



商業信託  
Commercial Trust



## Country Profile: Belgium

## The Facts

Location	Western Europe, between France and the Netherlands
Languages	Official – Dutch, French, German
Nationality	Belgian
Religions	Roman Catholic – 75% Others (includes Protestant) – 25%
Government	Federal Parliamentary Democracy under a Constitutional Monarchy
Head of Government	Prime Minister
Legislature	Bicameral Parliament
Constitutional Document	Constitution of Belgium
Economy	Belgium is a founding member of the EU, OECD and WTO, offering an open economic environment to investors. The Belgian workforce has the EU-27 highest productivity and the 5th most productive country in the world in 2011. Belgium has a highly developed transport network. Heavy industrial component, services account for about 80% of Belgium's GDP
Currency	Belgian Franc (BEF)
GDP (2011)	Total – BEF 369.83 billion Per capita – BEF 33,771 Real GDP growth – +1.9%
Population	10,438,400 (approx.)
Percentage of population	Fleming – 58% Walloon – 31% Others – 11%
Area	30,528 km <sup>2</sup>
Time zone	CEST (UCT +2) CET (UCT +1)
Public Holidays	National holidays – 14
Climate	Temperate



Sources: Belgian Federal Government, International Monetary Fund, Central Intelligence Agency

## Belgium

According to World Investment Report 2011, released by the United Nations Conference on Trade and Development (UNCTAD), Belgium ranked second in the world in terms of favorable government policies for foreign investment. Here is what Michael Hanni, one of the authors of this report, has to say about Belgium's investment outlook, "The absolute level of investments is very high and their value in relation to GDP is high too."

In terms of ease of doing business, Belgium ranked 31st out of 185 countries, according to 2012 Doing Business Report by the World Bank Group. Belgium is one of the founding members of many international organizations, such as the European Union (EU), and the North Atlantic Treaty Organization (NATO). As such, the country has been supporting open economy for long. Currently, Belgium is the most open economies in the world. This combined with world class infrastructure, cutting edge technology, and tax incentives have made Belgium a safe haven to most foreign investors. Here are some of the most important reasons why foreign investors should invest in Belgium.

## The Belgium Business Climate

There are several reasons to invest in the Belgium:

- **Strategic location:** Belgium is close to many of Europe's high-profile countries, such as, France, Germany, Luxembourg, Netherlands, and the U.K. Some major cities located within 3 to 4 hours from Belgium include London, Frankfurt, Paris, Amsterdam, Madrid, Berlin, Rome, Dublin, and Athens. Proximity to key business centers makes Belgium a convenient place to start or operate a business.
- **Promising economy:** As of 2012, Belgium is the 38th most open economy in the world, and the 18th most open in Europe. The country's gross national product (GNP) and export per capita are higher than most other European countries. Income from export accounts for a major portion of the country's GDP. Some major items that Belgium exports include metal products, machineries, chemicals, foodstuffs, and finished diamonds. According to World Economic Outlook released by the International Monetary Fund (IMF), Belgium's economy is expected to see 0.8 percent growth in 2013. The projection by the IMF also stated that the country's inflation rate may decrease by 1.9 percent in 2013. With such promising economic outlook, experts believe that this is a right time to invest in Belgium.
- **World class infrastructure:** Belgium benefits foreign investors with highly developed infrastructure. All major cities and towns of the country are well connected through roads, railways, waterways and airways. There are seven international roadways connecting Belgium with France, Germany, Netherlands and other European countries. The combined length of these roadways is around 1,763 km. Belgium is also connected with the world through railways. International business centers like London, Paris, and Amsterdam are within two hours distance from Belgium by rail. Moreover, there are many seaports and airports linking Belgium to almost all high-profile cities in the world. Thanks to its world-class infrastructure that doing business in Belgium is very convenient and time saving.
- **Potential customer base:** Belgium is known as the gateway of Europe. Any business running in Belgium has easy access to more than 500 million European customers. As of 2012, the country exports more than 70 percent of their export materials to European countries. With easy access to a highly potential market, success rate of Belgium based companies are higher than usual.



- **High quality workforce:** Belgian workforce is known for their efficiency, flexibility, knowledge base, and multiple language skills. There are many Belgians who can fluently speak Dutch, English, German, and French. According to World Competitiveness Report 2009, Belgian workforce is the most productive among the EU-27 countries. Belgium's education system is on par with international standards. They use an advanced pedagogy that focuses on teaching through hands-on training. There are 16 world class universities, many other acclaimed technical institutes, scientific institutes, and management schools in Belgium. Most schools, colleges, universities, and technical schools are equipped with high-tech equipments required for providing advanced training to students. As such, finding high quality workforce is hardly a problem in Belgium.
- **High standard of living:** Quality of life is one of the major factors to consider when it comes to investing in a foreign country. Belgium gains an edge over its competitors in this. According to 2011 Human Development Index, Belgium ranked 18th out of 180 countries in the world in terms of standard of living. The country has a highly efficient healthcare system, and a highly developed transport system.

