a limited company aside from their financial contribution to the limited company (with the exception of the incorporators' liability during the first 3 years in case of a misrepresentation of the financial plan).

Belgian branch office of a foreign company

The foreign company shall be liable for all the obligations entered into by the legal representative on behalf of the Belgian branch office.

TAX PRESENCE

Public limited company (*société anonyme/naamloze vennootschap*)

Subject to corporate income tax:

- Belgian public limited companies are in principle taxable on their worldwide income, less allowable deductions. The taxable income is determined on the basis of the approved Belgian GAAP annual accounts, subject to certain adjustments in accordance with the Belgian Income Tax Code
- Resident public limited companies are subject to a standard corporate income tax rate of 25 percent. The first income band of EUR 100,000 of small public limited companies is subject to a lower rate of 20 percent provided that certain conditions are met
- A participation exemption regime exists for received dividends under which, subject to certain conditions, 100 percent of the received dividends are deductible. Capital gains realized on shares may be exempt provided that certain conditions are met
- The payment of dividends, royalties and interest is in principle subject to a 30 percent withholding tax. Domestic law provides for reduced rates and exemptions in certain circumstances. The applicable rate may further also be reduced under an applicable double taxation treaty
- Losses may in principle be carried forward indefinitely, but their use in a given tax year is limited to EUR 1 million plus 70 percent of the taxable basis in excess of EUR 1 million. As of income year 2023 (assessment year 2024), the 70 percent threshold was reduced to 40 percent, to increase the minimal taxable basis to 60 percent instead of 30 percent. This measure was temporary, as it was the intention to abolish this measure as soon as the global minimum tax rules (OECD Pillar Two) enter into force in Belgium.
- At the end of 2023, Belgium implemented the Council Directive (EU) 2022/2523 of December 15, 2022, ensuring a global minimum level of taxation for groups of multinational enterprises and large domestic groups in the European Union. These rules introduce a coordinated system to ensure that large groups with a consolidated revenue exceeding EUR 750 million for at least 2 of the 4 previous years, are subject to a minimum effective tax rate of 15 percent. The global minimum tax rules in Belgium will be applicable to financial years beginning on or after December 31, 2023. With the introduction of the global minimum taxation rules, the 40 percent threshold was increased back to 70 percent as of assessment year 2025.
- A Controlled Foreign Company (CFC) regime and a group consolidation regime entered into force in 2019. The CFC regime was reinforced in Belgium at the end of 2023. The previous CFC regime intended to tax undistributed profits from low taxed subsidiaries or branches resulting from an artificial construction set up with the essential purpose to obtain a tax benefit. As the old rules proved to be ineffective in practice, the new rules shift the burden of proof to the taxpayer. The new rules focus on the taxation of passive income realized CFCs that are directly owned by the Belgian controlling company and that are located in a low-taxed jurisdiction (or in a jurisdiction where the taxation amounts to less than half of the tax that would be due in Belgium, if the foreign company would be located in Belgium). There exist some safe harbor rules in case, eg, the CFC performs significant economic activities. These rules may have a substantial impact for holding companies.

Limited company (*société à responsabilité limitée/besloten vennootschap*)

Subject to corporate income tax:

- Belgian limited companies are in principle taxable on their worldwide income, less allowable deductions. The taxable income is determined on the basis of the approved Belgian GAAP annual accounts, subject to certain adjustments in accordance with the Belgian Income Tax Code
- Resident limited companies are subject to a standard corporate income tax rate of 25 percent. The first income band of EUR 100,000 of small limited companies is subject to a lower rate of 20 percent provided that certain conditions are met
- A participation exemption regime exists for received dividends under which, subject to certain conditions, 100 percent of the received dividends are deductible. Capital gains realized on shares can be exempt provided that certain conditions are met
- The payment of dividends, royalties and interest is, in principle, subject to a 30 percent withholding tax. Domestic law provides for reduced rates and exemptions in certain circumstances. The applicable rate may also be reduced further under an applicable double taxation treaty.
- Losses may in principle be carried forward indefinitely, but their use in a given tax year is limited to EUR 1 million plus 70 percent of the taxable basis in excess of EUR 1 million. As of income year 2023 (assessment year 2024), the 70 percent threshold was reduced to 40 percent, to increase the minimal taxable basis to 60 percent instead of 30 percent. This measure was temporary, as it was the intention to abolish this measure as soon as the global minimum tax rules (OECD Pillar Two) enter into force in Belgium.
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Belgian branch office of a foreign company

A Belgian branch office of a foreign company will, in principle, be subject to tax on income generated by the Belgian branch office and will thus be subject to the so-called corporate nonresident income tax. Under the corporate nonresident income tax, specific categories of Belgian-sourced income are subject to tax. The nonresident income tax that is due is, in principle, calculated based on the corporate income tax rules for resident companies. Hence, the implementation of the global minimum tax rules, will also be applicable to the Belgian branch office of a foreign company. In addition, the applicable tax rates are identical to the tax rates for resident companies. If a double taxation treaty is in place between Belgium and the state of tax residence of the foreign company, such treaty should be consulted in order to verify whether Belgium has the authority to tax the income that is attributable to the branch.

The foreign company (via its branch office) may also be subject to certain other possible taxes, such as registration taxes on the purchase of real estate or communal taxes.

Depending on its activities, the Belgian branch office may also qualify as VAT taxpayer.

INCORPORATION PROCESS

Public limited company (*société anonyme/naamloze vennootschap*)

The public limited company will be incorporated at the occasion of an incorporation meeting. The meeting must be held in the presence of a notary public. The incorporation deed will be passed during this incorporation meeting and will not only incorporate the public limited company, but will also contain the public limited company's articles of association.

Bank certificate in case the public limited company is incorporated by means of a contribution in cash. Prior to the incorporation of the public limited company, the notary public passing the deed of incorporation must be provided with a financial plan (see below), prepared and signed by the incorporator(s). In this financial plan, the incorporators justify the amount of the capital for a first period of at least 2 years.

