

Starting your company in Brussels

Brussels is happy to welcome entrepreneurs from the four corners of the world.

The cosmopolitan atmosphere, the multilingual and skilled population and the high quality of life of Brussels are a welcoming environment for your company ! And, professionally, the city stands out from the crowd. From its position as a top European and international decision-making centre, to its business-friendly administration and taxation regimes, Brussels is ready to help your organization reach the next level.

hub.brussels can support your company by providing the information and introductions needed to boost its international growth.

Your contacts

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Ideally located at the heart of Europe

Positioned at the crossroads of the London-Frankfurt and Paris-Amsterdam axes, Brussels ensures you're closer to your customers.

Or if you prefer numbers, 75% of the EU market (GDP) and 40% of EU consumers are just a stone's throw away from your Brussels office. And, it's all easily accessible thanks to the multitude of transport options available.

With over 200 passenger connections (including 135 to other European cities) and 64 cargo only destinations, Brussels international airport at just 12km from the city centre is perfectly located for all your travel needs. Alternatively, if you prefer to travel by rail, you can be in many European capitals, including Paris, London and Amsterdam, in less than 2 hours.

The Brussels Welcome Pack

To properly welcome your organisation to Brussels, we are happy to offer you:

- 3 months free hosting in the Brussels Foreign Investors' Hub
- Expert assistance and guidance on opening a subsidiary in Brussels
- Reference services to professional advisors
- B2B contacts on demand
- Guidance on access to public bodies
- Support in setting up promotional events

Incorporating your company in Brussels

Select your company type

What is the best way to establish your company in Brussels?

The choice of the legal structure of the Belgian activities starts with establishing the (in)dependence and liability.

BRANCH OFFICE

A branch office is considered an extension of your existing foreign-based parent company, and doesn't have any stocks, shares or a board of directors. This means that due to the legal principal of unity with the foreign head office, the branch office is considered a foreign company, rather than a Belgian one. Plus, the parent company is liable for the debts and obligations of the Belgian branch office.

SUBSIDIARY

A subsidiary is a Belgian company which has been created and capitalised by the parent company. It has a board of directors and is considered to be a separate legal entity to its parent company. This means that the Belgian subsidiary is subject to Belgian law, even if the company is controlled from outside Belgium. The liability of a Belgian subsidiary is limited to its own assets.

If you opt for a subsidiary, you have the choice between different legal structures. The two main and most common are the private limited liability company [BV/SRL] and the public limited liability company [NV/SA].

PUBLIC LIMITED LIABILITY COMPANY [NV/SA]

The public limited liability company is the common legal form for large and listed companies. The minimum capital of incorporation is €61.500 to be paid in by the founding shareholders upon incorporation. Rules of governance are more strictly defined in corporate law, but the transfer of shares is easier than in any other legal structure

PRIVATE LIMITED LIABILITY COMPANY [BV/SRL]

The private limited liability company is the most common legal form for small and medium-sized enterprises. It is the preferred legal structure of most of the subsidiaries of foreign companies. The capital of incorporation is determined based on the financial plan. The BV/SRL is subject to a light regulatory framework allowing flexibility to tailor governance to the needs of the company.

The main characteristics of the private limited liability company [BV/SRL] are:

INCORPORATION

Incorporation document	Deed of Incorporation
Incorporation capital	Yes
Minimum capital	Sufficient initial equity based on the financial plan
Financial plan	Mandatory
Belgian bank account	Mandatory
Number of shareholders	Minimum 1
Status of shareholders	Any natural or legal person
Entry & exit of shareholders	Regulated freedom to transfer shares

GOVERNANCE

Governance body	Board of manager(s)
Denomination of the members	Manager
Number of board members	Minimum 1
Entrepreneurial skills	Demonstrate basic knowledge of business management by 1 manager

FINANCIAL STATEMENTS

Annual accounts	Mandatory
Responsibility of the preparation	Manager(s)
Approval of the accounts	General Assembly
Filing financial statements	Statutory annual accounts under Belgian GAAP
Dividend distribution	Based on the approved annual accounts

Administrative steps

The incorporation of a Belgian entity involves a number of administrative steps and some required documents to be drawn up. Below are the steps to undertake to establish a private limited liability company [BV/SRL].

