



Setting Up a Business in the Netherlands

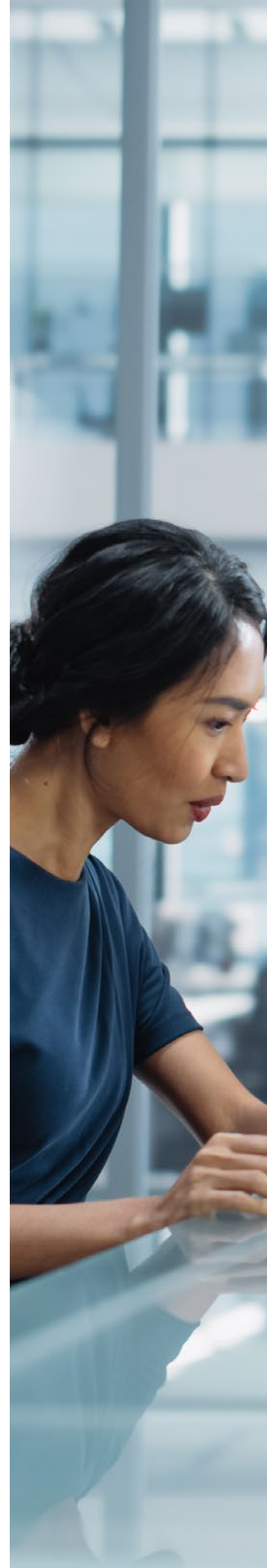
The foreign investor's guide
to navigating complexity
in this jurisdiction

A cityscape at dusk or dawn, with modern buildings and a body of water in the foreground. A large, stylized orange graphic, resembling a stylized 'C' or a similar symbol, is overlaid on the scene.

We are the business behind business®.

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Jurisdiction profile

Densely populated and centrally located at the heart of Europe, the Netherlands is known for its stable, competitive business climate. Its prosperous and business-friendly economy depends heavily on foreign trade.

As the seventh-largest economy in the eurozone, strategically placed close to other key markets, the Netherlands is a major draw for multinational corporations looking to establish headquarters in Europe. It's also home to the European Medicines Agency (EMA) and boasts one of the world's most concentrated clusters of life sciences and healthcare, with numerous innovative research and development companies as well as biopharmaceutical firms. The country is also a leader in agriculture and food innovation, ranking as the world's second-largest exporter of agricultural products like tomatoes and tulips, surpassed only by the United States.

This leadership in agricultural efficiency has attracted the world's top 20 agri-food companies—including Nestlé, AB InBev, Coca-Cola, Unilever, Heineken, Cargill, and Kraft Heinz—to establish major production or research and development (R&D) operations in the country.

Top takeaways for investors in the Netherlands

Newcomers may find the Dutch tax and legal systems difficult to navigate. Before entering the Dutch market, foreign investors should rely on professional advice to understand these complex matters. Working with a trusted local partner is essential. Despite that, the country's open economy and business-friendly climate make it an exciting place to do business. Here are the top three reasons why investors choose to expand into this dynamic jurisdiction.

A good business climate with a skilled, multilingual workforce

It takes around three-and-a-half days and about four procedures to set up a business in the country, which is significantly lower than the Organisation for Economic Cooperation and Development (OECD) average. A business can be up and running swiftly, as at least 90% of the Dutch population is fluent in English. In addition to English, it's estimated that around 71% of the population can converse fluently in German, while 29% can speak French. Keep in mind, while English can be used to communicate, most publications and administrative documents must use Dutch.

Europe's top logistics hub

The Dutch logistics infrastructure provides unparalleled access to Europe. Rated fourth in the world for logistics performance by the World Bank in 2023, the country benefits from its central position as a European gateway and its excellent logistics facilities. Amsterdam's Schiphol Airport serves as a major European aviation hub, complemented by four regional airports offering international connections. Rotterdam is Europe's largest seaport and ranks as the world's 10th-largest container port.