The articles of association must, among others, contain the following information: name, region of registered office, corporate object, capital, shares, identity of the directors and the rules of representation of the public limited company, date of the annual shareholders' meeting and the financial year. In case the public limited company's registered office is located in the Brussels region, the choice exists between French and/or Dutch as language of the articles of association, but when the registered office is located in the Flemish or the Walloon region, the official language of the articles of association will, mandatorily, be respectively Dutch and French.

The incorporating shareholder(s) must be present or represented at the incorporation meeting which must be held in the presence of a notary public. The proxies do not need to be legalized (a private proxy is sufficient). The incorporation deed may also be signed electronically in a video conference with the notary public.

The new public limited company must be registered with the Crossroads Bank for Enterprises.

Public limited companies subject to the Belgian income tax regime must be affiliated with a Belgian social insurance fund. This formality should be complied with within a period of 3 months as of the incorporation of the public limited company.

Within 1 month of the incorporation, the public limited company must be registered in the Ultimate Beneficial Owner (UBO) register.

The incorporation deed must be filed with the clerk's office of the competent enterprise court for publication in the Annexes to the Belgian State Gazette.

Immediately after the incorporating meeting and included in the same notarial deed, a general shareholders' meeting will be held, which will appoint the director(s) (at least 3 directors, or 2 directors if less than 3 shareholders, should be appointed; sole director if foreseen in the articles of association) or, in the event a dualistic board structure is chosen, the board of supervision and, if applicable, the statutory auditor.

Following the appointment of the director(s) at the occasion of the general shareholders' meeting, a meeting of the board of directors can immediately be held as well, during which a managing director (or general manager) in charge of the daily management can be appointed or, in the event a dualistic board structure is chosen, the executive board. In case the directors cannot attend the meeting, they may be represented by way of proxy if not prohibited by the articles of association.

Limited company (*société à responsabilité limitée/besloten vennootschap*)

The limited company will be incorporated at the occasion of an incorporation meeting. The meeting must be held in the presence of a notary public the incorporation deed, which will be passed during this incorporation meeting and will not only incorporate the limited company, but will also contain the limited company's articles of association.

Bank certificate in case the limited company is incorporated by means of a contribution in cash. However, such contribution is not required anymore and is voluntary.

Prior to the incorporation of the limited company, the notary public passing the deed of incorporation must be provided with a financial plan, prepared and signed by the incorporator(s). In this financial plan, the incorporator(s) justify the amount of the net equity for a first period of at least 2 years.

The financial plan must contain at least the following elements:

- A detailed description of the planned activities
- An overview of all sources of financing upon incorporation, where applicable, with an indication of the securities provided in this context
- An opening balance sheet as well as pro forma balance sheet after 12 and 24 months
- A pro forma profit and loss statement after 12 and 24 months
- A budget of the expected income and expenditure for a period of at least 2 years after its incorporation
- A description of the assumptions used to estimate the expected turnover and the expected profitability and
- If applicable, the name of the external expert who assisted in drawing up the financial plan.

The articles of association must, among others, contain the following information:

- Name

- Region of registered office
- Corporate object
- Net equity
- Shares
- Identity of the directors and the rules of representation of the limited company
- Date of the annual shareholders' meeting
- The financial year

In case the limited company's registered office is located in the Brussels region, the choice exists between French and/or Dutch as language of the articles of association, but, when the registered office is located in the Flemish or the Walloon region, the official language of the articles of association will, mandatorily, be Dutch and French, respectively.

The incorporating shareholder(s) must be present or represented at the incorporation meeting which must be held in the presence of a notary public. The proxies do not need to be legalized (a private proxy is sufficient). The incorporation deed may also be signed electronically in a video conference with the notary public.

The new limited company must be registered with the Crossroads Bank for Enterprises for publication in the Annexes to the Belgian State Gazette.

Limited companies subject to the Belgian income tax regime must be affiliated with a Belgian social insurance fund. This formality should be complied with within a period of 3 months as of the incorporation of the limited company.

Within 1 month of the incorporation, the limited company must be registered in the Ultimate Beneficial Owner (UBO) register.

Incorporation deed must be filed with the clerk's office of the competent Enterprise Court.

Immediately after the incorporating meeting and included in the same notarial deed, a general shareholders' meeting will be held, which will appoint the director(s) – if there are several directors, they form a (non-collegial) board – and, if applicable, the statutory auditor.

Belgian branch office of a foreign company

If the competent corporate body of the foreign company decides to open a Belgian branch office, such resolution should contain certain specific decisions, such as the address and description of the activities of the Belgian branch office and the appointment of a legal representative. The signature of the authorized officer(s) of the foreign company should be legalized and certified by a public notary (or the equivalent foreign authority), whose signature in turn should be legalized by way of an apostille, which is a procedure provided for by The Hague Convention.

If the resolution has not been drafted in the official language of the region where the Belgian branch office will be located (ie, Dutch in the Flemish Region, French in the Walloon Region and Dutch or French in the Brussels Capital Region), then the resolution must be translated by a Belgian sworn translator. The original resolution and, as the case may be, its sworn translation, together with certain other documents related to the foreign company, then must be filed with the clerk's office of the competent enterprise court, which will arrange for its subsequent publication in the Annexes to the Belgian State Gazette. In addition, the last annual accounts, which have been approved by the shareholders of the foreign company, and, as the case may be, the consolidated annual accounts, must be filed with the National Bank of Belgium. Finally, the Belgian branch office must be registered with the Crossroads Bank for Enterprises and the VAT administration.

BUSINESS RECOGNITION

Public limited company (*société anonyme/naamloze vennootschap*)

Well regarded and widely used.

Limited company (*société à responsabilité limitée/besloten vennootschap*)

Company of reference. Used by US companies for tax reasons as it qualifies for check-the-box election in the US.

Belgian branch office of a foreign company

Regularly used.

SHAREHOLDER MEETING REQUIREMENTS

Public limited company (*société anonyme/naamloze vennootschap*)

In principle, the shareholders' meeting has limitative authority over:

- The appointment or dismissal of the directors and the members of the board of supervision
- The appointment of the statutory auditor(s)
- The approval of the annual accounts
- Discharge of the directors, the members of the board of supervision and the statutory auditor
- Net asset test
- Dividend distributions (without prejudice to the competence of the board of directors to distribute interim dividends if granted such competence in the articles of association)
- A merger or demerger of the company

- A capital increase (without prejudice to the competence of the board of directors to increase the share capital within the authorized capital) or a capital decrease
- The issuance of shares below fractional value
- The acquisition by the company of its own shares (without prejudice to the competence of the board of directors in this respect, within the limits set by the general shareholders' meeting)
- The cancellation or limitation of the preferential subscription right
- The dissolution of the company and
- Any modification to the articles of association of the company.