Draft a financial plan

- It should include a projection of the cash flow in the first 2 years
- There is no prior check of the financial plan. The plan is only considered in case of bankruptcy within the first 3 years

Register at the Crossroads Bank for Enterprises

- This will generate the official enterprise number

Draft a deed of incorporation

- It should contain the name of the company, the address, the legal form, the purpose, the founding shareholder(s), the manager(s), the capital of incorporation and the number of shares, the rules of governance, date & time of the general assembly

Notarize the deed of incorporation

- The notary will verify whether all obligations associated with the incorporation have been fulfilled
- The notary will take care of the publication in the Official Gazette

Demonstrate basic knowledge of management of at least 1 manager

- This is to verify the presence of management and entrepreneurial skills
- It can be proven through higher education diplomas and/or demonstrable experience

Notify the activation of the company

- Identify the enterprise number at the VAT-administration
- Register as an employer with the National Social Security Office

Provide an identification of the shareholder(s) and manager(s)

- If the shareholder is a (foreign) company the authorized representative should provide identification
- Scan of the passport(s) or ID-card(s) of the manager(s)

Mandatory & recommended affiliations

- Occupational accident insurance
- Child benefit fund
- Directors liability insurance

Open a Belgian bank account:

- The minimum capital at incorporation must be paid up in a Belgian bank account
- The account number should be displayed on all invoices and official documents

Corporation costs

ONE-OFF INCORPORATION COSTS

Publication Deed of Incorporation in Official Gazette	€ 230,02
Registration at the Crossroads Bank for Enterprises	€ 89,50
Activation VAT number	€ 66,55
Notary fee for the Deed of Incorporation	€ 900 - € 1.300

RECURRING CORPORATE COSTS

Corporate contribution			
Balance sheet total ≤ € 702.954,47			€ 347,50
Balance sheet total > € 702.954,47			€ 868,00
Filing annual accounts			
Large corporation	XBRL		€ 307,80
	PDF		€ 364,70
Small & medium-sized enterprise	XBRL		€ 73,00
	PDF		€ 129,80



Corporate fiscal framework

Corporate income tax

Companies and for-profit organizations which are legal entities with their registered office, main business centre or seat of management in Belgium are subject to Belgian corporate income tax on their worldwide profits.

CORPORATE INCOME TAX RATES

The nominal corporate income tax rate is 25%.

This can be reduced to 20% for small and medium-sized companies on the first tranche of € 100.000 profit.

It is important to know that when your entity is profitable in Belgium, the distribution of dividends to the parent company is fully exempted from Belgian withholding tax.

MAJOR CORPORATE TAX DEDUCTIONS TO BOOST INNOVATION

1. INNOVATION INCOME DEDUCTION

Deduction from the taxable base of 85% of the net income from legally protected IP rights arising from own R&D. As a result, the effective tax rate on this income is 3.75%.

2. INVESTMENT DEDUCTION

A deduction from the taxable base of 13.5% (at once) or 20.5% (spread) of the investment value of qualifying assets such as acquired or self-developed patents.

3. R&D TAX CREDIT

A reduction of the tax due by 3.38% (at once) or 5.13% (spread) of the investment amount for investments used for research and development of new products and advanced technologies that are environmental friendly.

4. PARTIAL WITHHOLDING TAX EXEMPTION FOR RESEARCHERS

An exemption from the payment of 80% of the income tax for researchers involved in R&D activities.

TAX EXEMPTIONS TO BOOST ENTREPRENEURSHIP

100% exemption for the payment of withholding tax on dividends received, capital gains on shares, interest and royalties.

0% Belgian withholding tax on dividends distributed to corporate shareholders.

EXPERIENCED RULING SERVICE

If your organization intends to invest in Belgium, you can ask the tax authority for an advance ruling which provides you with certainty on the applicable tax rules.

The ruling commission is able to issue a legally binding decision that confirms the application of the Belgian tax law to your specific situation.