### Setting up a Business in Belgium

According to 2013 Doing Business Report by the World Bank Group, Belgium's ranking in terms of ease of starting a business was 44 out of 185 countries in the world. The report also informed that starting a business in Belgium should not take more than 4 working days. Following are the three important steps to complete for starting a business in Belgium:

- **Depositing initial capital:** The first step is to deposit an initial capital, which should be at least one fifth of the total capital. The initial deposit must be submitted in the form of cash, and it must not be less than EUR 6,200. For single-shareholder private limited liability companies, the minimum deposit requirement stands at EUR 12,400. After depositing the required amount, the company should get a certificate from the bank that the initial capital has been deposited in a blocked bank account. Completing this step usually takes one working day.
- **Notarizing the incorporation deed:** The next step is to deposit a financial plan of the company with the notary. Then the deed of incorporation needs to be notarized and registered. This step usually takes another working day, and requires paying a total of around EUR 1,626, excluding VAT.
- **Obtaining registration numbers:** In this step, the company needs to obtain VAT registration number, social security number, and corporate registration number. It usually takes one full day for the registration of VAT and social security numbers. On the other hand, commercial registration takes another full working day. Fees charged for commercial registration and VAT registration are consecutively EUR 79 and EUR 50.



## Types of Business Structures in the Belgium

Depending upon the nature of business and size of investment, a foreign investor can among the different types of business structures possible in Belgium. One way to mark commercial presence in Belgium is by establishing a branch of an existing foreign company. Although a branch office is not considered as a separate legal entity, it is governed by Belgium's company law. Another way to operate a business in the country is by opening a Belgian subsidiary, which, unlike a branch office, is regarded as a separate legal entity. On the other hand, those who want to establish a company Belgium can opt for one of the following three most popular business structures:

- **Public limited liability company (SA/NV):** Forming this type of company requires a minimum of two shareholders. A shareholder can be an individual, a company, a citizen of Belgium, or a foreign national. In other words, anyone who contributes to the company's capital can be a shareholder. Liability of each shareholder is limited to their shares in the capital. The minimum amount required for forming this type of company is EUR 61,500.
- **Private limited liability company (SPRL/BVBA):** In Belgium, it is possible to establish a private limited company with only one shareholder. However, in that case, the shareholder must be a person. On the other hand, it is also possible to setup a private limited company with two or more shareholders. The minimum investment required for opening this type of company is EUR 18,550. The liability on shareholder(s) depends on their contribution to the capital of the company.
- **Limited cooperative (CVBA/SCRL):** Forming this type of company is subject to certain conditions. First of all, a limited cooperative can not be formed without at least three members. In addition, each of these three (or more) partners needs to contribute a fixed amount to the company's capital. Shareholders are allowed to interfere in the company's management. Liability of shareholders is limited to their shares in the capital. And the minimum investment required for establishing this type of company is EUR 18,500. It is mandatory to pay at least EUR 6,200 after registration. The rest amount can be paid afterwards.

Some other types of business structures, apart from the three mentioned above, include partnership limited by shares (SCA/CVA), general partnership (SNC/VOF), and limited partnership (SCS/GCV).

## Taxation

Any commercial venture that earns a profit by running a business in Belgium is subject to corporate tax. The nominal corporate tax rate in Belgium is 33.99 percent. However, for corporations with net profit of less than €22,500, the corporate tax rate comes down to 24.98 percent. The government of Belgium offers several tax incentives to foreign investors or companies doing business in Belgium. For example, the government offers a special tax incentive called, 'Tax Shelter' for investments in the country's film and audiovisual production sector. Belgium also offers withholding tax exemption on dividends. The country is a signatory to a number of fiscal treaties with many countries round the globe. This enables many foreign investors to avoid paying double taxation when doing business in Belgium.

## Immigration and Visa Requirements

Depending upon individual requirements, foreign nationals can either apply for a short stay visa or for a long stay visa. For those who want to visit the country for less than 90 days should apply for a short stay visa. On the other hand, those visiting the country for more than 90 days should apply for a long stay visa. Applying for a business visa requires submitting the following documents:

- A duly filled up visa application form
- **A valid passport or travel document:** This should be valid for up to three months after the duration of the visa applied for.
- A letter of intent from the foreign company
- An invitation letter from a Belgian company
- One passport size recent photograph of the applicant
- Return ticket from Belgium to the applicant's country of origin
- **Proof of travel insurance:** This should have coverage of at least 30,000 Euros.

Apart from all these documents, some additional documents may need to be submitted depending upon requirements of the Embassy.

## Banking Requirements

Opening a bank account in Belgium is usually a very simple process. Those who want to open a current account or a checking account requires submitting identity proof, such as a passport. The account holder gets usually gets a debit card after opening a current account. The applicant can also request the bank for issuing a credit card and a cheque book. However, issuance of a cheque book depends on certain factors, such as the deposit amount and the age of the account. One can also choose to open a savings bank account in Belgium. Some general requirements for opening a bank account in Belgium include the following:

- Duly filled up application form
- A valid Passport

Some banks may ask for some additional documents, such as an address proof of the applicant.

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