Required to hold a meeting of shareholders at least once a year to vote on the approval of the annual accounts, the allocation of the results and to (re)appoint the directors and the members of the board of supervision and grant release to the directors and the members of the board of supervision and the statutory auditor.

After the annual meeting of shareholders has been held, the annual accounts (printed on a prescribed form or in electronic version), the annual report of the board of directors or the members of the board of supervision to the shareholders and the auditor's report must be filed with the Belgian National Bank within 1 month after the approval of the annual accounts by the annual shareholders' meeting and in no event later than 7 months after the closing of the financial year.

Limited company (*société à responsabilité limitée/besloten vennootschap*)

In principle, the shareholders' meeting has authority over:

- The appointment or dismissal of the director(s)
- The appointment of the statutory auditor(s)
- The approval of the annual accounts
- Discharge of the director(s) and the statutory auditor
- A merger or demerger of the company
- Net asset test
- Dividend distributions (without prejudice to the competence of the management body to distribute interim dividends if granted such competence in the articles of association)
- The acquisition by the company of its own shares
- The dissolution of the company and
- Any modification to the articles of association of the company.

It is required to hold a meeting of shareholders at least once a year to vote on the approval of the annual accounts, the allocation of the results and to (re)appoint the director(s) if their mandate(s) expire(s) on the annual shareholders' meeting and grant release to the director(s) and the statutory auditor.

After the annual meeting of shareholders has been held, the annual accounts (printed on a prescribed form or in electronic version), the annual report of the management body/sole director to the shareholders and the auditor's report must be filed with the Belgian National Bank within 1 month after the approval of the annual accounts by the annual shareholders' meeting and in no event later than 7 months after the closing of the financial year.

Belgian branch office of a foreign company

Not applicable, as this will be arranged at the level of the foreign company.

BOARD OF DIRECTOR MEETING REQUIREMENTS

Public limited company (*société anonyme/naamloze vennootschap*)

In principle, the board of directors has residual authority (*ie*, all powers that are not reserved to the general meeting of shareholders).

The board of directors or the board of supervision of the public limited company must meet at least once a year to prepare the annual accounts and to convene the annual shareholders' meeting.

The meeting of the board of directors or the board of supervision cannot be held until the draft of an annual management report (insofar required by law) to the shareholders and a set of the draft annual accounts (including a balance sheet, a profit and loss statement and explanatory notes) for the relevant financial year have been prepared.

Other meetings are possible each time the interest of the public limited company requires it in the interest of the public limited company.

Limited company (*société à responsabilité limitée/besloten vennootschap*)

In principle, the (management) body has residual authority (*ie*, the management of the limited company).

The management body of the limited company must meet at least once a year to prepare the annual accounts and to convene the annual shareholders' meeting.

The meeting of the management body cannot be held until the draft of an annual management report (insofar required by law) to the shareholders and a set of the draft annual accounts (including a balance sheet, a profit and loss statement and explanatory notes) for the relevant financial year have been prepared.

Other meetings are possible each time the interest of the limited company so requires.

Belgian branch office of a foreign company

Not applicable for this jurisdiction.

ANNUAL COMPANY TAX RETURNS

Public limited company (*société anonyme/naamloze vennootschap*)

Annual corporate income tax return and a VAT return on a monthly or quarterly basis (depending on turnover).

Limited company (*société à responsabilité limitée/besloten vennootschap*)

Annual corporate income tax return and a VAT return on a monthly or quarterly basis (depending on turnover).

Belgian branch office of a foreign company

Annual non-resident corporate income tax return and a VAT return on a monthly or quarterly basis (depending on turnover).

BUSINESS REGISTRATION FILING REQUIREMENTS

Public limited company (*société anonyme/naamloze vennootschap*)

Registration with the Crossroads Bank for Enterprises.

Limited company (*société privée à responsabilité limitée/besloten vennootschap*)

Registration with the Crossroads Bank for Enterprises.

Belgian branch office of a foreign company

Registration with the Crossroads Bank for Enterprises.

BUSINESS EXPANSION

Public limited company (*société anonyme/naamloze vennootschap*)

No need to change as business expands.

Limited company (*société privée à responsabilité limitée/besloten vennootschap*)

No need to change as business expands.

Belgian branch office of a foreign company

No need to change as business expands.

EXIT STRATEGY

Public limited company (*société anonyme/naamloze vennootschap*)

Voluntary dissolution with immediate closure of the liquidation:

- Statement of assets and liabilities, which may not be older than 3 months on the date the extraordinary shareholders' meeting deciding to dissolve and immediately close the liquidation, is held
- Special report of the management body on the proposal to dissolve and immediately close the liquidation. The statement of assets and liabilities has to be attached to the special report
- Meeting of the management body:
 - Approving the statement of assets and liabilities and the special report
 - Giving the statutory auditor the task to draft a report on the statement of assets and liabilities
 - Convening an extraordinary shareholders meeting
 - Waiving the convocation periods and formalities to this extraordinary shareholders' meeting
- Special report of the statutory auditor
- Extraordinary shareholders' meeting held in the presence of a notary public, deciding to dissolve and immediately close the liquidation

Limited company (*société à responsabilité limitée/besloten vennootschap*)

Voluntary dissolution with immediate closure of the liquidation:

- Statement of assets and liabilities, which may not be older than 3 months on the date the extraordinary shareholders' meeting deciding to dissolve and immediately close the liquidation, is held
- Special report of the management body on the proposal to dissolve and immediately close the liquidation. The statement of assets and liabilities has to be attached to the special report
- Meeting of the management body:
 - Approving the statement of assets and liabilities and the special report
 - Giving the statutory auditor the task to draft a report on the statement of assets and liabilities
 - Convening an extraordinary shareholders meeting
 - Waiving the convocation periods and formalities to this extraordinary shareholders' meeting
- Special report of the statutory auditor
- Extraordinary shareholders' meeting held in the presence of a notary public, deciding to dissolve and immediately close the liquidation

Belgian branch office of a foreign company

The competent corporate body of the foreign company may decide to close the Belgian branch office.

