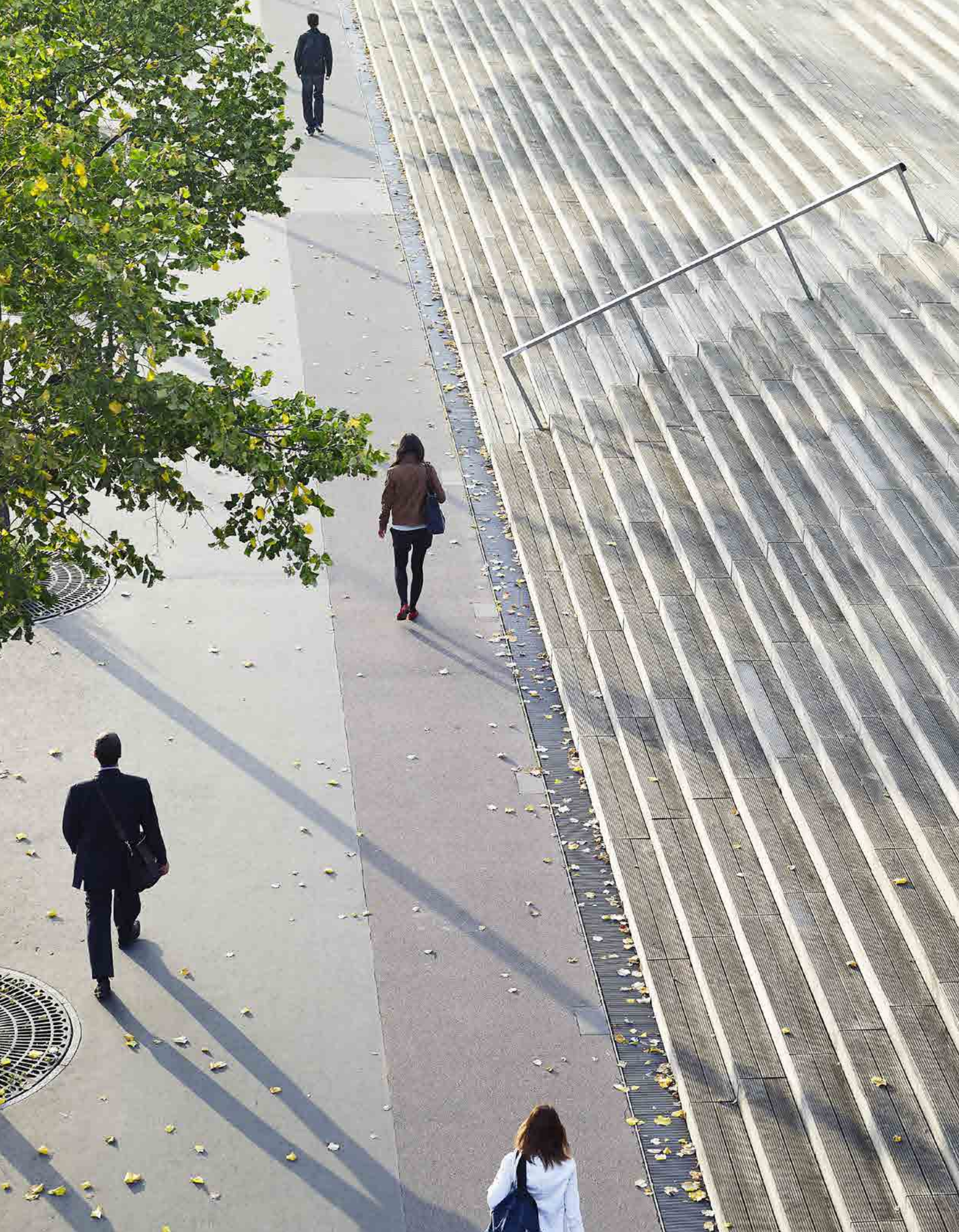


*Doing Business in  
the Netherlands*  
2014







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# Foreword

## PwC

Welcome to our Doing Business in the Netherlands guide. Doing international business expands a company's horizon and offers unique opportunities for growth, development and profit building. The Netherlands poses an excellent operating base from a business and social perspective. From an outstanding infrastructure - including Europe's largest port - to one of the most extensive tax and bilateral investment treaty networks in the world.

In this publication we give you an informative view of the key aspects of doing business and investing in the Netherlands. We answer many questions that foreign businesses and entrepreneurs have when making their first venture into the Dutch market, based on our experience with establishing businesses in the Netherlands.

We are delighted that one of our cooperating partners, the Netherlands Foreign Investment Agency (NFIA), was willing to collaborate on this publication. The NFIA is an operational unit of the Dutch Ministry of Economic Affairs and throughout the years it has supported thousands of companies from all over the world to successfully establish their business in the Netherlands.

As a result, this publication goes beyond tax advice and tax compliance. The chapter 'Introduction to the Netherlands' offers general information about the Netherlands, for example about the location, industries and business segments, living in the Netherlands and the workforce. The forms of business used in the Netherlands are also described. And there are separate sections for human resources, employment law, and audit and accountancy.

This guide can only provide a general overview of all the opportunities. If you need more information, our advisors will be very happy to assist you on an individual basis.

On behalf of PwC NL, I hope that you will find this guide useful and I would like to wish you every success in the Netherlands.



A handwritten signature in blue ink, appearing to read 'Sytso Boonstra', with a stylized flourish above the name.

Sytso Boonstra  
Chairman of PricewaterhouseCoopers Belastingadviseurs N.V.

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## ***Netherlands Foreign Investment Agency***

The Dutch economy has a strong international focus as the Netherlands is one of the European Union's most dynamic centres of trade and industry. The Dutch government welcomes foreign companies wishing to establish their business in the Netherlands and is highly appreciative of the many international companies already operating here.

Because of its strategic location in Europe, companies use the Netherlands as a hub to cover several European markets. They are supported by a very business-minded government that is focussed on reducing red tape and providing a stable, competitive investment climate.

The Netherlands has a long history as a trading nation, which has given the Dutch an international outlook. Foreign companies interested in establishing their business in the Netherlands will find that national and local government, knowledge institutes and business services providers work hand in hand, providing detailed information swiftly.

In many industries the Dutch are the champions of open innovation. Impressive clusters of foreign companies, home-grown success stories, research facilities to share and world-class science institutes have made the Netherlands a hot spot for companies looking to innovate. Strong R&D clusters are present in the Agri-food, High Tech Systems, Water, Chemicals and Life Sciences sectors. These industries belong to a total of nine industries that the Dutch government declared the key investment sectors for government, private sector and relevant knowledge institutes. Moreover, investment in R&D is encouraged with highly effective incentives.

When looking to take advantage of all the Netherlands has to offer, several routes to fast and reliable information are available. This guide provides a comprehensive overview of the Netherlands and the business structures on offer.

As part of the Dutch Ministry of Economic Affairs, in 22 offices worldwide, the Netherlands Foreign Investment Agency (NFIA) offers customised information, practical assistance via fact-finding trips and introductions to national and local governments. The NFIA and a large number of specialised partners, including PwC, work closely together to ensure that companies interested in the Netherlands are able to speed up their investment decision-making process.

We look forward to welcoming you in the Netherlands.



Yours sincerely,

A handwritten signature in blue ink that reads "Jeroen Nijland". The signature is stylized and fluid.

Jeroen Nijland  
*Commissioner Netherlands Foreign Investment Agency*

# Executive summary

## Why the Netherlands



### General

- The central geographical position of the Netherlands and its outstanding infrastructure make it the ideal gateway to start expanding your business to (mainland) Europe.
- The Netherlands acts as the logistics hub for Europe through the Rotterdam port (Europe's largest) and Amsterdam Airport Schiphol (named best European airport for 2013), both with renowned service levels.
- The Netherlands features one of the most highly educated, flexible and motivated workforces in Europe.
- Due to its exceptional amount of bilateral investment treaties, the Netherlands is a secure place from which to make your investments.
- The Dutch political/financial climate has been very stable for decades.
- The Netherlands has the eighth position of cleanest countries in the world with respect to the perceived level of public sector corruption.
- According to the Global Enabling Trade Report 2014 of the World Economic Forum, the Netherlands ranks third out of 138 countries in the Enabling Trade Index 2014.

### Tax

- The Netherlands has one of the most extensive tax treaty networks in the world.
- The Netherlands has an attractive low corporate tax rate of 25 per cent (20 per cent for profits up to EUR 200,000).
- Double taxation can usually be avoided in the Netherlands. Profits from subsidiaries/branches can be enjoyed tax free due to the full participation exemption and foreign branch exemption.
- The Netherlands has a very favourable tax treatment for foreign-owned companies. There are no withholding taxes on interest and royalties, and a reduction of or no withholding taxes on dividend usually applies.
- Especially for holding companies, the Dutch tax system has many advantages.
- The innovation box, together with other R&D facilities, provides for a highly attractive tax regime for R&D activities.
- Expatriates with special qualities may profit from a 30 per cent tax free allowance on Dutch wage tax.



## Why PwC NL



1

Strong global network

2

One stop shop for Assurance, Tax & HRS (including Legal) and Advisory

3

Deep understanding of the Dutch marketplace

4

Very experienced in establishing and maintaining businesses in the Netherlands

5

One of the leading firms in the Netherlands for tax advice, by reputation, according to the Global Tax Monitor

6

In-house knowledge necessary to design state-of-the-art group structures to optimise your business activities and tax position

7

Very good contacts with the Dutch Tax Authorities, resulting in quick and smooth communication about your requests, filings and questions

8

Special agreement with the Dutch Tax Authorities based on which PwC can assess and grant expatriates the beneficiary 30 per cent ruling on behalf of the Dutch Tax Authorities. This will reduce the application period from 3-4 months to 2-3 weeks

9

Our services structure covers a wide range of market sectors. For every sector, we have set up special teams (sector groups) that are up to date on current developments in the sector concerned. This means that our clients are advised by professionals who are familiar with their specific sector





# Introduction to the Netherlands

## Location

The Netherlands is situated in north-west Europe. The location of the Netherlands provides prime access to markets in the UK, Germany, France and other European countries. Approximately 160 million people live within a 300 mile radius of Amsterdam, the capital city of the Netherlands, with a population density three times higher than New York or Tokyo.

The city of Rotterdam boasts the largest port in Europe. Rotterdam consists of five distinct port areas and three distribution parks that facilitate the needs of a hinterland with 40 million consumers. Most important for the port of Rotterdam are the petrochemical industry and general cargo transshipment handling. The harbour functions as an important transit point for the transport of bulk and other goods between the European continent and other parts of the world. From Rotterdam, goods are transported by ship, river barge, train and road. There is a double-track fast cargo railway from Rotterdam to Germany.



