



7 BENEFITS TO INCORPORATE A BV COMPANY IN THE NETHERLANDS

1. Increase the reputation of your business

Many countries enact or plan to enact laws protecting their economies from base erosion and profit shifting to tax havens. In this framework, The Netherlands can be seen as a sustainable solution to such changes. The Netherlands offer a beneficial tax regime, a conducive business environment and are among the EU's most politically stable and pro-business governments.

2. Pay less taxes

The Dutch corporate income tax rate for the year 2014 is 20% for taxable amounts up to and including EUR 200,000. For taxable amounts above EUR 200,000, the rate is 25%. Moreover, the existing bilateral investment treaty ¹ and the bilateral double taxation treaty between Russia and The Netherlands ² provide a very beneficial regime for cross border activities.

3. A Dutch BV company is easy to form, control and close down

Opening a Dutch BV company does not require to deposit a minimum paid up share capital anymore. The incorporation of a BV will take approximately one week, assuming correct and timely fulfilment of the due diligence requirements. Furthermore, a Dutch BV without assets and liabilities can be dissolved without formal liquidation. Besides the BV, one can of course also incorporate various other Dutch entities, such as the Dutch NV company, an association, a foundation ³ and a cooperative association (Dutch Coop) or an open or closed Dutch limited partnership (CV).

4. Secure your ownership (money, assets, real estate)

If you are searching for investment and legal protection of your assets, the best option is to subject them through a Dutch entity to the Dutch jurisdiction which takes for granted to protect property rights in The Netherlands, the EU and abroad.

¹ Dr Hans J. Hoegen Dijkhof, "Dutch Double Taxation Treaties and Dutch Bilateral Investment Protection Treaties: A Lucky Combination Indeed", February 23rd , 2013, <http://www.arcanummanagement.com/news> , also in Russian.

² Double taxation treaty between The Netherlands and Russia dated December 16th , 1996, http://wetten.overheid.nl/BWBV0001303/geldigheidsdatum_19-02-2014 .

³ Dr Hans J. Hoegen Dijkhof, " The Dutch Foundation", February 21st , 2013, available on request via hd@hd-dutchlawyers.com, also in Russian.

5. Sustainable development of your business

Tax benefits, reasonable transparency and economic and political sustainability are the key factors why 91 out of the 100 largest companies in the world created new business entities in The Netherlands since 2005.⁴

6. Obtain a Dutch residence permit

If a non EU-resident qualifies as wealthy foreigner in the sense of Dutch immigration law, a residence permit can be obtained for a period of five years. The cumulative conditions are:⁵

1. the foreigner has to invest a minimum amount of € 1,250,000 in a Dutch company based in The Netherlands;
2. this amount is to be deposited into an account with a Dutch bank or a bank of an EU Member State with a branch in The Netherlands under supervision of the Dutch Central Bank (DNB);
3. the investment according to the Dutch National Agency for Entrepreneurs adds value to the Dutch economy;
4. the funds invested are not illegally earned;
5. a valid travel visa/document for crossing borders;
6. sustainable and independent sufficient means of existence;
7. not causing a threat to public order;
8. not causing a threat to national security.

7. Have unique investment possibilities

The Netherlands is called "The Gateway to Europe" because it has the best European business climate, a strong financial sector and a unique geographical location. The Netherlands concluded the largest number of bilateral double taxation and investment treaties great providing a winning position to do business internationally with a high level of protection and financial benefits. Doing business from or meeting in the city of Amsterdam is also very easy due to direct flights from all over the world.

If you would like to have a consultation about the incorporation of a Dutch BV Company, please feel free to contact Arnold Hoegen Dijkhof, LL.M., ac@hd-dutchlawyers.com , tel: +31 20 462 40 70.

⁴ Carly Blair, "The Netherlands serves as tax haven for the world's largest companies", January 31st , 2013, <http://www.iamexpat.nl/read-and-discuss/expat-page/news/netherlands-serves-as-tax-haven-for-the-worlds-largest-companies>

⁵ Article 14 Vreemdelingenwet 2000 and article 3:58 paragraph 8 Vreemdelingenbesluit 2000, Vreemdelingencirculaire 2000(B), paragraaf B11/2 and article 3.29a Vreemdelingenbesluit 2000, www.overheid.nl