ANNUAL CORPORATE MAINTENANCE REQUIREMENTS

Public limited company (*société anonyme/naamloze vennootschap*)

Annual meeting of the management body, the shareholders and subsequently the annual filing of the annual accounts with the Belgian National Bank.

Limited company (*société à responsabilité limitée/besloten vennootschap*)

Annual meeting of the management body, the shareholders and subsequently the annual filing of the annual accounts with the Belgian National Bank.

Belgian branch office of a foreign company

Annual filing of the consolidated annual accounts of the foreign company with the Belgian National Bank.

The following documents and information must be filed with the clerk's office of the competent enterprise court within 30 days and, as the case may be, published in the Annexes to the Belgian State Gazette:

- Changes to the foreign company's articles of association
- Changes to the foreign company's name or legal form
- Changes to the foreign company's registration with the Commercial Register
- Changes to the address, name and activities of the Belgian branch office
- Appointments and resignations of persons authorized to represent the foreign company
- Appointments and resignations of the legal representative(s) of the Belgian branch office
- The dissolution of the foreign company, the appointment of liquidators and the scope of their powers and the closing of the liquidation
- The bankruptcy, judicial composition or similar procedure affecting the foreign company
- and the closing of the Belgian branch office.

Annually, within 1 month as of the annual shareholders' meeting and at the latest within 7 months as of the closing of the financial year, the annual accounts and, as the case may be, the consolidated annual accounts of the foreign company must be filed with the National Bank of Belgium.

DIRECTOR / OFFICER REQUIREMENTS

Public limited company (*société anonyme/naamloze vennootschap*)

The directors can be either Belgian or foreign natural persons or legal entities.

If a legal entity is appointed as director, this legal entity must appoint a "permanent representative" in charge of performing the mandate of the director/legal entity on behalf and for the account of the director/legal entity. The permanent representative should be a natural person (ie, employee, director or shareholder of the legal entity), and they will bear the same civil and criminal liability as the director or company which they represent.

Limited company (*société à responsabilité limitée/besloten vennootschap*)

The directors can be either Belgian or foreign natural persons or legal entities.

If a legal entity is appointed as director, this legal entity must appoint a "permanent representative" in charge of performing the mandate of the director or legal entity on behalf and for the account of the director or legal entity. The permanent representative should be a natural person (ie, employee, director or shareholder of the legal entity), and they will bear the same civil and criminal liability as the director or company which they represent.

Belgian branch office of a foreign company

No directors are required to be appointed in the Belgian branch office. However, 1 or more legal representatives must be appointed.

For more information on directors' duties, see our [Global Guide to Directors' Duties](#).

LOCAL CORPORATE SECRETARY REQUIREMENT

Public limited company (*société anonyme/naamloze vennootschap*)

Not applicable for this jurisdiction.

Limited company (*société à responsabilité limitée/besloten vennootschap*)

Not applicable for this jurisdiction.

Belgian branch office of a foreign company

Not applicable for this jurisdiction.

LOCAL LEGAL OR ADMIN REPRESENTATIVE REQUIREMENT

Public limited company (*société anonyme/naamloze vennootschap*)

Not applicable for this jurisdiction.

Limited company (*société à responsabilité limitée/besloten vennootschap*)

Not applicable for this jurisdiction.

Belgian branch office of a foreign company

The legal representative must be present in Belgium on a regular basis in order to enter into contracts with third parties in Belgium. There is the requirement that the legal representative must reside in Belgium.

LOCAL OFFICE LEASE REQUIREMENT

Public limited company (*société anonyme/naamloze vennootschap*)

Service agreement or lease agreement for registered office or property.

Limited company (*société privée à responsabilité limitée/besloten vennootschap*)

Service agreement or lease agreement for registered office or property.

Belgian branch office of a foreign company

A Belgian branch office must have a physical presence in Belgium (ie, an office in which the foreign company carries out its activities in Belgium). 3rd -party service providers can provide a Belgian branch office with such local office.

OTHER PHYSICAL PRESENCE REQUIREMENTS

Public limited company (*société anonyme/naamloze vennootschap*)

A company is a tax resident of Belgium if its principal establishment, or place of management is located in Belgium. If a company has its registered office in Belgium it is presumed to be a tax resident of Belgium. This presumption can be rebutted. In order to avoid discussions about the company's tax residence, it is key that the place of management of the company be located in Belgium (ie, substance-over-form approach). The notion and features of a place of management may vary depending on the company's size and activities. As a strict minimum, the key management decisions of the company should be taken in Belgium, which would generally require shareholders' and board meetings at which such decisions are taken, to be held in Belgium.

When examining the physical presence requirements, it is important to also bear in mind the requirements and views held by the relevant foreign tax authorities.

Limited company (*société à responsabilité limitée/besloten vennootschap*)

A company is a tax resident of Belgium if its principal establishment, or place of management is located in Belgium. If a company's registered office is in Belgium, it is presumed to be a tax resident of Belgium. This presumption can be rebutted. In order to avoid discussions about the company's tax residence, it is key that that the place of management of the company be located in Belgium (ie, substance-over-form approach). The notion and features of a place of management may vary depending on the company's size and activities. As a strict minimum, the key

management decisions of the company should be taken in Belgium, which would generally require shareholders' and board meetings at which such decisions are taken, to be held in Belgium.

When examining the physical presence requirements, it is important to also bear in mind the requirements and views held by the relevant foreign tax authorities.

Belgian branch office of a foreign company

None.

SUFFICIENCY OF VIRTUAL OFFICE

Public limited company (*société anonyme/naamloze vennootschap*)

The registered address of the public limited company can be set with the accountant or can be a postbox office with a 3rd-service provider.

Limited company (*société à responsabilité limitée/besloten vennootschap*)

The registered address of the public limited company can be set with the accountant or can be a postbox office with a 3rd-service provider.

Belgian branch office of a foreign company

See local office lease requirement.