Close to the city of Amsterdam is the main airport of the Netherlands, Amsterdam Airport Schiphol. An optimal logistics infrastructure, continual supply-chain

innovation, an extensive network and the added value of a highly qualified team of experts have put Amsterdam Airport Schiphol firmly in the top five of European Cargo airports. In 2013 Amsterdam Airport Schiphol was elected 'best airport in Europe' by ACI (Airport Council International).

## Economy

The Netherlands has a long history as a trading crossroad. Logically, the international outlook is firmly integrated in the Dutch culture. Moreover, the Dutch economy is very open and business friendly. This international outlook and openness to foreign investments has led to a wealth of world class business partners who know how to deal with global business challenges in today's economy.



The Netherlands is a constitutional monarchy and has one of the most stable political and social environments in the world, which in turn has led to a stable economic environment. The government is also constantly monitoring and improving the level playing field of companies doing business in or with the Netherlands.

The country continues to be one of the leading European nations for attracting foreign direct investments and is itself one of the five largest investors in the United States. Furthermore, according to the World Economic Forum the Netherlands currently has the eighth-best business climate in the world and ranks third out of 138 countries in the Enabling Trade Index 2014. The Netherlands has an extensive network of bilateral investment treaties that offer investors the highest level of protection and security in other contracting states.

## Business sectors

In its economic policy, the Dutch government focusses on nine business sectors that are key to the Netherlands' international trade and investment. These are sectors that are leading the way in innovation and sustainability, collaborating with Dutch knowledge institutes on world-class research and development. Expertise and products from these Dutch sectors are in demand around the world. Together, they are the drivers of the Dutch economy.

## Agriculture & food sector: World-leading supplier of agri-food products

- The Netherlands is world's second largest exporter of agricultural products (75.4 billion euros in 2012).
- The Netherlands has the second highest private R&D investment rate (per cent of GDP) in Europe.
- Four of the world's top twenty-five food and beverage companies are Dutch and twelve have a major production site or R&D facilities in the Netherlands.
- The Netherlands is global market leader in machinery for poultry and red meat processing, bakery and cheese production.
- The productivity of Dutch agricultural entrepreneurs is five times higher than the European average.

## Chemical sector: Chemical portal to Europe

- The chemical sector is one of the leading business sectors in the Netherlands with a turnover of 58 billion euros in 2011.
- The Netherlands is world's fourth-ranking chemical exporting country.
- The Netherlands hosts 19 of the world's top 25 leading chemical companies.
- Chemical companies work together on innovation and production, and take advantage of regional clustering.
- Home to world-class R&D institutes.

## Creative industries: Masters in architecture, design, fashion and gaming

- Its creative industry ranks among the world's top ten in terms of trade figures, jobs and registration of brands and patterns.
- The annual turnover of Dutch creative industries is 7.1 billion euros.
- Dutch architects are commissioned to design prestigious buildings around the world.
- The Netherlands has a long tradition of interior design.

- The Netherlands is the world's third largest exporter of television formats.
- The Netherlands is a world-leading developer of computer games.

### **Energy sector: Innovative, sustainable energy solutions**

- The Netherlands is a major natural gas producer and source of advanced gas technology.
- The distribution network for gas is the densest in Europe and of a very high standard.
- The Dutch have leading expertise in offshore wind energy, co-combustion of biomass, the use of landfill gas, and the use of heat pumps combined with heat and cold storage.
- The Netherlands has an international reputation for research in renewable energy.
- There is extensive experience in the field of energy efficiency.
- The Netherlands plays a key role as a major oil refining centre in Europe.

### **High tech sector: New technologies for health, mobility, energy and security**

- World leader in the development of new technologies and materials for use

in communication systems, aircraft and automobiles, medical devices, energy generation and semiconductor production.

- One of the world's top three nano-science countries.
- World-class design, development and manufacture of high-tech equipment and micro/nano components.
- In 2010 this sector had an export value of 41 billion euros and a production value of 95 billion euros.

### **Horticulture sector: World's leading supplier of flowers, plants and trees**

- The Dutch horticulture sector is a global trendsetter and the undisputed international market leader in flowers, plants, bulbs and propagation material.
- A quarter of the world trade in horticultural products is in Dutch hands.
- This sector is the number three exporter of nutritional horticulture products.
- The Dutch are the world's largest exporter of seeds.
- In 2010, for the fourth year in a row, the Netherlands was the world's largest exporter (in turnover) of fresh vegetables.

### **Life sciences and health sector: Helping to advance health worldwide**

- The Netherlands ranks eighth worldwide in life sciences and health patents.
- Holland has approximately 350 innovative life sciences companies within a 120 mile radius.
- In 2011, Brainport Eindhoven's region was named the world's most intelligent ICT and health cluster.
- The Netherlands is a global market leader in mobile health care.
- The industry annually exports around 37 billion euros in total (25 billion euros pharmaceutical, the remainder being medical technology and medical and laboratory instruments).
- The sector invests over 2 billion euros in R&D in the Netherlands each year and is becoming a globally recognized stronghold of open innovation.

### **Logistics sector: Strategic gateway to Europe and the world**

- The Netherlands ranks fifth in the 2012 World Bank Global Logistics Performance Index.
- The Port of Rotterdam is the world's fourth-largest and Europe's largest port with a throughput of 441.5 million tons in 2012.



- The quality of the Dutch infrastructure is among the best in the world (World Economic Forum).
- Dutch inland shipping accounts for 54 per cent of all trade shipping in Western Europe.
- Over 1,000 American and Asian companies have centralised their European distribution activities in the Netherlands.

### **Water sector: World leaders in hydraulic engineering, water treatment and shipbuilding**

- The Dutch are renowned for their integrated water management and multi-disciplinary approach that balances social, economic, environmental and engineering needs.
- Fourty per cent of the freely accessible market for water management is in Dutch hands.
- The Dutch Delta Works are listed in the Guinness Book of Records as the largest flood defence project in the world.
- The Dutch invest heavily in innovation and R&D through public private partnerships.
- Some 99.9 per cent of Dutch households have access to clean, entirely chlorine-free drinking water.
- The Dutch maritime cluster comprises twelve sub-sectors and 12,000 companies, which employ 181,000 employees and generate a turnover of 26.1 billion euros. The cluster has a strong international focus: 61 per cent of the seagoing ships produced in the Netherlands are destined for export.

### **Financial system**

All major international banks are represented in the Netherlands. Dutch banks generally have a wide network of branches in other countries. All major Dutch banks maintain capitalisation buffers well above minimum (Basel III) requirements. Moreover, according to the IMF, there is a high degree of compliance with the regulatory standards. This makes the Dutch banking system solid and stable.

### **Trade and foreign investments**

The Netherlands plays a prominent role in the world economy due to its exports, imports, foreign investors, and investments abroad. The excellent position and outstanding infrastructure of the Netherlands makes the Netherlands one of the most important trade hubs. The country ranks twelfth among 185 economies in the ease of trading across borders according to the World Bank's Doing Business 2013.



A large amount of the imported goods are re-exported. Germany, China and Russia are the most important countries from which the Netherlands is importing goods. The Netherlands' neighbouring countries Germany, Belgium and France are the main export markets. Outside Europe, most exported goods go to the US. Trade to emerging economies of Asia, (Eastern) Europe, Latin America and Africa is growing at a spectacular rate.

### **Labour and knowledge**

The workforce in the Netherlands is one of the most highly educated, motivated and multilingual workforces in Europe. Its productivity exceeds that of most other European countries. It has a high percentage of advanced educational degrees and familiarity with foreign working styles and business environments. The Netherlands has a highly developed research and development infrastructure, with universities and businesses cooperating closely.

### **Language**

Dutch people are among the most multilingual in the world. Besides Dutch, they have a better working knowledge of English than any other non-native English speaking nationality in Europe. On top of that, most Dutch people have knowledge of German and French.

### **Business etiquette**

Dutch people tend to view themselves as modest, tolerant, independent and self-reliant. They value education, tolerance, hard work, ambition and ability. The Dutch have an aversion to the non-essential. Dutch manners are frank, with a no-nonsense attitude; informality combined with adherence to basic etiquette. For foreigners not used to this, the Dutch may seem somewhat harsh or impolite at first. However, it soon becomes apparent that the Dutch way of working is also honest, efficient and friendly.

The Dutch are proud of their cultural heritage, rich history in art and music and involvement in international affairs.

### **Living in the Netherlands**

Because of its long and successful tradition in worldwide commerce, the Netherlands applies the same open-minded principles to making its society work for both natives and newcomers. It has extensive experience in adapting to the needs of others.



The large international community in the Netherlands has stimulated the Netherlands to provide good facilities, which naturally include a wide range of good primary and secondary international schools. The extensive group of high-quality international and globally oriented educational institutions is unique in the world.

### **The future**

The current outlook for the Netherlands is promising. Recovering from the worldwide financial crisis, the Netherlands is expecting economic growth for the coming years. The political, financial and tax climate being as stable as ever, the future looks bright for the Netherlands.

# Forms of business

There are several ways to carry on a business in the Netherlands. A distinction can be made between entities with legal personality (corporate entities) and entities without legal personality (non-corporate). Below we discuss the principal forms used by foreign investors and companies expanding their businesses to the Netherlands.

## Corporate entities

### The *bv* and *nv*

Under Dutch law, two types of limited liability companies are recognised:

- *bv* ('besloten vennootschap'); and
- *nv* ('naamloze vennootschap').

Both the *bv* and the *nv* are separate legal entities with share capital. They can be used for the same business purposes, to be set out in their articles of association. The *bv* is the more flexible of the two and is most frequently used in international business. For more information see the box on page 13.

### The cooperative

The Dutch cooperative ('co-op') was historically used mainly in the agricultural sector and by certain banks and insurance companies. In the last decade, it has been reinvented as a holding company in international structures due to its flexibility from a Dutch legal and tax perspective. A co-op is a special kind of association. Similar to the *nv* and *bv*, it is a separate legal entity formed by articles of association.

The participants in a co-op are called members and at least two members are required to form the co-op. The co-op conducts its activities for its members and is considered an extension of the

businesses of its members. Members can be individuals, partnerships or legal entities. Member liability can be unlimited, limited or excluded. In general, the co-op is a very flexible legal entity with no minimum capital requirements and a less regulated governance structure. The co-op is often used in international structuring.

## Non-corporate entities

Partnerships are used by individuals and entities to work together without being incorporated in a separate legal entity. No legal form is required, only a partnership agreement. Still, it can acquire rights and assume obligations in its own name. It is therefore a separate business entity from

an operating perspective, although it is not legally separate from its owners (the partners) in many respects, including taxation.

The most common partnerships are the *vof* ('general partnership') and the *cv* ('limited partnership'). Partners in the *vof* have unlimited liability. In the *cv*, one or more general partners also have unlimited liability, but there will also be partners with limited liability. The limited partners are not involved in the governance of the partnership, as this would deprive them of their limited liability.