Furthermore, at least 99% of Dutch households are connected to digital telecom networks, providing some of the world's fastest average broadband speeds. The Netherlands also boasts one of the highest concentrations of internet banking consumers in the EU.

Strong focus on sustainability

The Netherlands is home to one of Europe's largest offshore wind farms and the continent's largest floating solar energy park. The Dutch government is committed to generating 70% of the country's electricity from renewable sources like wind and solar power by 2030. The port of Rotterdam collaborates with businesses to produce sustainable biofuels. Additionally, the Netherlands supports energy innovation and the adoption of renewable energy sources through various incentives.



The Netherlands at a glance



Capital

Amsterdam



Government seat

The Hague



Currency

Euro



Business languages

English, French, and German



Official languages

Dutch



Population

18,252,604



GDP

1117.1B



GDP per capita

\$67,984 USD

€58,000 EUR



Time zone

Central European Summer Time
and Central European Time



Telephone country code

+31



Legal system

Civil Code jurisdiction

How to do business in the Netherlands

Entry options for foreign investors

There are no restrictions on foreign investors planning to start a business in the Netherlands. Under Dutch law, they can choose from several entity options. The most common include:

Private limited company (besloten vennootschap, BV)	The most frequently used form of corporate entity in the Netherlands. Because of its flexibility, BVs are popular as holding and operational companies. A BV requires a notary deed and there are no minimum capital requirements. It's a separate legal entity that's managed by a board of directors appointed by the shareholders. A BV can have an unlimited number of shareholders who have no personal liability. No local director or shareholder is required to incorporate a BV.
Public limited company (naamloze vennootschap, NV)	The main differences between a BV and an NV are size and the minimum capital requirements. A NV tends to be a larger company with several directors. No local director or shareholder is required to incorporate a NV.
General partnership (vennootschap onder firma, VOF)	Set up through a partnership agreement and contribution of capital or other assets by the partners. The partners are jointly and individually liable for business obligations. For tax purposes, each partner is considered a self-employed entrepreneur.
Limited partnership (commanditaire vennootschap, CV)	Can be formed with an unlimited number of partners. The partners can be legal entities or individuals. A Dutch partnership is not a legal entity, meaning that it cannot own assets in its own name. A CV is set up through a partnership agreement and contribution of capital or other assets by the partners.
Cooperative (coöperatie)	Unlike an NV or BV, a cooperative is a legal entity that has members rather than shareholders. At least two members are required for incorporation. A cooperative must be set up through a notary deed in Dutch. No bank statement or auditor's statement is required for the incorporation of a cooperative.
Branch office (BO)	Foreign companies can choose to operate in the Netherlands through a branch, which can act as a representative office or carry out operations such as sales and production facilities. A Dutch BO cannot be considered a legal entity. Establishing a BO requires only the registration of the parent company with the Netherlands Chamber of Commerce (Kamer van Koophandel, KVK). However, once established, BOs are subject to complex compliance rules.
Foundation (stichting)	A foundation is a legal entity with limited liability, but without members or shareholders. While commonly used to support social or non-profit causes, it may also be used for business purposes. There is no minimum capital required to set up a foundation, and set up is through a notary deed, listing its statutes and organization rules. Additionally, registering the foundation with the KVK is mandatory.

In principle, all companies in the Netherlands are required to prepare annual accounts and maintain accounting records. Annual accounts should be prepared using Dutch Generally Accepted Accounting Principles (Dutch GAAP) or International Financial Reporting Standards (IFRS), depending on the entity. Private limited companies, public limited companies, and cooperatives are expected to file their annual accounts with the KVK.