Building a successful team in Brussels

A young, diverse & multilingual workforce

The labour market in Brussels (catchment area of 3.1 million inhabitants) is full of talented and experienced individuals ready to help take your company to the next level.

About 40% of the 1.2 million Brussels residents are younger than 30. More than 17% are between 18 and 29 years old.

Almost 60% of the population is of foreign origin and close to 25% of the population has the nationality of another EU Member State.

With over 100.000 students in tertiary education and 45% of the population over 25 with a higher education degree, you are guaranteed access to a highly skilled talent pool.

Where to find the talent you need

You're spoiled for choice when it comes to recruitment channels for new talent. Select.Actiris, the employment agency of the Brussels Capital Region, offers a range of support and services to help you find the right staff.

Other options include posting on online job sites, placing vacancies in local newspapers and trade magazines, participating in job fairs, working with recruitment and temporary employment agencies, and offering internships for local students.),

Basic salary structure

The total salary cost for an average white collar worker consists of the annual gross salary plus employer's social security contribution (25%) and fringe benefits for the employees.

The gross annual salary consists of the gross monthly salary multiplied by 13.92, this includes 12 monthly salaries, the double holiday pay and the end-of-year bonus.

How to determine wages?

While employers determine how much employees earn, there are some restrictions. For example, many sectors have a collective labour agreement (CLA) that sets a minimum gross salary.

If your sector doesn't have a CLA or it doesn't mention a minimum income, you need to comply with the guaranteed minimum monthly income (GMMI) which varies depending on the age and seniority of the employee, plus the number of hours they work (full or part time).

In order to be competitive in the labour market, employers in most industries need to offer their employees a salary package which consists of the gross salary and fringe benefits (such as meal vouchers, a mobility budget, ...).

The administrative, legal and financial side of recruitment

As an employer, you accept certain administrative, legal and financial implications. These include:

ADMINISTRATIVE OBLIGATIONS

All new employers need to inform the National Social Security Office that they will soon become an employer in Belgium. Additionally, you need to file a declaration of employment (Dimona declaration) plus submit a multifunctional quarterly declaration (DmfA) with the NSSO.

LEGAL REQUIREMENTS

In addition to an employment contract per employee, every employer is also legally required to draw up work regulations, have insurance against occupational accidents, request a free affiliation with a child benefit fund and get affiliated with an external service for prevention and protection at work.

FINANCIAL DETAILS

Your largest expense for staff is their salary. When you negotiate the level of salary, remember to take the collective labour agreements (CLAs) applicable to your industry into account. Additionally, employers also need to contribute to social security (up to a maximum of 25% of the gross salary). However, there are several ways to reduce the labour costs.



For more information visit www.why.brussels

How to lower your labour costs?

Since labour costs are a key factor in business operations, Belgium has ways to reduce your costs as an employer without lowering the income of your employees.

REDUCTION OF EMPLOYER'S SOCIAL SECURITY CONTRIBUTION

To support the job creation by new companies, the basic 25% employer's social security contribution is reduced as follows:

EMPLOYER'S SOCIAL SECURITY CONTRIBUTIONS				
	Months	Months	Months	Months
	1 – 15	16 – 27	28 – 39	40 >
1st employee	2 %			
2nd employee	11 %			
3rd employee				
4th employee			22 %	
5th employee		16 %		25 %
6th employee				
7th employee				

ADVANTAGEOUS EXPATRIATE STATUS

Foreign staff in senior positions can be subject to a favorable tax regime. Taken into account the conditions, the benefits include:

- An expat allowance exempt from social contributions and income tax up to 29.750 €/y for headquarters and R&D centres
- The tax free reimbursement of non-recurring expenses such as installation costs, moving expenses
- A tax exemption for income generated by professional activities outside of Belgium.

EMPLOYMENT MEASURES FOR SPECIFIC TARGET GROUPS

To improve the job opportunities of profiles that have less access to the labour market certain incentives are available, including:

- A financial incentive from the Brussels Capital Region of up to € 15.900 for the recruitment of target group profiles (activa.brussels)
- Social security rebates for target group profiles.

Target groups include young people, senior unemployed people, long-term unemployed people, shortly educated people.