The *cv* is often used in international structuring for an optimal tax position.



## Setting up a business

Dependent on the form chosen, certain steps must be taken to set up your company in the Netherlands. As it is most common to start doing business in the Netherlands using a *bv*, below we will briefly set out the requirements for setting up your business using this entity.

- Normally, an establishment permit is not required to start up a new business in the Netherlands. This may be different for some sectors that are considered more complex. An example is the food sector. If you are planning a new plant in the Netherlands, an environmental permit is required in all cases.
- The articles of association must be written in Dutch and contain the name, seat and object of the *bv*. The name must be unique.
- The founders of the *bv* must sign the articles of association before a civil-law notary in the Netherlands (it is possible to use a power of attorney to avoid unnecessary travel or delays).
- Every business must be registered with the Trade Register of the Dutch Chamber of Commerce. The register holds publically available information on the business, such as the names of the board members and the articles of association.
- Before all requirements are fulfilled, the *bv* under formation as such is allowed to assume obligations. After the formal establishment of the *bv*, these obligations need to be authorised by the *bv*.

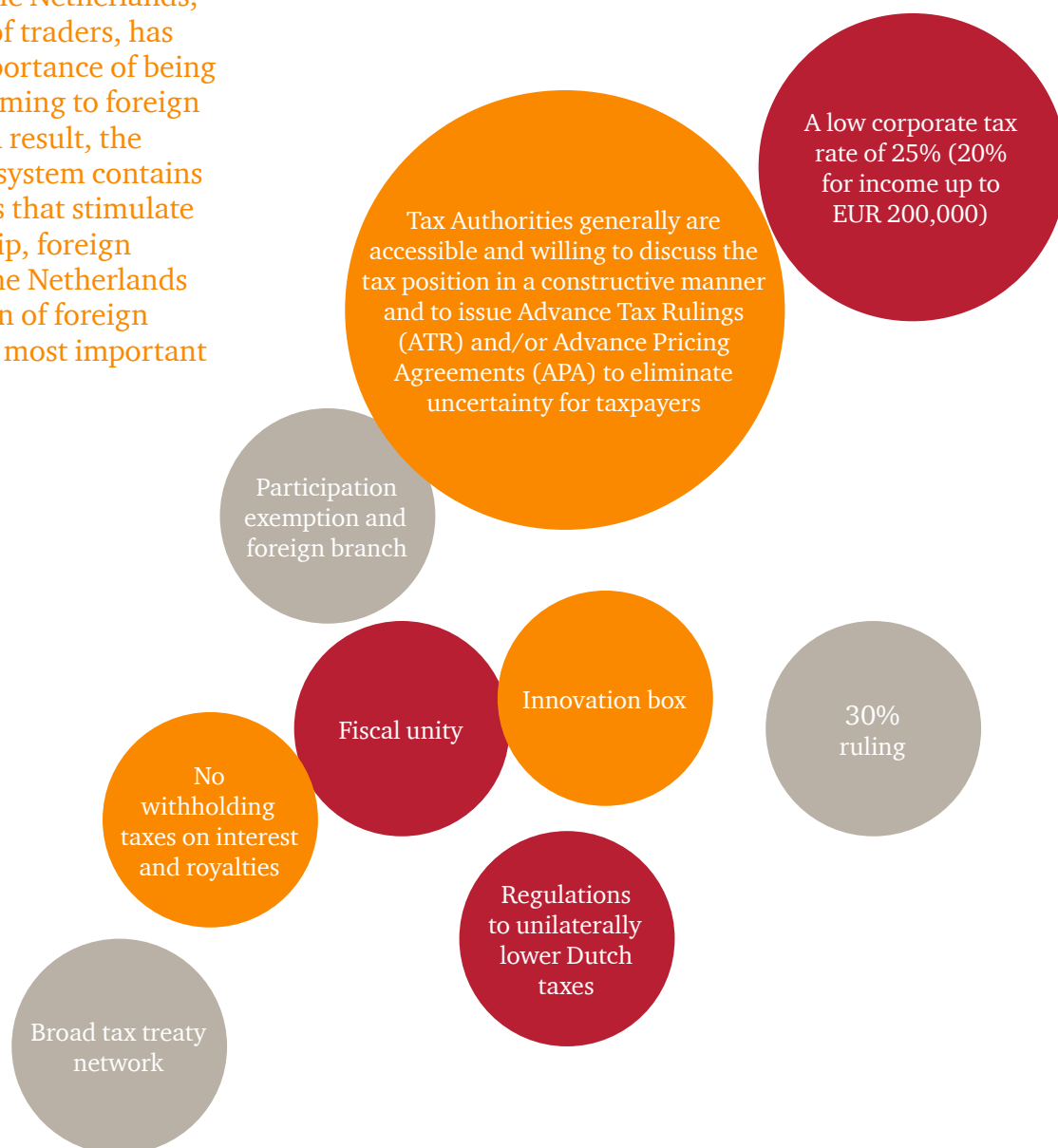
<b>The bv</b>	<b>The nv</b>
<p>The bv is a privately held company comparable to the ‘Limited Liability Company’ (Ltd) in the United Kingdom or the ‘Gesellschaft mit beschränkter Haftung’ (GmbH) in Germany. The rules for the bv changed in 2012 and were made even more flexible with the introduction of the ‘flex-bv’. The main characteristics of the bv under the new rules are:</p>	<p>The nv is a publicly held company comparable to the ‘Public Limited Company’ (plc) in the United Kingdom or ‘Aktiengesellschaft’ (AG) in Germany. The shares in an nv may be freely transferable. In general, the nv is more strictly regulated and only used to incorporate companies that are very large and/or listed on the stock exchange. The main characteristics of the nv are:</p>
<p><b>Shares</b></p> <ul style="list-style-type: none"> <li>• No minimum initial capital is required. The founders will determine the issued capital and required paid-up capital. The issued capital and paid up capital will be laid down in the articles of association.</li> <li>• Companies with multiple shareholders can issue different types of shares to vary the voting rights of shareholders and to vary their dividend rights.</li> <li>• Some shareholders (e.g. banks) can be excluded from voting rights.</li> <li>• Shares of a particular class may give no or limited entitlement to profit sharing. These shares must always have voting rights.</li> <li>• Depending on the wording in the articles of association, shares may or may not be freely transferable.</li> <li>• Shares cannot be listed on a stock exchange.</li> </ul>	<p><b>Shares</b></p> <ul style="list-style-type: none"> <li>• Minimum initial capital of EUR 45,000.</li> <li>• Different types of shares are possible.</li> <li>• All shareholders have voting rights and profit rights. Possibility of certification to split up voting rights and profit rights.</li> <li>• Depending on the wording in the articles of association, shares may or may not be freely transferable.</li> </ul>
<p><b>Governance</b></p> <ul style="list-style-type: none"> <li>• Annual General Meeting (AGM) for shareholders (in general, also for shareholders without voting rights).</li> <li>• Depending on the size of the business, a supervisory board (or non-executive directors (NEDs) on the board) is required. Large companies may also be subject to the ‘structure regime’. In that case, the supervisory board (or the NEDs) will have special powers to appoint the members of the board. For foreign companies, the structure regime is less restrictive.</li> <li>• Shareholders may optionally have extensive possibilities to give instructions to the management.</li> <li>• Disclosures about allocation of board membership between men and women. However, non-compliance has no consequences.</li> </ul>	<p><b>Governance</b></p> <ul style="list-style-type: none"> <li>• Annual General Meeting (AGM) for shareholders (in general, certificate holders may not attend the meeting).</li> <li>• Depending on the size of the business, a supervisory board (or NEDs in the board) is required. Large companies may also be subject to the ‘structure regime’. In that case, the supervisory board (or the NEDs) will have special powers to appoint the members of the board. For foreign companies, the structure regime is less restrictive.</li> <li>• Limited possibilities for shareholders to give instructions to the management.</li> <li>• Disclosures about allocation of board membership between men and women. However, non-compliance has no consequences.</li> </ul>
<p><b>Allocation of profits</b></p> <ul style="list-style-type: none"> <li>• The board of directors proposes to the AGM to consent to the distribution of profit. The AGM decides about the proposed profit distribution.</li> <li>• No other capital and creditor protection rules apply.</li> <li>• Possibility to make interim dividends.</li> </ul>	<p><b>Allocation of profits</b></p> <ul style="list-style-type: none"> <li>• With the approval of the Supervisory Board, the board of directors proposes to the AGM to consent to the distribution of profit. The AGM decides about the proposed profit distribution. Dividends are limited by formal capital and creditor protection rules.</li> </ul>

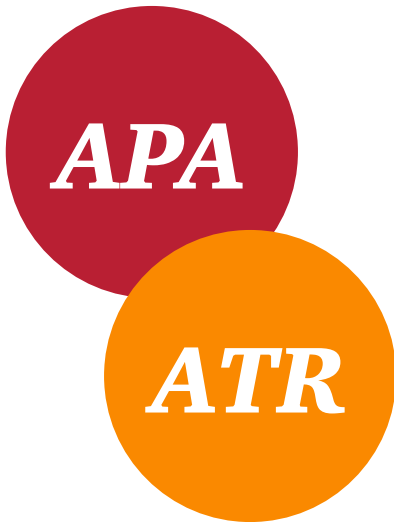
## Branch

Another possibility to start up activities in the Netherlands is to create a Dutch branch of a foreign entity. A branch is not a separate legal entity from its foreign parent company. The parent business therefore always bears ultimate legal liability for the branch. Depending on the nature and scope of the activities, the branch may qualify as a ‘permanent establishment’ for taxation matters. If so, the results of the branch will be taxable in the Netherlands.

# Taxation in the Netherlands

For centuries, the Netherlands, being a nation of traders, has realised the importance of being open and welcoming to foreign companies. As a result, the Dutch taxation system contains many incentives that stimulate entrepreneurship, foreign investment in the Netherlands and immigration of foreign employees. The most important are:





## *The Dutch ruling practice*

One of the specific features of the Dutch tax system is the possibility to discuss in advance the tax treatment of certain operations or transactions. Upfront approval can be obtained from the Dutch Tax Authorities. The Dutch Tax Authorities conclude Advance Pricing Agreements (APA) as well as Advance Tax Rulings (ATR). Both are binding for the taxpayer and the Dutch Tax Authorities and are OECD and EU law compliant. To obtain an APA or ATR, some minimum substance requirements must be met. In general, the Dutch Tax Authorities are more than willing to cooperate and handle requests for APAs, ATRs and other requests (e.g. a request for a fiscally facilitated merger, a VAT registration or a (VAT) fiscal unity) within a reasonable amount of time.

An APA is an agreement with the Dutch Tax Authorities specifying the pricing method that the taxpayer will apply to its related-company transactions. These programs are designed to help taxpayers voluntarily resolve actual or potential transfer pricing disputes in a proactive, cooperative manner.