Taxation

Type of tax	Who it applies to	Need to know	Rate
Corporate tax	-	-	Depends on the taxable amount, equal to the company's taxable profit in a year minus any deductible loss.
	Resident companies	Subject to tax on their worldwide income.	2025: EUR 200,000 or less = 19%. EUR 200,000 or more = 25.8%. Profits from innovative technologies or products = 9%.
	Non-resident companies	Taxed on real estate and profits generated in the country.	2025: EUR 200,000 or less = 19%. EUR 200,000 or more = 25.8%. Profits from innovative technologies or products = 9%.
	Reverse hybrid entities	Subject to Dutch corporate income tax.	-
Income tax	Individuals	Subject to tax on their worldwide income and wealth.	<p>Each box is subject to different rates:</p> <p>Box 1 – progressive rate up to 49.5%</p> <p>Box 2 – progressive rate up to 31%</p> <p>Box 3 – 36%.</p> <p>2025:</p> <p>Box 1: EUR 0 to EUR 38,441 = 35.82% EUR 38,441 to EUR 76,817 = 37.48%. EUR 76,817 or more = 49.5%.</p> <p>Box 2: (substantial holdings) in the Dutch income tax system has a progressive system of taxation. EUR 0 to EUR 67,804 = 24.5%; EUR 67,804+ = 31%.</p> <p>Box 3: (income from savings or portfolio investments) uses a notional income system whereby a deemed income of 1.44%, 5.88% and 2.62% is recognized for bank deposits, portfolio investments, and debts respectively.</p> <ul style="list-style-type: none"> No changes are currently anticipated for Box 2 in the near future; however the Box 3 system is expected to undergo drastic changes as it will move from a notional income system to a real income system in 2028. Expats may benefit from a 30% facility if they relocate to the Netherlands. From 2025, it is capped at the Balkenende norm, which is EUR 246,000.
	<p>Box 1 – income from profits, employment, and home ownership</p> <p>Box 2 – income from shares</p> <p>Box 3 – income from savings</p>		Non-residents

Taxation

Type of tax	Who it applies to	Need to know	Rate
Dividend withholding tax	Dutch companies	<p>Does not apply to cooperatives, but anti-abuse rules may apply.</p> <p>Dividends may be exempt from tax in the Netherlands or eligible for refund in certain cases.</p> <p>A conditional dividend tax applies to direct and indirect dividend distribution to entities residents in tax havens. Applies to countries with a profit tax of 9% or less as well as to countries deemed tax havens by the EU.</p>	<p>Normal rate: 15%</p> <p>Conditional withholding tax rate: 25.8%</p>
Withholding tax on interest and royalties	Resident company or permanent Dutch entity of a foreign company	A conditional withholding tax applies to direct and indirect interest and royalty payments to entities residents in tax havens. Applies to countries with a profit tax of 9% or less as well as to countries deemed tax havens by the EU.	The tax rate is equivalent to the highest corporate tax rate, or 25.8% as of January 1, 2022. The withholding tax rate may be reduced by a tax treaty, if applicable.
Value added tax (VAT)	-	-	<p>Goods and services in the Netherlands are subject to VAT at a standard rate of 21%.</p> <p>A reduced rate of 9% applies to many common products or services, such as food and drink, agricultural products and services, medicines, books, daily newspapers and magazines.</p>
Real estate tax	Real estate is subject to property tax, payable to the relevant local municipality, and calculated as a percentage of the property's market value. This value depends on the location of the property and can vary from one financial year to another.		<p>A 10.4% transfer tax applies to the purchase of commercial real estate or the acquisition of shares in real-estate companies.</p> <p>The transfer tax for non-commercial real estate is 2% for individuals who plan to use the building as their main residence.</p>
Tax treaties	The Netherlands has an extensive network of around 95 bilateral tax treaties for the avoidance of double taxation. In addition, it has also concluded around 100 bilateral investment protection treaties.		
Tax incentives	There are several tax incentives aimed at stimulating certain investments—for example, investment in energy-efficient or environmental assets, and for R&D activities in information technology, biotechnology, and environmental technology. The Netherlands also has a favorable tax regime for profits from certain activities of seagoing vessels.		
Customs policy	Goods imported from non-EU countries are taxed on their value at rates that vary depending on the product. Unlike some other EU member states, the payment of import VAT in the Netherlands can be deferred. Instead of paying import VAT when the goods are imported into the EU, it can be held for declaration on the importer's next VAT return.		
Free trade zones	There are no free trade zones (FTZs) or free ports where goods and commodities can be processed or reprocessed tax free. However, there are free trade facilities for bonded storage, cargo consolidation, and reconfiguration of non-EU goods.		