PROVISION OF LOCAL REGISTERED ADDRESS BY LAW FIRM OR THIRD-PARTY SERVICE PROVIDER

Public limited company (*société anonyme/naamloze vennootschap*)

A public limited company must have a local registered address. This can be obtained with the help of a 3rd-party service provider or an accountant and cannot be the address of a law firm. Regarding the language requirements, please see above.

Limited company (*société à responsabilité limitée/besloten vennootschap*)

A limited company must have a local registered address. This can be obtained with the help of a 3rd-party service provider or an accountant and cannot be the address of a law firm. Regarding the language requirements, please see above.

Belgian branch office of a foreign company

As mentioned in the “Local office lease requirement” section, a 3rd-party service provider can provide a local registered office.

PROVISION OF LOCAL DIRECTOR OR CORPORATE SECRETARY BY LAW FIRM OR THIRD-PARTY SERVICE PROVIDER

Public limited company (*société anonyme/naamloze vennootschap*)

By a 3rd-party service provider.

Limited company (*société à responsabilité limitée/besloten vennootschap*)

By a 3rd-party service provider.

Belgian branch office of a foreign company

There are no directors or a corporate secretary appointed in a Belgian branch office. Since the legal representative of the Belgian branch office must be able to represent the foreign company in Belgium (for example, by signing agreements), 3rd-party service providers will, based upon our experience, not provide these services.

NATIONALITY OR RESIDENCY REQUIREMENTS FOR SHAREHOLDERS, DIRECTORS AND OFFICERS

Public limited company (*société anonyme/naamloze vennootschap*)

The shareholders or directors can be either Belgian, foreign natural persons or legal entities.

Should non-Belgian nationals be appointed as directors, a copy of the identity card or international passport of the directors must be communicated to the clerk's office of the enterprise court. The following information must be given to the clerk's office, if it is not mentioned on the copy:

- Surname
- First name
- Place of residence
- Date of birth
- Place of birth

Limited company (*société à responsabilité limitée/besloten vennootschap*)

The shareholders or directors can be either Belgian, foreign natural persons or legal entities.

Should non-Belgian nationals be appointed as directors, a copy of the identity card or international passport of the directors must be communicated to the clerk's office of the enterprise court together with recent proof of their registered address. The following information must be given to the clerk's office, if it is not mentioned on the copy: surname, first name, place of residence, date of birth and place of birth.

Belgian branch office of a foreign company

Not applicable for this jurisdiction.

RESTRICTIONS REGARDING APPOINTMENT OF NOMINEE SHAREHOLDERS OR DIRECTORS

Public limited company (*société anonyme/naamloze vennootschap*)

With respect to the monistic board structure, the sole director must be a public limited company with a collegial board when:

- the public limited company with a sole director is listed; or
- when a legal provision requires a collegial board.

With respect to the dualistic board structure, the members of the board of supervision cannot at the same time be members of the executive board and vice versa.

Limited company (*société à responsabilité limitée/besloten vennootschap*)

Not applicable for this jurisdiction.

Belgian branch office of a foreign company

Not applicable for this jurisdiction.

SUMMARY OF DIRECTOR'S, OFFICER'S AND SHAREHOLDER'S AUTHORITY AND LIMITATIONS THEREOF

Public limited company (*société anonyme/naamloze vennootschap*)

When it comes to the representation of the public limited company vis-à-vis 3rd parties, Belgian company law provides that, in the monistic board structure with a board of directors, the directors of a public limited company represent the public limited company as a board (ie, by the majority of the board members). The possibility exists, however, to include certain deviating representation rules in the public limited company's articles of association (eg, representation by 2 directors).

In the dualistic board structure, it is the executive board which represents the public limited company vis-à-vis 3rd parties. The possibility exists, however, to include certain deviating representation rules in the public limited company's articles of association (eg, representation by 2 members of the executive board)

Shareholders have no authority to represent the public limited company.

Limited company (*société à responsabilité limitée/besloten vennootschap*)

When it comes to the representation of the limited company vis-à-vis 3rd parties, Belgian company law provides that each director, or, in case of a collegial body, the management body, represents the limited company vis-à-vis 3rd parties. It is, however, possible to include certain deviating representation rules in the limited company's articles of association.

Shareholders have no authority to represent the closed limited liability company.

Belgian branch office of a foreign company

The legal representative will have the authority to represent the foreign company in Belgium. In the resolution of the competent corporate body of the foreign company, their authority may be limited.

PUBLIC DISCLOSURE OF IDENTITY OF DIRECTORS, OFFICERS AND SHAREHOLDERS

Public limited company (*société anonyme/naamloze vennootschap*)

The appointment and the resignation of the directors, managing directors or general managers must be published in the Annexes to the Belgian State Gazette.

In the framework of the ultimate beneficial ownership or UBO registration, the details of the ultimate beneficial owners of the public limited company and any registered intermediary entities will be registered in the UBO register. The information in the UBO register is only accessible for members of the general public that can demonstrate that they have a legitimate interest.

With regard to listed companies, each natural person or legal entity that, directly or indirectly, acquires securities with voting rights of an issuer should inform the issuer and the Financial Services and Markets Authority of the number and of the percentage of the existing voting rights that they own as a result of the acquisition when the voting rights they own reaches 5 percent or more of the total of the existing voting rights. This notification is also required in the event of a direct or indirect acquisition of securities with voting right that results in the number of voting rights reaching or exceeding 10 percent, 15 percent, 20 percent and each consecutive 5 percent tranche. Furthermore, notification is required in the event of a direct or indirect disposal of securities with voting rights that results in a decrease of the voting rights below one of the named thresholds. The articles of association of an issuer under Belgian law can also determine that the notification also applies to lower or intermediate thresholds, it being understood that only 1 percent, 2 percent, 3 percent, 4 percent and 7.5 percent can be used.

Limited company (*société à responsabilité limitée/besloten vennootschap*)

The appointment and the resignation of the directors, managing directors or general managers must be published in the Annexes to the Belgian State Gazette.

In the framework of the ultimate beneficial ownership or UBO registration, the details of the ultimate beneficial owners of the limited company and any registered intermediary entities will be registered in the UBO register. The information in the UBO register is only accessible for members of the general public that can demonstrate that they have a legitimate interest.