An ATR is an agreement with the Dutch Tax Authorities determining the tax rights and obligations in the taxpayer's specific situation, used to prevent or resolve any tax disputes.

## *Horizontal monitoring*

Another specific feature in the Netherlands is that the Dutch Tax Authorities allow businesses, under certain conditions, to benefit from 'horizontal monitoring'. This means the Dutch Tax Authorities rely on a company's compliance monitoring, and less on their own tax audits. The benefits of this arrangement for businesses are numerous. It provides more certainty about the company's level of compliance and total tax burden. Tax audits will happen less often and will be less intrusive under horizontal monitoring. The company's relationship with the Tax Authorities is based on mutual trust, understanding and transparency. Additional benefits are related to the high-level quality of the monitoring controls that are a precondition of horizontal monitoring, specifically a 'tax control framework'. Controls will generally be more efficient, reduce the number of uncontrolled risks, increase the reliability of financial data, and save the company both time and costs.

Horizontal monitoring can be applied to all taxes including corporate income tax, VAT, wage tax and social security. PwC has developed a special tax management maturity model (T3M) to help companies determine their existing level of tax controls and the path towards the intended maturity level of their tax controls.



# Corporate income tax

## Scope

In general, a Dutch resident company is subject to corporate income tax (CIT) on its worldwide income. However, certain income can be exempted or excluded from the tax base. Non-resident entities only have a limited tax liability with regard to income from certain Dutch sources.

## Residence

In the Netherlands, corporate residence is determined by the company's specific facts and circumstances. Management and control are important factors in this respect. Companies incorporated under Dutch law are deemed to be residents of the Netherlands.

To obtain a Dutch tax residency certificate, minimum substance requirements need to be met, effectively ensuring that effective

management and control of the company is based in the Netherlands.

For foreign companies, the income from Dutch sources includes income derived from a business enterprise in the Netherlands. This is the income derived from a business or part of a business carried on through a Dutch permanent establishment or permanent representative in the Netherlands.

## Tax rate

The standard CIT rate is 25 per cent. A lower rate of 20 per cent applies to taxable income up to EUR 200,000.

## Income determination

In general, income is determined using principles of sound business. There are, however, many exceptions that provide special fiscal facilities, the most important one being the participation exemption, which will be discussed on page 17.

The remuneration for activities performed should be at arm's-length, meaning that terms, conditions, and pricing of transactions between affiliated companies should be similar to those applied between independent third parties. Dutch companies are obligated to produce and maintain appropriate transfer pricing documentation substantiating the transfer prices used.

**25%**

'Appropriate documentation' means that the documentation should, among other things, include a functional analysis (description of the functions, risks and assets), an economic analysis as well as transfer pricing policy documents and internal contracts.

If a transaction between related parties is not at arm's-length, the taxable income may be adjusted by the Tax Authorities. Moreover, transactions that do not meet the arm's-length test may be deemed to





be a contribution of informal capital or a hidden profit distribution (which may possibly trigger dividend withholding tax).

## Depreciation

Generally, depreciation may be computed by a straight-line or a reducing-balance method or, in accordance with any other sound business practice, on the basis of historical cost. However, Dutch tax law includes specific rules that can limit the depreciation of immovable property, goodwill and other assets.

On the other hand, the law provides accelerated and random depreciation of several specific assets. Accelerated depreciation applies to investments in assets that are in the interest of the protection of the environment in the Netherlands (the allowed depreciation percentage is 75 per cent). Accelerated depreciation is also available for certain other designated assets, for example, investments of starting entrepreneurs.

## Functional currency

A Dutch taxpayer may upon request and under certain conditions determine its taxable income in a currency other than euro. The request should be filed during the first book year of incorporation or prior to the start of a new book year in later years. Tax payments must be made in euro.

## Participation exemption

Provided the conditions for the participation exemption are met, a Dutch company is exempt from Dutch tax on all benefits connected with a qualifying shareholding, including cash dividends, dividends in kind, bonus shares, hidden profit distributions, capital gains, and currency exchange results.

The requirements for the participation exemption are:

- The holding is at least five per cent of the investee's capital (options on shares, convertible loans etc. may also qualify).
- The participation is not held as a portfolio investment. The intention of the parent company, which can be based on particular facts and circumstances, is decisive.

- Regardless of the company's intention, the participation exemption is also applicable if either the majority of the aggregated assets of the subsidiaries do not qualify as 'free' portfolio investments or the income of the subsidiary is subject to an effective profit tax of at least ten per cent.

For portfolio investment participations not qualifying for the participation exemption, double taxation will be avoided by applying a fixed tax credit method, unless the portfolio investment shareholding effectively is not subject to tax at all. For EU shareholdings, it is optional to credit the actual underlying tax.

The participation exemption also applies to losses related to qualifying subsidiaries, meaning that capital losses are in general non-deductible. However, a capital loss is tax deductible if the subsidiary is formally liquidated.

## Innovation box regime

A special regime applies with respect to profits, including royalties, derived from a self-developed intangible asset. In the innovation box, the taxpayer may opt, under certain conditions, for the application of a lower effective rate on taxable profits derived from these intangible assets. The effective tax rate of the innovation box is five per cent.

The lower effective tax rate of five per cent only applies to positive income, allowing innovation losses to be taken into account at the standard tax rate (subject to recapture). It is also possible to include profits from an intangible asset derived in the period between the patent application and the granting of the patent in the innovation box regime.

For companies planning to outsource their R&D activities, the innovation box can be a very important facility. In combination with other facilities (see 'Tax incentives' on page 25), it makes the Netherlands the ideal location for R&D companies as the low tax rate of the innovation box may also

apply on income arising following contract R&D activities.

## Fiscal unity

If more entities are established in the Netherlands, it is, under certain conditions, possible to form a 'fiscal unity'. An entity belonging to a fiscal unity can be a Dutch tax resident company incorporated according to the law of an EU state or country with which the Netherlands has concluded a tax treaty. Branches in the Netherlands can join a fiscal unity as well. The main requirements to be met in order to benefit from this facility are that the parent company should hold at least 95 per cent of the shares in one or more Dutch resident companies, the place of effective management should be located in the Netherlands and the entities should be subject to the same tax regime. The advantages of the fiscal unity include:

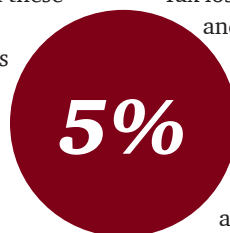
- Filing a single CIT return;
- Offsetting of losses;
- Elimination of inter-company transactions.

A disadvantage of a fiscal unity may be that each company is jointly and severally liable for the tax debts of the fiscal unity.

## Net operating losses

Tax losses can be carried back one year and carried forward nine years. This also applies to start-up losses. Due to the participation exemption, losses from the sale of qualifying subsidiaries may not be deducted. However, under certain conditions any losses arising from the liquidation of a subsidiary, whether foreign or domestic, are deductible for CIT purposes.

Complex rules may prohibit the utilisation of net operating losses after a change of 30 per cent or more of the ultimate control in a company. Furthermore, limitations exist on loss utilisation for holding/finance companies. Based on these rules, losses incurred by a mere holding or group finance company can be offset only against holding or finance income in preceding and following years, provided that certain strict conditions are met.





No cross-border relief is available with regard to foreign permanent establishments. As of 1 January 2012, foreign source losses can no longer be offset against Dutch source profits. An exception applies to 'final losses', losses realised upon the discontinuation of foreign business operations. Under the 'cessation regime', final losses of foreign permanent establishments are taken into account for Dutch CIT calculation purposes.

### **Foreign income**

In general, a Dutch resident company is subject to CIT on its worldwide income. However, certain foreign income can be exempted (e.g. due to the application of the participation exemption described above) or excluded from the tax base. Moreover, the Netherlands has 89 double tax treaties in force and benefits from EU directives. These treaties generally have favourable conditions as regard foreign taxation. If no treaty is in place, The Dutch tax system also has regulations to unilaterally lower Dutch taxes to account for foreign tax obligations.

Double taxation of foreign dividends (not exempt under participation exemption), interest, and royalties is relieved by a tax credit provided by Dutch tax treaties or if the payer of the income is a resident of a developing country designated by Ministerial Order unilaterally. If no treaty or unilateral relief applies, a deduction of the foreign tax paid is allowed in computing the net taxable income.

As of 1 January 2012, a new Dutch mechanism is in place to provide for double tax relief for Dutch resident corporate taxpayers deriving profits from foreign business activities. Under the new mechanism, the taxpayer's worldwide profits are determined according to Dutch tax standards and subsequently reduced with an amount equal to the 'positive and negative business income items derived from foreign sources' on a per-country basis. The eligible income items include, for example, the business profits attributable to a permanent establishment located abroad and the income from immovable property located in the other state.

In most circumstances, foreign dividend is exempt for Dutch CIT under the participation exemption, as previously discussed. As a consequence, foreign withholding tax cannot be credited, and constitutes a real cost for the companies concerned. However, a credit of the foreign withholding taxes granted against Dutch dividend tax due on the distribution to foreign parents of the Dutch company may be available. The credit amounts to a maximum of three per cent of the gross dividend paid.

### **Exit tax**

If, for any reason, you wish to migrate your company from the Netherlands, an exit tax is due on realised and unrealised profits (hidden reserves and goodwill). The taxable amount is calculated at the time of migration and is formalised in an assessment. If the new place of residence is within an EU/EEA Member State, the tax due may be deferred. The company has to comply with certain administrative requirements and provide security in order to obtain the deferral.

# Value added tax

## EU context

The system of value added tax (VAT) in the Netherlands is essentially the same as that used in the rest of the EU but there are still some significant differences of detail between different Member States of the EU - especially in regard to the tax rates and formal VAT requirements and the applicable business context. The Netherlands has an attractive business climate that makes it stand out from other European countries. For example, it is possible to discuss VAT matters with the Dutch Tax Authorities and to make arrangements in case of difficult VAT issues (see 'The Dutch Ruling practice' on page 15).

## The VAT system

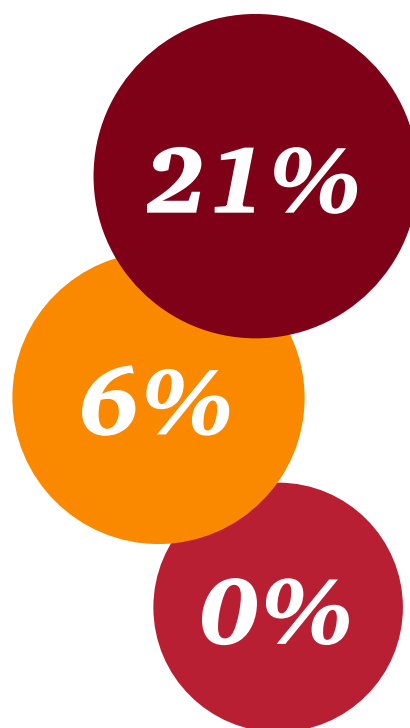
VAT is charged on the supply of goods and services in the Netherlands made by a taxable person in the course of furtherance of a business, unless the supplies are zero-rated or exempt. A VAT taxable person is anyone performing business activities in the Netherlands. If the business is liable for VAT on its transactions in the Netherlands, it will have to register for VAT.