Five important employment regulations in the Netherlands

An employment contract may be prepared for a short term, fixed term, or a specific task project. Fixed-term employment contracts with the same employee can only be renewed twice, with a maximum term of three years in total. For instance, an individual may be employed under three consecutive one-year contracts. After this period, either the contract is terminated or converted into a permanent employment agreement.

All employees are obliged to have a pension arrangement and companies are required to offer and provide this facility.

1 Employment and termination

Under Dutch law, employment contracts and termination of an employment must be in writing.

The employer is required to inform the employee in writing of their employment conditions. These must include:

- The parties' identities and places of residence
- The place of work
- The role of the employee or the nature of their work
- Working hours
- The initial base salary, any other pay, holidays, and the notice period
- The pension arrangement, if applicable

Employers can terminate the employment contract with immediate effect for serious misconduct such as gross negligence, disclosure of trade or professional secrets, theft, fraud, embezzlement, or breach of trust. Typically, employment contracts are ended for one of the following reasons:

- Termination by mutual consent
- Termination proceedings before the Employee Insurance Agency (Uitvoeringsinstituut Werknemersverzekeringen, UWV) for economic reasons or if the employee is unable to work for more than two years due to illness

- Termination proceedings before the cantonal court (kantongerechten)
- Immediate termination for serious misconduct

Upon termination, Dutch law does not provide transition budgets but does obligate the employer to provide one for the employee. The transition budget is payable if the employee's termination is involuntary or if a temporary contract is not renewed. The transition budget amount is based on the employee's monthly salary and years of employment, with a specified maximum limit.

Employees who take their employer to court for severe culpable conduct or negligence can request the award of "reasonable compensation" on top of the transition budget.

2 Foreign employees

All citizens from the EU—with the exception of Croatia—and European Economic Area (EEA) can work in all sectors in the Netherlands, as can Swiss nationals.

EU, EEA, and Swiss citizens are required to register with the personal records database (Basisregistratie Personen, BRP) and obtain a citizen service number (burgerservicenummer or BSN), which is a social security and tax number. For stays of less than four months, only a BSN is needed.

Employers need to apply for a work permit if they wish to employ non-EU or non-EEA nationals, including U.K. and Croatian citizens.

Highly skilled individuals can be eligible for either a Dutch Highly Skilled Migrant Visa or the EU Blue Card. The Blue Card allows employment in the Netherlands without a work permit, but also grants limited mobility rights within the EU. Employers seeking an EU Blue Card for their employees are not required to apply for sponsor status to the Dutch immigration authorities.

3 Minimum wage and overtime

The Dutch government reviews the minimum wage twice a year—on January 1 and July 1—in line with the average changes in collectively agreed wages in the country. The minimum wage is calculated on a sliding scale for employees aged under 21.

Most collective agreements set out a maximum of 40 hours in a working week. There are exceptions for certain cases such as seasonal work, peak times, or unforeseen circumstances, when employees can work more hours per day temporarily.

Overtime hours are included in the legal maximum hours employees can work. However, there is no legal requirement for how much employees are paid when they work extra hours. Provisions for overtime pay are set out in each employment contract or collective labor agreement.

4 HR legislation

Employers in the Netherlands are forbidden from discriminating or excluding employees on the grounds of religion, beliefs, political opinions, age, race, gender, disabilities, or any other grounds. This rule applies to the recruitment and selection of candidates, entering into employment, promotion, dismissal, professional education, terms of employment and wages, as well as working conditions.