With regard to listed companies, each natural person or legal entity that, directly or indirectly, acquires securities with voting rights of an issuer should inform the issuer and the Financial Services and Markets Authority of the number and of the percentage of the existing voting rights that they own as a result of the acquisition when the voting rights they own reaches 5 percent or more of the total of the existing voting rights. This notification is also required in the event of a direct or indirect acquisition of securities with voting rights that results in the number of voting rights reaching or exceeding 10 percent, 15 percent, 20 percent and each consecutive 5 percent tranche. Furthermore, notification is required in the event of a direct or indirect disposal of securities with voting rights that results in a decrease of the voting rights below one of the named thresholds. The articles of association of an issuer under Belgian law can also determine that the notification also applies to lower or intermediate thresholds, it being understood that only 1 percent, 2 percent, 3 percent, 4 percent and 7.5 percent can be used.

Belgian branch office of a foreign company

The identity of the legal representative and the directors of the foreign company will be publicly disclosed. The identity of the shareholders of the foreign company will in principle not be publicly disclosed but may be public via the (consolidated) annual accounts depending on the information included therein.

MINIMUM AND MAXIMUM NUMBER OF DIRECTORS AND SHAREHOLDERS

Public limited company (*société anonyme/naamloze vennootschap*)

In the event a monistic board structure is chosen and the public limited company has less than 3 shareholders, the board of directors can be composed of only 2 directors, and, if more than 2 shareholders, at least 3 directors. If so provided for in the articles of association, the public limited company can also have a sole director. The sole director must be a public limited company with a collegial board when:

- The public limited company with the sole director is listed; or
- When a legal provision requires a collegial board

In the event of a dualistic board structure, both the board of supervision and the executive board must consist of at least 3 members who cannot be members of the board of supervision and the executive board at the same time.

Can be incorporated by only 1 shareholder.

Limited company (*société à responsabilité limitée/besloten vennootschap*)

Managed by 1 or more directors.

Can be incorporated by only 1 shareholder.

Belgian branch office of a foreign company

A Belgian branch office has no directors. At least 1 legal representative should be appointed. There are no shareholders of a Belgian branch office.

MINIMUM NUMBER OF SHAREHOLDERS REQUIRED

Public limited company (*société anonyme/naamloze vennootschap*)

In principle, only 1 shareholder.

Limited company (*société à responsabilité limitée/besloten vennootschap*)

In principle, only 1 shareholder.

Belgian branch office of a foreign company

See minimum and maximum number of directors and shareholders (with respect to the foreign company, this will be determined by the laws governing the foreign company).

REMOVAL OF DIRECTORS OR OFFICERS

Public limited company (*société anonyme/naamloze vennootschap*)

Monistic board structure - collegial board of directors

The directors can be dismissed by the shareholders' meeting ad nutum. Unless the articles of association provide otherwise, the shareholders' meeting can at the time of dismissal decide to give a notice period or severance pay. The articles of association can provide that a director may only be dismissed with a notice period or a severance pay. In any event, the shareholders' meeting may always dismiss a director without notice period or severance pay due to legal reasons.

Monistic board structure - sole director

The articles of association can foresee that the sole director must agree with its own dismissal. In any event, the shareholders' meeting can, without the approval of the sole director, dismiss the sole director taking into account the necessary majorities for the amendment of the articles of association. Shareholders (with voting rights) which hold at least 10 percent of the capital (or 3 percent for a listed company) can appoint a special proxyholder, whether or not a shareholder, charged with the introduction of a claim regarding the dismissal of the sole director for legal reasons.

Dualistic board structure - board of supervision

The members of the board of supervision can be dismissed by the shareholders' meeting ad nutum. Unless the articles of association provide otherwise, the shareholders' meeting can, at the time of dismissal, decide to give a notice period or severance pay. The articles of association can provide that a member of the board of supervision can only be dismissed with a notice period or a severance pay. In any event, the shareholders' meeting can always dismiss a member of the board of supervision without notice period or severance pay due to legal reasons.

Dualistic board structure - executive board

The board of supervision is competent for the dismissal of members of the executive board.

In any event, the removal of a director must in all cases be published in the Annexes to the Belgian State Gazette.

Limited company (*société à responsabilité limitée/besloten vennootschap*)

If the director has been appointed in the articles of association, an amendment of the articles of association will be necessary in order to dismiss the director.

If the director has not been appointed in the articles of association, the shareholders' meeting can at any time without justification dismiss a director with immediate effect (*ad nutum*) unless the articles of association or the minutes of the shareholders' meeting appointing the director state otherwise.

Unless the articles of association provide otherwise, the shareholders' meeting can decide at the time of dismissal to grant a notice period or severance pay.

In any event, the shareholders' meeting can decide to dismiss a statutory or non-statutory director in case of legal reasons without notice period or severance pay.

Removal of a director must be published in the annexes to the Belgian State Gazette.

Belgian branch office of a foreign company

The legal representative of the Belgian branch office can be removed by a decision of the competent corporate body of the foreign company.

REQUIRED AND OPTIONAL OFFICERS

Public limited company (*société anonyme/naamloze vennootschap*)

Not applicable for this jurisdiction.

Limited company (*société à responsabilité limitée/besloten vennootschap*)

Not applicable for this jurisdiction.

Belgian branch office of a foreign company

Not applicable for this jurisdiction.

BOARD MEETING REQUIREMENTS

See "[Board of director meeting requirements](#)."

QUORUM REQUIREMENTS FOR SHAREHOLDER AND BOARD MEETINGS

Public limited company (*société anonyme/naamloze vennootschap*)

Without prejudice to the law and the articles of association, the shareholders' meeting decides with majority of votes.

The board of directors decides with a majority of votes.

Limited company (*société à responsabilité limitée/besloten vennootschap*)

Without prejudice to the law and the articles of association, the shareholders' meeting decides with majority of votes.

In principle, each director has the authority to perform all actions. If the directors form a college, in principle, majority of votes.

Belgian branch office of a foreign company

Not applicable as there are no shareholders or directors in a Belgian branch office.

MUST A BANK ACCOUNT BE OPENED PRIOR TO INCORPORATION, AND MUST THE BANK ACCOUNT BE LOCAL?