VAT is effectively a tax on consumer expenditure. So, in theory, the final burden of the tax should not fall on business activity. This objective is achieved by an arrangement known as the input VAT deduction system. When a business buys goods or services, it usually pays VAT to the supplier (input tax). When the business sells goods or services, whether to another business or to a final consumer, it is usually required to charge VAT (output tax) unless the supplies are specifically relieved from VAT. If the business makes only taxable supplies, it must periodically total the input VAT it incurs and deduct this from the output VAT charged, paying (or claiming) the balance to (from) the Dutch Tax Authorities. The result is that the end consumers bear the total cost of VAT on the final price of the goods or services they purchase.

Special attention needs to be given to the VAT position of holding and/or financing companies

## Rates

Since 1 October 2012, the standard rate of VAT has increased to 21 per cent. A lower VAT rate of six per cent applies to certain essential goods and services, for example food and drink, passenger transport and certain labour-intensive repair and maintenance activities. The export of goods, for example, is subject to a zero per cent rate.



Additionally, various types of supply are exempt from VAT, such as educational and medical services. The difference between zero per cent VAT and an exemption is that the VAT incurred on costs that are incurred for exempt transactions cannot be settled with input VAT. Zero-rated transactions (zero per cent VAT) allow full deduction of input VAT.

## Deferment of import VAT

In contrast to most other EU Member States, the Netherlands has implemented a system that provides for the deferment

of actual payment of import VAT at the time of importation. Instead of paying import VAT when the goods are imported into free circulation within the EU, the payment can be deferred to the periodic VAT return. Under this system, the import VAT should be declared but the amount can simultaneously be deducted on the same return. As a result, in principle there is no actual payment of VAT at import, so that cash flow disadvantages can be avoided.

## Form-free administration and e-invoicing

Contrary to some other European countries, form-free administration is allowed in the Netherlands. There are some general requirements regarding the content and readability of the administration, as well as the obligation to keep the administration for seven years (ten years when it relates to immovable property), but basically the entrepreneur is free to determine how the administration is organised. This makes it relatively easy for businesses in the Netherlands to comply with the Dutch administrative obligations compared to other EU Member States.

Another advantage is that the Netherlands has introduced legislation that allows for form-free e-invoicing. This means that, although the standard invoicing requirements have to be met, the way in which the electronic invoices are sent is up to the entrepreneur, as long as the authenticity of origin, the integrity and completeness of the content and the readability of the electronically stored invoices are guaranteed. Especially going forward, as electronic invoicing takes flight, it will be advantageous to be established in the Netherlands, where the legislation in this respect is less restrictive than in many other European countries.

## VAT refund request

In addition, general VAT refund requests are processed within a couple of weeks in the Netherlands, which is advantageous from a cash flow perspective.

## Customs and excise

### EU: Customs Union

If your business imports goods into the Netherlands from outside the EU, the goods will have to be declared for customs purposes and may be subject to customs duties and VAT. The EU is a customs union, which means that the EU is treated as a single territory for customs purposes and that in principle the same rules and rates apply in each Member State. This means that, once goods are in 'free circulation' (i.e. all duties paid and import formalities completed) in one Member State, such as the Netherlands, they can move freely between all other Member States, without further payment of customs duties or further customs formalities.

However, although the rules are the same throughout the EU, the interpretation and/or application may differ in the various EU countries. As a result of the long tradition as a trading country with its open and business friendly environment, the Dutch Customs Authorities are known for their flexible solutions in terms of customs supervision. This does not mean that lower duties are levied or no controls are performed, but that The Dutch Customs Authorities typically try performing their controls and supervision in such a manner that it has less impact on the company's operations.

### Customs duties

There are essentially three areas that determine the amount of customs duties payable on goods imported from outside the EU, these are:

#### Classification

The amount of customs duties depends on how the goods are classified in the EU Combined Nomenclature (the EU list of codes and duty rates for customs purposes), as this determines whether goods are subject to ad valorem customs duty rates (i.e. a set percentage of the value) or to specific customs duty rates (e.g. a set amount per volume) or no customs duties at all (i.e. a zero rate).

### Valuation

Where goods are subject to ad valorem customs duties, the EU customs valuation rules are based upon the WTO-valuation rules and likewise require that as a basic rule a transaction value method is applied. This means that the price actually paid or payable is the basis for the customs value, i.e. the value is based upon a buy-sell transaction. The transactions between related parties are basically acceptable as a basis for transaction value. However, the Customs Authorities may request that the arm's length nature of the prices is demonstrated. Only where such transaction value is not available or cannot be applied, alternative methods may apply.

While using a buy-sell transaction as the basis for the customs value, certain costs elements may need to be added in case these are not included in the price paid, e.g. freight and insurance to the EU border, assists, R&D costs or royalty payments. Certain elements e.g. inland freight or inland installation may, in certain circumstances, be excluded, in case these are included in the price paid.

### Origin

The EU has many free trade agreements and preferential trade arrangements in place with a large number of countries, which means that goods that on the basis of the specified strict rules, qualify as originating from such a country, can enter the EU at a reduced or zero customs duty rate. However, the EU does also apply trade defence measures upon importation of goods, such as anti-dumping, anti-subsidy (also known as countervailing) or safeguard measures, which generally take the form of additional duty. These are often applied to goods originating in specifically listed countries. Careful consideration must therefore be given to the customs implications of any sourcing or production decisions.

Unlike the US the EU does not have a general refund system for customs duties paid. This means that when goods are imported and subsequently re-exported

the customs duties paid upon importation will not be refunded. Therefore, in order to avoid unnecessary payment of customs duties for products that are not destined for the EU market, various suspension arrangements can be applied, e.g. for transportation (customs transit), for storage (customs (bonded) warehousing) or for processing (inward processing). Some of these arrangements may also be applied for postponing the payment of customs duties and import VAT. For the application of such suspension regimes typically authorisations are required, which may only be available for EU established companies.

There is a range of customs reliefs that an importer may use provided that the criteria are met.

Furthermore, simplified procedures are available for performing customs formalities for import, transit and/or exports. These simplified procedures will often allow a more flexible handling of the (logistical) operations with a customs supervision being performed in the company's administration rather than with a physical customs checks/supervision. The simplifications can also relate to self-issuing certificates of origin for exports or origin statements on commercial documents such as invoices (authorised exporter). Based on such origin certificates or origin statements, the imports in the country of destination may be subject to reduced customs duty rates.

### Excise duty

Excise duty is a consumption tax payable on certain consumer goods that have been specified in a European context. Excisable goods include: beer, wine, spirits, tobacco and mineral oil products. The amounts of duties payable may be substantial and the rules regarding excise formalities are complex, it is therefore important to seek advice before imports commence.



## Personal income tax

The Netherlands taxes its residents on their worldwide income; non-residents are subject to tax only on income derived from specific sources in the Netherlands (mainly income from employment, director's fees, business income, and income from Dutch immovable property).

### Residence

The facts and circumstances determine an individual's residence. In case of a dispute, the Dutch tax courts will examine the durable ties of a personal nature with the Netherlands. An expatriate is generally considered a resident of the Netherlands if, as a married person, his/her family accompanies him/her to the Netherlands, or if, as a single person, he or she stays in the Netherlands for more than one year.

Non-residents may elect to be treated as full-year resident taxpayers. If they decide to do so, they are liable to tax on their worldwide income. In exchange, they become entitled to personal deductions and may claim all tax credits. In addition, relief from double taxation (mostly based upon the progression with exemption method), is granted for all items of income that would not be taxed under a non-resident status and on income that the Netherlands would not be entitled to levy tax on the basis of an applicable tax treaty. As from 2015 this regulation will be replaced by a regulation for foreign qualifying taxpayers. Under the new regulation, non-resident taxpayers have access to the same tax deductions and levy rebates as Dutch residents if certain conditions are met.

Under the provisions of the 30 per cent ruling (see 'Extra territorial costs and the

30 per cent ruling' on page 23), employees who are considered resident taxpayers may opt to be treated as partial non-residents. 'Partial' in this respect implies that they are treated as residents for box 1 and as non-residents for box 2 and 3 purposes whilst they are entitled to personal deductions and tax credits.

### Boxes

In the Netherlands, worldwide income is divided into three different types of taxable income, and each type of income is taxed separately under its own schedule, referred to as a 'box'. Each box has its own tax rate(s). An individual's taxable income is based on the aggregate income in these three boxes:



## **Box 1** **Scope**

Box 1 refers to taxable income from work and home ownership. It includes employment income and home ownership of a principal residence (deemed income).

### **Social security**

The Netherlands has an extensive compulsory social security system, to which both the employer and the employee must contribute. As the social security contributions are capped, the Dutch social security system is relatively inexpensive in comparison to other social security systems. The system can be classified as follows:

- **National insurance tax:** Under the national insurance tax regulations, contributions are levied on income of the employee up to a maximum of EUR 33,363. At present, the tax is capped at EUR 10,392 per annum. From this amount several levy rebates may be deducted. National insurance contributions paid by an employee are not deductible from taxable income. National insurance contributions and income taxes are included as a single tax in the first and second income tax brackets.
- **Employee insurance:** this is paid by the employer. It includes unemployment and disability benefits. The maximum annual contribution amounts to approximately EUR 5,500, depending on the industry and size of the company.
- **Health insurance:** the employee should individually conclude a health insurance policy with a Dutch health insurance company irrespective of whether international health insurance is available. In addition, the employer is required to make a contribution as well. This contribution is capped at approximately EUR 3,700.

### **Rates**

Box 1 has a progressive rate:

Income (EUR)	Tax rate (%)	Social security (%)	Total (%)
0 - 19,645	5.1	31.15	36.25
19,645 - 33,363	10.85	31.15	42
33,363 - 56,531	42	none	42
> 56,531	52	none	52

### **Income determination**

Regarding box 1, we will only discuss income from employment and home ownership, as these are most relevant for employees of foreign companies doing business in the Netherlands.

If an employee is on a Dutch payroll, wage tax will be withheld from their salary. The amount withheld and paid by the employer is applied as a prepayment of income taxes for the employee. Within an employment relationship, all benefits in kind are, in principle, considered taxable income. Such benefits include accommodation allowances, private use of the company car, employee stock options, home-leave allowances, and pre- and post-assignment bonuses. Employer-paid reimbursement of relocation costs relating to the acceptance of new employment is not taxable. The same applies for employer contributions toward approved pension schemes, as the future pension terms will be taxed. Income and benefits from equity based remuneration is generally taxable at the moment the benefit vests (shares) or is exercised (stock options).