Exceptions to this rule may apply in certain cases:

- If a specific group is underrepresented
- If a candidate must meet specific requirements to perform the role (for example, fluency in a foreign language)
- The work is too dangerous to be performed by employees under 18 years of age

Employers are forbidden from asking questions about the personal life or health of an applicant—for example, about their family or if they plan to have children.

Employers are required to establish a works council if they employ 50 or more staff. If they employ more than 10 but fewer than 50, they are obliged to set up an employee representative body. The company management and works council must meet at least twice a year to discuss business performance and strategy.

Employers are required to provide health and safety services through a third party that manages illness and absence.

5 Employee leave entitlements

Employees are entitled to a minimum of 20 days of holiday per year, though full-time employees typically receive around 25 paid days annually, in addition to public holidays.

Pregnant employees, whether on fixed-term or indefinite contracts, are entitled to at least 16 weeks of leave. Employees have the right to return to their previous position after their leave. Additionally, employees cannot be dismissed due to pregnancy, during pregnancy or maternity leave, or during the first six weeks following the end of maternity leave.

Partners of employees who give birth are entitled to one week of paid partner or paternity leave, which can be taken at any time within the first four weeks after the child's birth.

How CSC can help you invest in the Netherlands

CSC provides knowledge-based solutions for every phase of the business life cycle, helping businesses form entities, maintain compliance, execute transaction work, and support real estate, mergers and acquisitions, and other corporate transactions in hundreds of U.S. and international jurisdictions.

We work with some of the world's largest banks and commercial lenders to reduce risk in their lien portfolios, improve their transaction speeds, and create a secure environment for their financial processing needs. We also provide solutions for secure real estate document preparation and recording.

We are the trusted partner for 90% of the Fortune 500®, nearly 10,000 law firms, and more than 3,000 financial organizations. Headquartered in Wilmington, Delaware, U.S., since 1899, we are a global company capable of doing business wherever our clients are—and we accomplish that by employing experts in every business we serve.

What we can do

In the Netherlands, we offer a comprehensive, three-pillar approach to any businesses that intend to set up in the country.

The first pillar includes all administration services such as legal and financial, administrative support, bookkeeping, bank account management, accounting, and reporting. In addition, we provide support with legal administration issues such as statutory corporate secretary requirements, setting up general meetings, and reviewing legal documentation.

The second pillar offers assistance to foreign clients by providing our offices as a base or setting up bespoke office infrastructure.

The third pillar focuses on providing human resources support and payroll, including assistance with international moves to the Netherlands. We can act as directors for the client's entities as well.



Entity solutions

- Corporate services
 - Formations and incorporations
 - Corporate secretary
 - Global treasury management
 - Domiciliation
 - Accounts and reporting
 - Director services
 - Tax Compliance services
- Special purpose vehicles (SPVs)
- Global subsidiary management
- Global payroll
- Private Client services



Fund solutions

- Fund administration
 - Private equity
 - Private debt
 - Real estate
 - Infrastructure
 - Fund of funds
 - Hedge fund
- Shadow accounting
- Outsourcing
 - Middle office outsourcing
 - Loan administration
 - Reconciliation
 - Treasury management
- Regulatory and governance
 - Anti-money laundering (AML) and Know Your Customer (KYC)
 - Regulatory reporting
- Technology and consulting



Digital brand and cyber risk

- Domain security
- Domain management
- Online brand protection



Business administration and compliance

- Transaction filings
- Charitable filings



Capital markets

- Trustee services
 - Indenture and note trustee
 - Successor trustee
 - Bankruptcy, insolvency, and restructuring
 - Specialized Trustee services
 - Delaware statutory trust
- Escrow services
- Independent director
- Loan agency
 - Administrative and facility agent
 - Collateral and security agent
 - Depository agent and account bank
- SPV services
 - Transaction structuring and compliance
 - Domiciliation and management



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