Public limited company (*société anonyme/naamloze vennootschap*)

The public limited company must have a bank account.

In case the public limited company is incorporated by means of a contribution in cash, the amount that must be fully paid in must be deposited on a blocked bank account with a bank in Belgium or a bank in the European Economic Area as meant in article 4, paragraph 1, point 1) Regulation (EU) no. 575/2013 opened in the name of the public limited company in incorporation. The amount will be released once the notarial deed has been signed.

Limited company (*société à responsabilité limitée/besloten vennootschap*)

The limited company must have a Belgian bank account.

In case the limited company is incorporated by means of a contribution in cash, the amount that is fully paid in must be deposited in a blocked bank account with a bank in Belgium or a bank in the European Economic Area as meant in article 4, paragraph 1, point 1) Regulation (EU) no. 575/2013 opened in the name of the limited company in incorporation. The amount will be released once the notarial deed has been signed.

Belgian branch office of a foreign company

The Belgian branch office must have a Belgian bank account, which in principle must be opened before the establishment of the Belgian branch office.. The forms should be filed with the clerk's office of the competent enterprise court in order to open the Belgian branch office.

AUDITING OF LOCAL FINANCIALS. IF SO, MUST THE AUDITOR BE LOCATED IN LOCAL JURISDICTION, AND MUST THE COMPANY'S BOOKS BE KEPT LOCALLY?

Public limited company (*société anonyme/naamloze vennootschap*)

Only "large" companies are obliged to appoint a statutory auditor. A Belgian company is considered a "large company" if it exceeds at least 2 out of the following criteria during the 2 previous financial years:

- A yearly turnover, VAT excluded, of EUR9 million
- A minimum of 50 employees or
- A total balance sheet of EUR4.5 million.

Belgian public limited companies part of a group which is required to draft and publish consolidated annual accounts must appoint a statutory auditor in Belgium.

- The statutory auditor will be appointed for a term of 3 financial years.
- The statutory auditor must be recognized by the competent Belgian authorities.
- The company's books should be kept at the registered office of the company.

Limited company (*société à responsabilité limitée/besloten vennootschap*)

Only "large" companies are obliged to appoint a statutory auditor. A Belgian company is considered a "large company" if it exceeds at least 2 out of the following criteria during the 2 previous financial years:

- A yearly turnover, VAT excluded, of EUR9 million
- A minimum of 50 employees or
- A total balance sheet of EUR4.5 million.

Belgian limited companies which are part of a group which is required to draft and publish consolidated annual accounts must appoint a statutory auditor in Belgium.

- The statutory auditor will be appointed for a term of 3 years.
- The statutory auditor must be recognized by the competent Belgian authorities.
- The company's books should be kept at the registered office of the company.

Belgian branch office of a foreign company

The Belgian branch office must keep its own separate books in view of its tax filings. No auditors need to be appointed.

REQUIREMENT REGARDING PAR VALUE OF STOCK

Public limited company (*société anonyme/naamloze vennootschap*)

Unless the articles of association or the decision concerning the issue of shares provides otherwise, the fractional value of all issued shares without nominal value and which are of the same class will be equal, regardless whether the shares are issued below, above or equal to the fractional value of the shares of the same class.

A detailed report on the transaction must be drawn up by the board of directors, which relates in particular to the issue price and the consequences of the transaction with respect to the membership and financial rights of the shareholders.

A report is drawn up by a statutory auditor or, in their absence, by a company auditor appointed by the board of directors, or appointed by an external auditor in the same manner, in which they declare that the financial statements and accounting data included in the report of the board of directors are true and sufficient to inform the shareholders meeting that votes on the proposal.

Limited company (*société à responsabilité limitée/besloten vennootschap*)

As the limited company does not have any capital, the shares in a limited company have no par value or nominal value.

Belgian branch office of a foreign company

Not applicable as a Belgian branch office has no issued shares.

INCREASING OF CAPITALIZATION IF NEEDED

Public limited company (*société anonyme/naamloze vennootschap*)

In case, due to the losses sustained, the net assets of the public limited company should have dropped below 1/2 of the public limited company's share capital, the general shareholders' meeting must meet within no more than 2 months after the loss has or should have been established, as the case may be, in order to deliberate and resolve on a winding up of the public limited company.

The board of directors must justify its proposals in a special report.

If the board of directors proposes to continue the activities of the public limited company, it must set out in its report the measures it is considering to redress the financial condition of the public limited company.

If the net assets of the public limited company have fallen below the minimum required capital, any interested party or the public prosecutor's office can demand the dissolution of the public limited company in court.

Limited company (*société à responsabilité limitée/besloten vennootschap*)

In case, due to the losses sustained, the net assets of the limited company have become negative or threaten to become negative, the general shareholders' meeting must meet within no more than 2 months after the situation

has been discovered in order to deliberate and resolve on a winding up of the limited company. The management body must justify its proposals in a special report.

If the management body proposes to continue the activities of the limited company, it has to set out in its report the measures it is considering redressing the financial condition of the limited company.

After having complied with the abovementioned duties, the management body is not obliged to convene the general shareholders' meeting for the same reason in the next 12 months after such convocation.

Belgian branch office of a foreign company

Not applicable as a Belgian branch office has no capital.

SUMMARY OF HOW FUNDS CAN BE REPATRIATED FROM YOUR JURISDICTION (IE DIVIDENDS OR REDEMPTION)

Public limited company (*société anonyme/naamloze vennootschap*)

The shareholders' meeting can decide on capital decrease and dividend distribution. The amount of dividends is limited by certain criteria.

If provided for in the articles of association, the board of directors can decide on interim dividend out of the results of the current financial year as well as out of the results of the previous financial year as long as the annual accounts of the previous financial year have not yet been approved. In such case, decreased with the loss carried forward or increased with the profit carried forward without deducting the existing reserves and taking into consideration the reserves which are established due to legal provisions or provisions of the articles of association.

Capital decreases must be proportionally allocated between the company's fiscal capital and certain of its reserves. The part of the decrease that is allocated to the reserves will be treated for tax purposes as a dividend distribution.

