

INCORPORATION OF A LIMITED LIABILITY COMPANY IN BELGIUM

(A) Who can set up a private company in Belgium?

In principle, any person, no matter the nationality or residency can be a shareholder of a private company in Belgium. Shareholders can be natural persons or legal entities.

(B) How to set up a private company in Belgium?

The private company is defined under Belgian law as a private limited company in which the shareholders' liability is in principle limited to their contribution to the company. The private company can only be established by a notarial deed, under the penalty of nullity.

(C) Which documents are needed for the incorporation of a private company?

STEP 1: Financial plan

The financial plan is a plan in which the shareholders justify the amount of the initial capital considering the intended activity of the company over a period of at least two years. This document is kept by the notary. The financial plan must contain at least the following elements:

- an overview of all the sources of financing;
- the opening balance sheet;
- the projected balance sheet at 12 and 24 months;
- the income and expenditure budget for at least two years;
- a description of the hypotheses used in estimating turnover and profitability;
- If you are assisted by an external advisor, you must also include the name of this advisor in your financial plan.

Contribution

Since 2019, it is no longer mandatory for a private company to have a minimal share capital of EUR 18.600,00. The requirement of the minimum share capital is now absorbed by the requirement of **sufficient initial capital**. Directors have a limited liability, but if the company goes bankrupt in the first three years after incorporation, the initial capital can be declared insufficient, and the founders can still be held personally liable for the debts of the company.

STEP 2: Bank certificate

A bank certificate issued by the financial institution which acknowledges that the amount of capital has been deposited into a blocked current account in the company's name will be required.

STEP 3: Drawing up, registering, and publishing the deed of incorporation

The deed of incorporation contains three parts, namely the memorandum of association, the articles of association and the final and transitional provisions. The memorandum of association must be drawn up in a notarial deed before a notary public. For the act to be drawn up and executed the financial plan will be needed as well as the bank certificate for a contribution in cash and the report from a company

auditor and the special report from the founder(s) for the contribution in kind. The articles of association contain the identity of the founders, the name and purpose of the company, the rules governing the general meeting and all other rules applicable to the company.

The memorandum of association must then be **registered** in one of the registration offices of the FPS Finance. This must be done by the notary within 15 days. The **publication** of the incorporation of the company is done by the notary who deposits an extract of the deed of incorporation with the registrar of the company court of the company's registered office and this within 15 days of signing the final notarial deed. The registrar ensures the publication of the extract of the deed of incorporation in the annexes to the Belgian Official Gazette within 15 days of the deposit and enters the identification details of the company into the Crossroads Bank for Enterprises (CBE) upon which the CBE will assign a company number to the company.

STEP 4: Setting up a register of shareholders

A register of shareholders must be created in the private company. This must include the total number of issued shares, the identification of the shareholders and their number, the payments made in full and the transfers of the shares with date. The shareholders' register also includes the membership rights.

(D) Further required actions?

- Opening a bank account;
- Activation of the VAT number;
- Inscription with a registered enterprise counter which is the central contact point for start-ups and established companies to complete their administrative formalities;
- Customs identification number if the company is considering trading with countries outside the EU;
- Affiliation with a social security fund for the self-employed within three months;
- Necessary insurances/licenses;
- UBO-registration.

(E) Incorporation timing and costs?

The cost of forming a private company in Belgium should be estimated in the range between EUR 1.500,00 and EUR 3.000,00. The incorporation process in Belgium takes approximately one week if all the documents have been submitted correctly, and if all requirements for the incorporation are met.

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