On 1 January 2009, the rules regarding 'excessive' remuneration entered into force and brought 'lucrative investments' (carried interest arrangements) under taxation in box 1. The income from a lucrative investment, both income and capital gains, will, in principle, be considered 'income arising from other activities' and, as such, be taxable in box 1. Under certain circumstances the income may be taxed in box 2 (lower tax rate).

Mortgage interest payments in relation to the financing, renovation, or maintenance of the primary residence may be deducted from box 1 income. To determine the net amount of the deduction, deemed income is taken into account. Generally,

0.60 per cent of the value of the property is taken into account. The interest paid on mortgage loans concluded as of 1 January 2013 can only be deducted if the full mortgage loan is paid off on a periodical basis within 30 years.

### **Levy rebates**

Resident and partial non-resident taxpayers are entitled to 'levy rebates'. In addition to the general levy rebate, several other levy rebates may be claimed, depending on the personal situation of the taxpayer (e.g. the continuing labour bonus, the single parent rebate).

## **Box 2** **Scope**

Box 2 refers to taxable income from a substantial interest.

### **Rates**

Box 2 income is taxed at a flat rate of 25 per cent. In 2014, the rate is temporarily lowered to 22 per cent for the first EUR 250,000 of income.

### **Income determination**

A Dutch resident who holds at least five per cent of the shares or a class of shares of a company or who holds rights to acquire a five per cent interest in a company has a 'substantial interest'. The benefits derived from this substantial interest are taxable in box 2. These benefits include dividends and the gain on the sale of one or more of the shares or rights. Taxation in box 2 will apply to a non-resident only if he holds a substantial interest in a Dutch-based company.

## **Box 3** **Scope**

Box 3 applies to taxable income from savings and investment.

### **Rates**

Box 3 income is taxed at a flat rate of 30 per cent.

### **Income determination**

Income from savings and investments is, as such, not taxable. However, the net assets (assets minus debts) valued as at 1 January are deemed to generate a fixed return on

investment of four per cent per year. This fixed return is taxed in box 3. All net assets that are not intended for daily use and that are not taxed in box 1 or box 2 belong to the box 3 taxable base.

For Dutch residents, part of the taxable base is exempt and several specific deductions apply. Non-residents are subject to taxation only on the net value of a limited number of Dutch assets, including Dutch real estate not used as the primary residence and profits rights unrelated to shares or an employment.

### Foreign tax relief

Residents and most partial non-residents are entitled to relief from double taxation under unilateral relief provisions or under tax treaties.

### Extra-territorial costs and the 30 per cent ruling

The actual costs relating to employees who are hired/assigned from abroad to the Netherlands incurred by a foreign employee may be reimbursed tax-free provided that these expenses can be proven. These extra-territorial costs basically include all costs that the employee would not have incurred had he or she not been assigned to the Netherlands. Costs that qualify as extra-territorial costs include, among others, costs related to double housing, language courses, residence permits, and home leave. Apart from the base of the 30 per cent ruling the employer can reimburse the school fees for an international school for the kids of employees tax-free in full.

If certain conditions are met, a foreign employee working in the Netherlands may be granted a 30 per cent ruling. Under this ruling, a tax-free reimbursement amounting to 30 per cent of the income from active employment can be paid to the employee. The 30 per cent reimbursement is intended to cover all extra-territorial costs. If the 30 per cent ruling is applied, the actual extra-territorial costs may not be reimbursed tax-free in addition to the 30 per cent reimbursement. If the actual extra-territorial costs are higher than the

### Example of the 30 per cent ruling

Employer pays EUR 75,000 to an expatriate who made extra-territorial costs of EUR 10,000 in that year.

	With 30% ruling	Without 30% ruling
Paid by employer	€ 75,000	€ 75,000
Less: extra-territorial costs	€ 22,500 (30% of remuneration)	€ 10,000 (factual costs)
Wage for income tax	€ 52,500	€ 65,000
Less: Income tax (less levy rebates)	€ 7,554	€ 14,150
Less: National insurance tax	€ 10,392	€ 10,392
Net income	€ 57,054	€ 50,458
Effective tax rate	24%	33%

30 per cent reimbursement, the higher costs can be reimbursed tax-free.

There are several requirements to qualify for the 30 per cent ruling:

- The foreign employee should have specific expertise that is not available, or is scarce in the Dutch labour market. This is based upon a salary norm: the general gross salary has to amount to a minimum of EUR 35,770 (i.e. EUR 51,100 including tax free reimbursement of 30 per cent). A lower norm amounting to EUR 27,190 (i.e. EUR 38,842 including tax free reimbursement of 30 per cent) applies to individuals with a university degree who are younger than 30.
- The employee must have lived outside a 150 kilometre radius of the Dutch border during more than 2/3 of a 24-month period before taking up Dutch employment in order to qualify for the 30 per cent ruling.
- An application for the 30 per cent ruling must be filed within four months of starting the Dutch employment. If this period is exceeded, the ruling - if granted - will only apply as of the month following the month in which the application was filed. The 30 per cent ruling may only be applied if the employee is included in a Dutch wage tax administration.

The 30 per cent ruling will end when the conditions are no longer met or ultimately eight years from the moment the 30 per cent became applicable. Furthermore, the 30 per cent ruling lapses at the end of the next wage tax period following the wage tax period in which the Dutch employment was terminated. The 30 per cent ruling can no longer be applied on post-departure income. Hence, the 30 per cent ruling can, in principle, no longer be applied on bonuses and equity income that becomes taxable after having left the Netherlands.

PwC has a special agreement with the Dutch Tax Authorities, based on which PwC can assess and grant expatriates the beneficiary 30 per cent ruling on behalf of the Dutch Tax Authorities. This reduces the application period from 3-4 months to 2-3 weeks.

## Other taxes

### Transfer tax

Acquisition of economic or legal ownership of immovable property in the Netherlands is subject to a six per cent transfer tax on market value. Some exemptions are available. The real estate transfer tax on homes is two per cent.

The acquisition of shares in an entity that owns real estate may also be subject to transfer tax if that entity is characterised as a 'real estate entity'. The threshold for qualifying as a real estate entity is met if more than 50 per cent of the assets of the entity consist of real estate and at least 30 per cent consist of obtaining, selling and/or exploiting Dutch immovable property.

### Dividend withholding tax

Dividends from Dutch corporations are generally subject to a 15 per cent Dutch dividend withholding tax. In general, in a business driven structure this does not apply to a Dutch cooperative, a widely used vehicle for holding and financing activities. Dividend withholding tax on dividend received by Dutch individuals or corporate entities is creditable against the PIT but not against CIT if the participation exemption applies.

Dividends paid to corporate entities in other EU countries are often exempt from dividend tax due to the EU parent/subsidiary directive. Moreover, dividend tax is often eliminated or lowered by one of the many bilateral tax treaties.

This, the participation exemption and the fact that there is no withholding tax on

royalties and interest, are the main reasons that many intermediate holding companies of international companies are based in the Netherlands.

### Car taxes and regional taxes

Apart from the taxes already mentioned, some other taxes complete the Dutch tax system. The most important are:

- An individual who owns/uses a car in the Netherlands may become liable to Dutch road tax.
- An excise tax is levied on certain consumer goods (e.g. cigarettes, cigars, mineral oils, alcoholic products).
- A municipal tax applies to the ownership of immovable property.
- Inheritance and gift tax is imposed on the fair market value of the gift or inheritance.





## Tax incentives

The Netherlands is a very attractive place for performing research and development work and for investment. The Dutch tax system features several tax incentives to stimulate innovation and business activities.

### Research and development incentives

Apart from the innovation box (see 'Innovation box regime' on page 17 above at the CIT section), the Dutch tax system has two more regulations to stimulate R&D: one for wage costs and one for other costs.

#### Wage costs

Conducting certain R&D activities on applied new technology is subsidised by a reduction of wage tax due on the wages of employees engaged in R&D of technologically new products. The subsidy accrues to the employer when the employee is credited for the normal amount of wage tax. For the year 2014, the reduction of the payroll tax and social security contributions amounts to 35 per cent of the first EUR 250,000 in R&D wage costs (first bracket) and 14 per cent of the excess costs. The benefit for each employer (or group of companies) may not exceed EUR 14 million per year.

To obtain the relief under the R&D incentive programme, taxpayers must file an electronic/online application with the RVO.nl, a department of the Ministry of Economic Affairs. The taxpayer will receive an R&D declaration. The budget for this subsidy is fixed, so the amount of the subsidy is dependent on budget availability. Note that, on certain conditions, self-developed and utilised software falls within the scope of the R&D incentive.

#### Other costs

In addition to the existing R&D facilities, an additional R&D deduction for the CIT is available. For 2014, the additional R&D deduction amounts to 60 per cent of the costs (other than wage costs) and expenses directly related to R&D activities performed by the taxpayer. An expense equal to or greater than EUR 1 million will be taken into account over a period of five years, 20 per cent each year.

To receive this additional deduction, taxpayers must file an electronic/online application with the RVO.nl. The request must be filed together with the application for the R&D declaration.

#### Investment incentives

Investments in certain business assets may qualify for an additional deduction for tax base calculating purposes. Not all business assets are eligible, some are explicitly excluded.

#### Energy-efficient and environment-improving assets

An investment in a new energy-efficient asset may qualify for an additional deduction (EIA) if the amount exceeds EUR 2,500 and the asset satisfies the requirements on the Energy List 2014. The EIA amounts to 41.5 per cent of the

qualifying investments. A similar tax incentive is available for investments in new environment-improving assets. Such an investment may qualify for an additional deduction (MIA) if the amount exceeds EUR 2,500 and the asset satisfies the requirements on the 'Environment List 2014'. The MIA is set at 36, 27 and 13.5 per cent (dependent upon eligibility) of the amount of the qualifying investments. The taxpayer must report the qualifying investment within three months to the RVO.nl. An electronic application form is available for this purpose. Both for EIA and MIA, limitations to the maximum amount of benefit apply.

#### Arbitrary depreciation

Arbitrary depreciation is available to investments in business assets that are in the interest of the protection of the Dutch environment and that meet certain requirements. If the conditions are satisfied, accelerated (or decelerated) depreciation up to 75 per cent of the investment costs is possible.

Accelerated depreciation is also available for certain designated investments, such as investments by starting entrepreneurs and certain investments made in new business assets in 2009, 2010 or 2011 and between 1 July 2013 and 31 December 2013. Certain conditions apply.



# Human resources and employment law

## Human resources

The most important long-term asset of almost any business is its qualified personnel. As mentioned before, the Netherlands is internationally renowned for its high-quality labour market. In addition, Dutch employees are flexible and have an excellent working attitude.