The payment of dividends is in principle subject to a 30 percent withholding tax. Domestic law provides for reduced rates and exemptions in certain circumstances. The applicable rate may further also be reduced under an applicable double taxation treaty.

Limited company (*société à responsabilité limitée/besloten vennootschap*)

A shareholders' meeting may decide on allocation of the profit and the determination of distributions. The articles of association can provide the management body with the authority to move forward with the distribution of profits of the current financial year as well as profits of the previous financial year as long as the annual accounts of the previous financial year have not yet been approved, in such case decreased with the loss carried forward or increased with the profit carried forward. The amount of the dividend is limited by certain criteria.

The payment of dividends is in principle subject to a 30 percent withholding tax. Domestic law provides for reduced rates and exemptions in certain circumstances. The applicable rate may further also be reduced under an applicable double taxation treaty.

Belgian branch office of a foreign company

In Belgium, there are no restrictions on how funds can be repatriated by a Belgian branch office to the foreign company.

RESTRICTIONS ON TRANSFERABILITY OF SHARES

Public limited company (*société anonyme/naamloze vennootschap*)

Shares are freely transferable unless otherwise provided for in the articles of association, the issuance conditions of the titles or agreements.

Limited company (*société à responsabilité limitée/besloten vennootschap*)

Unless otherwise provided for in the articles of association, transferability is restricted as shares may be transferred to another shareholder or a direct ascendant or descendant of the shareholder.

Any transfer of shares to another person or company than the above mentioned must be approved by at least half of the shareholders representing at least 3/4 of the capital, not including the shares the transfer of which is being proposed.

The articles of association can foresee that the shares are freely transferable.

Belgian branch office of a foreign company

Not applicable as a Belgian branch office has no issued shares.

OBTAINING A NAME AND NAMING REQUIREMENTS

Public limited company (*société anonyme/naamloze vennootschap*)

Almost any name can be used, provided that it is not the same as, or similar to, another corporate name and that the use of the corporate name does not cause any confusion with or infringe on another company's name or trademark.

A company may require another company, having adopted the same or a very similar name which may cause confusion, to change its name and to pay for the damage caused by such confusion. Therefore, a preliminary search to determine whether the proposed name will create confusion with another company's name is required.

Limited company (*société à responsabilité limitée/besloten vennootschap*)

Almost any name can be used, provided that it is not the same as, or similar to, another corporate name and that the use of the corporate name does not cause any confusion with or infringe on another company's name or trademark.

A company may require another company, having adopted the same or a very similar name which may cause confusion, to change its name and to pay for the damage caused by such confusion. Therefore, a preliminary search to determine whether the proposed name will create confusion with another company's name is required.

Belgian branch office of a foreign company

Almost any name can be used, provided that it is not the same as, or similar to, another corporate name and that the use of the corporate name does not cause any confusion with or infringe on another company's name trademark. Names cannot be reserved in Belgium. In practice, Belgian branch offices use the name of the foreign company and add "Belgian branch office."

SUMMARY OF "KNOW YOUR CLIENT" REQUIREMENTS

Public limited company (*société anonyme/naamloze vennootschap*)

Know-your-client requirement (*ie*, anti-money laundering): notary public, bank and law firm.

A company must report and confirm its ultimate beneficial owners once a year to the Belgian administration, including the full group structure up until the ultimate beneficial owner(s). Any change in the ultimate beneficial owners must be reported within 1 month.

Limited company (*société à responsabilité limitée/besloten vennootschap*)

Know-your-client requirement (*ie*, anti-money laundering): notary public, bank and law firm.

A company must report and confirm its ultimate beneficial owners once a year to the Belgian administration, including the full group structure up until the ultimate beneficial owner(s). Any change in the ultimate beneficial owners must be reported within 1 month.

Belgian branch office of a foreign company

It is possible that the Belgian bank has certain know-your-client requirements in view of opening a Belgian bank account. A Belgian branch does not need to register its ultimate beneficial owners in the Belgian UBO register.

APPROVAL REQUIREMENTS FOR AMENDING CHARTER DOCUMENT

Public limited company (*société anonyme/naamloze vennootschap*)

First meeting: Attendees of the extraordinary shareholders' meeting must represent at least half of the share capital, and 3/4 of the votes is needed if attendance quorum is not reached a second meeting will be held.

Second meeting: No attendance quorum, but 3/4 of the votes are needed.

In case it concerns a change of the corporate object or its corporate purpose:

- First meeting: Attendees of the extraordinary shareholders' meeting must represent at least half of the share capital (and, if applicable, half of the total amount of profit certificates), and 4/5 of the votes are needed. If attendance quorum is not reached, a second meeting will be held.
- Second meeting: No attendance quorum, but 4/5 of the votes are needed.

Limited company (*société à responsabilité limitée/besloten vennootschap*)

First meeting: Attendees of the extraordinary shareholders' meeting must represent at least half of the total issued shares, and 3/4 of the votes are needed. If attendance quorum is not reached, a second meeting will be held.

Second meeting: No attendance quorum, but 3/4 of the votes are needed.

- First meeting: Attendees of the extraordinary shareholders' meeting must represent at least half of the total issued shares, and 4/5 of the votes are needed. If the attendance quorum is not reached, a second meeting will be held.
- Second meeting: No attendance quorum, but 4/5 of the votes are needed.

Belgian branch office of a foreign company

Any modification to, for example, the activities of the Belgian branch office must be adopted by the competent corporate body of the foreign company.

LICENSES REQUIRED TO CONDUCT BUSINESS IN JURISDICTION

Public limited company (*société anonyme/naamloze vennootschap*)

In principle, not required, unless for very specific sectors such as banking, insurance or gambling.

Limited company (*société à responsabilité limitée/besloten vennootschap*)

In principle, not required, unless for very specific sectors such as banking, insurance or gambling.

Belgian branch office of a foreign company

In principle, not required, unless for very specific sectors such as banking, insurance or gambling.

PROCESS OF PURCHASING AND UTILIZING A SHELF COMPANY

Public limited company (*société anonyme/naamloze vennootschap*)

Rarely used in Belgium.

Limited company (*société à responsabilité limitée/besloten vennootschap*)

Rarely used in Belgium.

Belgian branch office of a foreign company

Not applicable for this jurisdiction.

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