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Incorporation of a Belgian Branch



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Introduction

The incorporation of a Belgian branch is a time consuming process due to the many translations and registrations that need to take place.

This memorandum provides you with an overview of the steps to be taken to incorporate a Belgian branch, the annual filing requirements and the services TMF Belgium can render in this respect.

Steps to be taken in respect of the incorporation

■ Resolution of the parent company in respect of the opening of the branch

This resolution needs to mention at least the following information:

- Name and legal form of the parent company;
- The opening of the branch;
- The name of the branch;
- The registered address of the branch;
- The purpose for which the branch is established / its activities;
- The date as of which the branch will be established;
- The term for which the branch is established (if this would not be for an unlimited period of time);
- The appointment of the representatives of the branch and the determination of their powers;
- If the parent company is not an EU-company, the resolution needs to mention the law applicable to the parent company and the parent company's subscribed capital.

→ The following formalities need to be followed in respect of the resolution:

- Signature by the persons that are authorized to represent the parent company;
- The signature of the persons signing the resolution needs to be legalized by a notary public located in the country where the resolution is signed;

- The resolution needs to be provided with an apostille;
- The resolution needs to be translated by a sworn translator into one of the Official languages of Belgium. Alternatively the resolution is prepared in English with a direct translation in French or Dutch in the same text and signed in both languages;
- One original copies of the resolution is required.

■ **One original copy of the following documents need to be filed with the Chamber of Commerce**

- Deed of incorporation of the parent company (or if applicable the latest coordinated articles of association of the parent company);
- If the deed of incorporation does not include the by-laws or the founders of the parent company, the by-laws need to be sent as well;
- Excerpt of the commercial register or equivalent that indicates the parent company's registration number.

➔ *The following formalities need to be taken into account in respect of the above mentioned documents:*

- Signature by the persons authorized to represent the parent company;
- The signatures of the persons signing the documents need to be legalized by a notary public located in the country where they are signed;
- The documents need to be provided with an apostille;
- All documents needs to be translated by a sworn translator in Belgium into one of the official Belgian languages.

■ **Filing of the last approved financial statements of the parent company with the National Bank of Belgium**

Prior to the filing of these financial statements, they need to be translated by a sworn translator into one of the official languages of Belgium. In case the parent company prepares consolidated financial statements, the consolidated financial statements need to be translated as well and deposited with the National Bank of Belgium.

■ **Publication of the decision to open a Belgian branch in the Belgian Official Gazette**

The excerpt for publication will need to be prepared in one of the official languages of Belgium and can be signed by the local representatives of the Belgian branch.

- **Registration of the branch with the Crossroad Bank of Legal Entities.**

In this respect two approaches can be taken:

1. A declaration on honour is signed by which the parent company of the Belgian branch declares that it is not a small or medium sized company;
2. One of the representatives of the Belgian branch provides a diploma that evidences basic knowledge of company management. If in this case it's not a Belgian diploma, the Ministry of Education needs to provide a declaration of equivalence.

- **Depending on the activities of the branch, several additional registrations might need to take place**

This can for example be a VAT-registration, registration with the social security, etc.

- **Opening of a Belgian bank account**

This bank account can be opened upon receipt of the registration number the branch has obtained with The Crossroad Bank of Legal Entities.

Annual filing requirements

- **Financial statements of the parent company:**

These financial statements (as well as the consolidated financial statements of the parent company if applicable) need to be translated into one of the official languages of Belgium and filed with the National Bank of Belgium. This translation needs to be prepared by a translator.

Filing needs to take place within one month after the annual meeting of shareholders of the parent company and at the latest seven months after closing of the financial year.

- **Internal financial statements:**

Need to be prepared on the basis of which a corporate income tax return is prepared and filed.

- **Social balance sheet / other filings:**

Depending on the activities of the branch a social balance sheet or other returns such as VAT-returns or withholding tax returns need to be prepared.

■ Changes at the level of the parent company:

In principle the following changes need to be published in the Belgian Official Gazette within thirty days after they have occurred:

- All changes to the records of the parent company that were deposited or announced at the opening of the Belgian branch (such as changes to the articles of association, changes to the management of the parent company, changes to its registered office,...);
- The liquidation, bankruptcy or similar procedures in respect of the parent company.

■ Changes at the level of the Belgian Branch:

Need to be published in the Belgian Official Gazette. Depending on the nature of the change a decision will have to be taken by the legal representative of the branch or by the parent company.

Services and Fee schedule

TMF Belgium charges a fixed fee of € 2.900 (exclusive of VAT) for the following services:

- Assistance with the preparation of the resolution of the parent company in respect of the opening of the branch;
- Filing of the required documents with the Chamber of Commerce and arrange for the translations;
- Filing of the last approved financial statements and the consolidated financial statements with the National Bank of Belgium at the moment of incorporation and arrange for the translation;
- Publication of the decision to open a Belgian Branch in the Belgian Official Gazette;
- Registration of the Belgian Branch with the Crossroad Bank of Legal Entities;
- Opening of a Belgian bank account.

Our fee does not include third party fees such as the invoice of the translator and the invoice of the Crossroads Bank for Enterprises.

In addition, TMF can assist with the following on-going services:

- Filing of the financial statements (and consolidated financial statements if applicable) of the parent company with the National Bank of Belgium and assistance with the translation;
- Preparation of internal financial statements in the framework of the corporate income tax return;

- Preparation and filing of the corporate income tax return;
- Assistance with the filing of the social balance sheet;
- VAT-registration and full VAT compliance (VAT-returns, annual listing etc.);
- Assistance with changes at the level of the parent company;
- Assistance with changes at the level of the Belgian Branch.

Our fees will vary depending on the complexity of the work and will be charged on a time spent basis or on the basis of a fixed fee to be determined upfront.

Contact

For more information relating to the above services and our fees, please contact Ann LAVRYSEN (ann.lavrysen@tmf-group.com) or Mathieu LOQUET (mathieu.loquet@tmf-group.com).

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