Trade unions in the Netherlands are moderate in character and tend to operate on the premise of consensus. Union membership is low and where industrial disputes do occur, they are resolved quickly and pragmatically. Employers and employees cooperate in various ways through the Joint Industrial Labour Council, the Social and Economic Council, Dutch works councils and European works councils. This cooperation also contributes to stable labour relations. As a result, growth in wage costs has been kept to moderate levels, while productivity levels remain high.

It has become common practice in the Netherlands to include a bonus scheme in the employment agreement of highly qualified personnel. The wording of these schemes is of uttermost importance, as the right design can have tax advantages and may save the employer unexpected costs when the employment is terminated. In addition, providing benefits (rather than paying a higher salary) can have tax advantages for both the employer and the employee.

While wage costs are moderate, it is important to notice that premiums for

benefits such as social security and pensions are compulsory. They are paid by both the employer and the employee.

Recently, many Dutch employers have been hiring people on a flexible basis, such that in principle they qualify as self-employed. In this regard temporary and flexible contracts are possible and may alter the social security and pension obligations for employers. In addition, these contracts prove helpful for easier termination of the employment.



## Employment law requirements

Dutch law grants employees a range of protections that create obligations and potential risks for employers. These include:

- The requirement to establish a works council for every company with more than 50 employees. The employees elect the members. The works council facilitates the communication between management and staff and has a legal right to advise on, or approve, certain decisions of the board. Importantly, the works councils in the Netherlands are known for their cooperative nature;
- A general duty to provide a safe place of work, safe access and safe work systems, supported by related obligations such as consulting with employees or their representatives on health and safety issues and providing staff with certain health and safety information;

- An obligation not to discriminate against employees, including job applicants, on a range of grounds, including race, colour, nationality, ethnic origin, age, gender (this includes sexual harassment), marital status, religion or religious belief, sexual orientation, disability, or part-time or fixed-term status;
- An obligation to pay employees at least minimum wage, which is a fixed monthly rate and is increased annually (currently EUR 1,485.65 for those aged 23 and over);
- Various benefits in connection with childbirth, adoption and other family situations (these include maternity absence for up to twelve months, part of which is paid, and a right to time off to deal with domestic emergencies);
- A requirement not to allow a worker to work beyond 9 hours per day and 45 hours per week without express consent (there are additional limits on working time, including daily and weekly time off and specific limits related to young workers and night workers);
- A duty to give each employee paid holiday leave at a minimum of four times the average number of days worked per week;
- A requirement to observe limitations on the freedom of the employer to process personal data obtained about its employees and job applicants, including transferring such data to third parties (these limitations are more stringent in relation to personal data which is 'sensitive' and where the data may be transferred outside the EU to countries with low levels of privacy protection);



- Various rights that protect employees in the event of termination of employment. At times, this may make it difficult to dismiss employees. There is a minimum notice entitlement varying from one month (for workers employed less than 5 years) up to four months (for workers employed more than 15 years). A dismissed employee has a right to claim compensation for unfair dismissal; and
- Severance payments are usually calculated on the basis of the following formula:  $A \times B \times C$ , with A being the amount of weighted years of service, B the monthly gross salary (including certain fixed benefits such as holiday allowance and fixed bonus) and C a correction factor, which is usually 1, but may be increased or decreased depending on the exact reasons for the dismissal and the financial situation of both the employer and the employee.

It is beneficial for an employer to have a comprehensive employment contract in place, to be used for each employee. This can include all the terms and conditions of employment, covering the rights described above, and in addition protect the employer's business interests by imposing obligations on the employee (e.g. about confidentiality of business secrets or restrictions of certain competitive activities after the employment ends).

## Immigration

Immigration procedure(s) must be started for foreign nationals who want to work and stay in the Netherlands. Over the past few years the Netherlands has introduced a less restrictive admittance policy for highly skilled workers of multinational companies who meet specific criteria.

### EEA national

No immigration requirements are applicable to EEA nationals. In case the stay of an EEA national exceeds four months he needs to register with the local municipality (see 'Registration municipality' under 'Non EEA national').

### Non EEA national

According to the Dutch Foreign Employment Act an employer needs to be in possession of a work permit for a non EEA national (including Croatian nationals) who will perform employment activities in the Netherlands.

For stays shorter than three months the non EEA national may need a Schengen visa (for business or tourist purposes) to enter the Netherlands. A Schengen visa does not allow the non EEA national to work in the Netherlands.

In case the intended stay will exceed three months (within a period of six months) a residence permit is required to legally stay in the Netherlands. Besides that a long term entry visa (MVV) is required before entering the Netherlands for most nationals (except for nationals from the US, Canada, Australia, South Korea, Vatican City, New Zealand, Monaco and Japan).

Which immigration procedure has to be started, depends on the exact facts and circumstances. The work permit procedure and the highly skilled migrant procedure are the most common.

### Work permit procedure

There are various types of Dutch work permits (e.g. for intra-company transfers and trainees). It depends on the exact facts and circumstances which type of work permit can be applied for. For some non EEA nationals a single application for a combined permit for work and stay (GVVA procedure) will suffice in case they plan to work and stay in the Netherlands for at least three months. This procedure does not apply to all foreign employees; a number of exceptions exist. If the GVVA procedure does not apply, a separate MVV-visa and residence permit should be applied for in addition to the work permit.

For a non EEA national assigned to a Dutch entity within the same group the intra-company work permit procedure for key personnel might be applicable. The



worldwide turnover of the group needs to be at least 50 million. Further, the employee must be in the possession of a Bachelor's degree, have a management or key position and earn a gross monthly salary of at least EUR 4,371.84.

In general, the decision period for a work permit (including MVV and/or residence permit) is seven-to-eight weeks.

### Highly skilled migrant procedure

A residence permit for a highly skilled migrant allows a non EEA national to reside and work legally in the Netherlands (without a separate work permit). This procedure is, in general, applicable in case the employee stays longer than 90 days within a period of 180 days. The following requirements have to be met:

- The company must be registered as recognised sponsor with the Dutch Immigration and Naturalisation Service ('IND').
- The employee should have a gross monthly market conform salary of EUR 4,371.84 or EUR 3,205.44 (if the employee is younger than 30 years).

If an MVV visa is required on the basis of nationality, the visa and residence permit can be applied for simultaneously under the so-called TEV procedure. The decision period for this residence permit (in or excluding MVV visa) is two-to-four weeks.

Please note that a 30 per cent tax allowance for this category of employees might be applicable (see 'Personal income tax' on page 21).

### Registration municipality

In case the stay in the Netherlands is less than four months, registration with the Municipal Population Database is voluntary, but required in order to obtain a Dutch citizen service number, needed for tax- and payroll purposes. Also, for a stay of at least four months within a period of six months, registration with the Municipal Population Database is required.

# Audit and accountancy

## Accounting requirements

A company is required to maintain accounting records that are sufficiently adequate to determine the financial position of the company at any time. There are various regulations, including civil and tax regulations, stipulating the period for which the records should be kept. As a general rule, the records must be kept for a period of seven years.

As regards the location of the accounting, there are no special regulations. The accounting can be done in any country (although for tax residency purposes, in certain situations accounting should take place in the Netherlands), but the records must be made available in a reasonable time upon request. A company may decide not to keep records in euros, but to maintain its own functional currency. The same goes for the financial statements. In principle, all companies residing in the Netherlands must prepare annual financial statements, which are then adopted by the shareholders of the company. Subsequently, the financial statements are published, most often by filing them with the relevant Chamber of Commerce. If a

foreign company only has a branch in the Netherlands, it normally suffices to file a copy of the annual financial statements of its home country.



It is not necessary for a company to prepare and file the annual report in Dutch. Preparation of the annual report in other languages is allowed. However, it may only be filed in the Dutch, English, German or French language.

least two out of the three criteria for that size for two consecutive years (or the first year for newly formed companies).

## Content

The principal requirement for financial statements is that they must be prepared in accordance with generally accepted accounting principles (GAAP) and provide a view enabling a well-founded opinion of the entity's legal assets, liabilities and results and, as far as the financial statements permit, of its solvency and liquidity.

## The annual report

### Size of the company

For all companies, the requirements to prepare and file annual reports and the requirement for an audit are determined, inter alia, by the size of that company. Companies are classified as 'small', 'medium-sized' or 'large' on the basis of three criteria, being (consolidated) total assets on historical cost basis, net turnover and the average number of employees. The criteria are summarised in the table below.

A company will be classified as small, medium-sized or large where it satisfies at



The financial statements can be prepared either on Dutch GAAP or IFRS as adopted by the EU. IFRS is required for listed companies. In the past the Dutch Accounting Standards Board amended and updated many of its Dutch Accounting Standards to align them to IFRS.

However, many differences remain between Dutch GAAP and IFRS. In this section, we discuss the requirements as stated in Dutch GAAP.

In general, the annual report contains the following documents:

- A directors' report presenting a fair view of the financial position, results and future plans of the company;
- Financial statements comprising (I) a balance sheet, (II) a profit and loss account, (III) a cash-flow statement, and (IV) notes to the balance sheet and profit and loss account;
- Other information, including the auditors' report.

	<i>Small company</i>	<i>Medium-sized company</i>	<i>Large company</i>
Net turnover (in EUR millions)	< 8.8	> 8.8 and < 35	> 35
Total assets (in EUR millions)	< 4.4	> 4.4 and < 17.5	> 17.5
Employees	< 50	> 50 and < 250	> 250

The auditors' report must include the following points: (a) whether the financial statements are in accordance with the Dutch accounting principles and are an accurate representation of the financial position and result for the year, (b) whether the directors' report meets the legal requirements; and (c) whether the adequate additional information has been provided.

A small company does not have to include a directors' report, has no audit requirement and may file an abbreviated balance sheet and notes with the Chamber of Commerce. In deviation from the general requirements, a small company may at its discretion prepare financial statements based on tax accounting principles. As a result, the equity and the profit according to the annual accounts are equal to the equity and profit according to the corporate tax return. This facility was introduced

in Dutch law in order to reduce the administrative burden for small entities.

A medium sized company must be audited, but is permitted to file an abbreviated profit and loss account as part of the financial statements and is exempt from including certain notes to the balance sheet.

### **Consolidation**

The important issue of group accounts is one that affects most foreign investors in the Netherlands, particularly in cases where a Dutch company is being used as an intermediate holding company in the group structure. While, as a general rule, a company with subsidiaries must prepare consolidated accounts, there are significant exemptions. The availability of these exemptions means that, in practice, most intermediate holding companies are not required to prepare consolidated accounts. For group companies, an exemption from

the audit requirement may be available for consolidated subsidiaries.

As a general rule, small companies in the Netherlands are exempt from preparing and filing consolidated financial statements. If the holding company meets the small company criteria on a consolidated basis, there is no need to prepare and file consolidated accounts. Moreover, intermediate holding companies and group companies may be exempted from preparing consolidated financial statements provided, among other things, that the financial information which the company should consolidate has been included in the financial statements of its parent company and that these statements have been prepared in accordance with the provisions of the Seventh European Directive.



<b>Required action</b>	<b>Time frame</b>	<b>Possible extension</b>
Maintaining accounting records	On-going during the year	
Preparation of financial statements	5 months after year-end	Up to 6 months (making the maximum preparation time 11 months after year-end)
Adoption of the financial statements by the general meeting	Within 2 months of the date of preparation	If the above extension is applied, adoption should take place ultimately 13 months after year-end
Filing of the financial statements	Within 8 days of adoption, but in no event later than two months after the date of preparation (whether the accounts have been adopted or not)	If the above extension is applied, filing should take place ultimately 13 months after year-end.

### **Time table**

The timetable above does not apply to listed companies. The financial statements must be prepared and made generally available within four months after year-end. They must be adopted within six months after year-end.

### **Penalties for non-compliance**

In the event that the statutory requirements for preparing and filing financial statements have not been met, this will constitute an economic offence on the part of the directors. The maximum penalty that may be imposed on a director for non-compliance is a fine, as well as six months of imprisonment.

Non-compliance with the statutory requirements could have significant repercussions if the company goes bankrupt. Where the statutory requirements for preparing and filing financial statements have not been met, and the company goes into liquidation, the directors will be deemed not to have properly fulfilled their fiduciary duties and could be held personally liable for any deficit upon liquidation.



# Tax compliance overview

## Corporate income tax

A company incorporated under Dutch law or a foreign company tax resident in the Netherlands is required to file a CIT return annually.

The Dutch Tax Authorities will issue a preliminary CIT assessment at the start of a financial year. For financial years that do not equal the calendar year, other timing considerations than those discussed below are relevant.

A first preliminary corporate income tax assessment is normally issued in January. Generally, the taxable amount in this first assessment is based on the average of the two preceding years' taxable income or on an estimation provided by the taxpayer. The payment date is mentioned in the assessment. Normally, these assessments must be paid within two months after the issue date of the assessment or in eleven instalments (i.e. February – December). If a preliminary assessment is higher than the final assessment, the excess is refunded with interest. Such interest is taxable income.

If an objection against the preliminary assessment is warranted, it must be filed within six weeks after the date of the assessment. Please note that at any time after this the taxpayer may request the Dutch Tax Authorities to issue a revised preliminary CIT assessment. Such a request can be filed electronically and is normally accepted, after which a revised preliminary assessment will follow.

Following the end of a financial year, a CIT return should be filed within five months (before 1 June of the subsequent financial year in case of a financial year equal to the

calendar year). However, an additional extension of five months is usually granted as part of the extension-for-filing agreement of PwC with the Dutch Tax Authorities. If the CIT return is prepared by a professional tax firm like PwC, under certain conditions a further extension for filing the CIT return can be obtained up to an additional six months (i.e. in total 16 months after the end of a financial year). Please note that for financial years that do not equal the calendar year a maximum filing extension of twelve months (after the end of a financial year) can be obtained.

After the tax return has been filed, a revised preliminary tax assessment is often issued. Once the Dutch Tax Authorities have examined the CIT return, the final CIT assessment will be issued. The final assessment should be issued within a period of three years as from year end plus the period of the extension granted for filing the tax return. If an objection against the final CIT assessment is warranted, it must be filed within six weeks after the date of the assessment.

Tax is payable within two months of the date of assessment. Interest is payable on any difference between the final assessment and the preliminary assessments, calculated from the end of the financial year. With effect from 1 January 2012, the interest calculation is made from 1 July following the financial year. It is advisable to ensure that a correct preliminary tax assessment is imposed, given the high level of tax interest payable of at least eight per cent.

Additional assessments are allowed within five years if new data become available of which the tax inspector could not reasonably have known at the

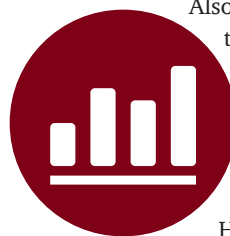
time the final assessment was made. With regard to income from abroad, additional assessments are allowed within twelve years. An additional assessment may involve interest and a penalty of up to 100 per cent of that assessment. This penalty is not tax deductible. For completeness' sake we note that the actual term of the granted extensions and the actual date/period/terms that the Dutch Tax Authorities will use to issue assessments may vary from case to case.

Also depending on the filing history of the client and/or PwC, the Dutch Tax Authorities may reduce the extension for filing deadlines.

Please note that a legislative proposal is currently before the House of Representatives that is expected to be enacted this year (i.e. 2014). This legislative proposal contains an adjustment of the periods during which the tax inspector may impose an additional assessment. The current five-year period for imposing an additional assessment will be reduced to three years after the tax return has been received plus the period of the extension granted for filing the tax return. If the taxpayer acts in 'bad faith' the period for imposing an additional assessment will be increased up to twelve years after the tax return has been received plus the period of the extension granted for filing the tax return. For the proposed additional assessment periods it will be no longer relevant whether it concerns income from abroad or not.

## Dividend withholding tax

Dividend payments, distributions treated as dividends and interest on certain profit participating loans paid by resident



companies to residents or non-residents are subject to dividend withholding tax. The tax is withheld by the distributing company at the moment the dividends are put at the disposal of the recipient. The distributing company must file a self-tax assessment and pay the tax withheld to the Tax Authorities within one month of the distribution.

There is no withholding obligation and self-tax assessment filing obligation if:

- The Dutch participation exemption regime applies;
- Both the distributor and the recipient are part of a fiscal unity for Dutch tax purposes; or
- The dividends are paid to a qualifying EU parent company.

Please note that in case no Dutch dividend withholding tax is due based on an applicable double tax treaty concluded with the Netherlands, the taxpayer is – contrary to the above – obliged to file the dividend withholding self-tax assessment even though no dividend withholding tax is due.

Additional assessments can be imposed by the tax inspector within five years after the calendar year in which the tax liability incurred or the dividend withholding tax refund was made. In case of an omission with regard to the self-tax assessment or in case the dividend withholding tax is not paid or not paid within the stipulated period, a penalty may be imposed.

## Value added tax

### VAT return

The tax period is usually a quarter. However, the taxpayer may request the Dutch Tax Authorities to apply a monthly VAT return. If the taxpayer is in a refund position, this could lead to a cash flow advantage. The taxpayer may also request a yearly VAT return provided that some specific conditions are met. One of these conditions is that the balance of payable VAT does not exceed EUR 1,883.

Returns are due by the last day of the month following the tax period to which

they relate for companies established in the Netherlands. For foreign companies with only a VAT registration in the Netherlands, the returns are due by the last day of the second month following the tax period to which they relate. Taxable persons filing an annual return are automatically allowed to defer filing until 1 April of the following year.

### Intra-Community Transactions Statement

An Intra-Community Transactions Statement must be submitted if the taxpayer supplied goods or provided services to an entrepreneur in another EU country and these goods are transported to another EU country, or if the taxpayer has transported its own goods to another EU country. The period for which the taxable person must submit an Intra-Community Transaction Statement depends on the actual situation (the amount of supplies and/or acquisitions and the type of transactions). The following options are possible: monthly, bimonthly, quarterly and annually.

The statement must be received by the Dutch Tax Authorities within two months after the end of the selected period.

### Intrastat declaration

Intrastat declarations have to be filed for dispatches if these exceed EUR 1,500,000 per annum and for arrivals if they exceed EUR 1,500,000 per annum. The Intrastat declarations must be filed monthly and are due on the tenth day of the calendar month following that to which they relate.

## Personal income tax

### PIT return

Tax returns must be filed after each calendar year, in principle before 1 April. Extensions may be possible.

### Advance payment or preliminary tax refund

Generally speaking, if taxpayers have sizeable income that is not subject to wage

tax withholding, they may be required to make advance payments of estimated additional income tax. If the employee has income tax deductions that are not considered in the Dutch payroll, it is also possible to file a preliminary tax refund form in order to claim monthly income tax refunds during the calendar year.

## Payroll taxes

Entrepreneurs who employ personnel in the Netherlands withhold wage tax and the national insurance contributions from the employee's wage and bear the cost of the employee's insurance contributions and the income-dependent contribution pursuant to the Health Care Insurance Act (jointly: payroll taxes). The wages are understood to mean everything the employee receives pursuant to the employment contract although some items may be tax exempt (under the general work related cost scheme or specific exemptions).

Payroll taxes are calculated for each wage period, i.e. the period for which the employee receives his wage (usually monthly or four-weekly). The employer is required to timely and correctly file the payroll tax returns per wage period. The payroll tax return consists of a collective section (general information concerning the employer) and an employee's section (detailed information concerning each employee).

The Tax Authorities use the detailed information for purposes including the award of benefits and the pre-completed income tax returns. Consequently, it is extremely important that the details are up to date, correct and complete. For this reason the employer must always adjust or supplement any misstatements or shortcomings in payroll tax returns.

Each payroll tax return has to be paid within the deadline given by the Tax Authorities and quoting the payment reference also given by the Tax Authorities.





# Who is PwC

**Assurance** focuses on the audit of information and processes and provides assurance thereon. The most significant element of our Assurance practice is the statutory audit of annual financial statements. A smaller element is focused on providing assurance on process and numerical (non-financial) information and advising on accounting issues.

**Advisory**'s activities are twofold. Firstly, it helps companies and institutions with transformation processes arising mainly as a result of changes in strategies, business models, and/or information systems. Secondly, it provides advisory services in the area of mergers and acquisitions, from strategy determination right through to assistance with corporate integration.

**Tax & HRS** covers all services with regard to tax consultancy, legal consultancy and human resources. Tax & HRS helps companies, individuals and organizations with their tax strategy, planning and compliance, and provides a wide variety of advisory services in the area of taxation. This Line of Service also has Human Resources specialists in place who advise on such matters as remuneration structures, pension plans, and cross-border staff exchanges.







# Contacts and links

For more information and to find out the opportunities for your company, please contact your own PwC contact or:

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PO Box 8800  
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E-mail: [knowledge.centre.taxhrs@nl.pwc.com](mailto:knowledge.centre.taxhrs@nl.pwc.com)

Links for more information:

Tax specific:  
<http://taxsummaries.pwc.com>

PwC the Netherlands:  
<http://www.pwc.nl>

NFIA:  
<http://www.nfia.nl>

This document was concluded on 1 January 2014. Subsequent developments have not been included.

At PwC in the Netherlands, over 4,300 people work together from 12 offices. PwC Netherlands helps organisations and individuals create the value they're looking for. We're a member of the PwC network of firms in 157 countries with more than 184,000 people. We're committed to delivering quality in assurance, tax and advisory services. Tell us what matters to you and find out more by visiting us at [www.pwc.nl](http://www.pwc.nl).

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