

## **BELGIUM<sup>1</sup>**

### **I. Overview of Country**

Belgium is a constitutional monarchy, which means that the King is the head of State. However, his powers are very limited and are considered symbolic due to the fact that he has not been democratically elected.

Belgium has a civil law legal system. Three institutions oversee the Belgian legal system: the Constitutional Court, the Supreme Court and the State Council. The Constitutional Court ensures that the laws enacted by federal, regional and municipal powers are constitutional. The State Council oversees the executive, and ensures the legality of its administrative acts, decisions and regulations. The Supreme Court supervises the judiciary, and reviews the legality of court judgments.

As a Member State of the European Union (“EU”), Belgium is also subject to EU law and the jurisdiction of the European Court of Justice and its lower courts. In addition, Belgium is subject to the jurisdiction of the European Court of Human Rights.

Belgium recognizes different forms of organizations. In the case of for-profit organizations, the most common types are private limited liability companies and joint-stock companies. Belgium also recognizes four different forms of not-for profit organizations: associations, international associations, private foundations and public utility foundations. Each of these categories will be discussed in further detail under the following topics: (II) Registration Procedures; (III) Tax Laws; (IV) Financial Transaction Laws; (V) Auditing/Reporting Requirements; (VI) Penalties for Non-Compliance; and finally, (VII) an Overview Chart highlighting some of the biggest differences or similarities regarding the different types of organizations.

---

<sup>1</sup> The following memorandum was prepared by pro bono counsel for the ABA Center for Human Rights. It is intended as background information only and should not be relied upon as legal advice on a particular case. The views expressed herein have not been approved by the House of Delegates or the Board of Governors of the American Bar Association, and, accordingly, should not be construed as representing the policy of the American Bar Association.

## II. Registration Procedures

### A. For-Profit Organizations

#### a. Laws

The Belgian Law on Companies<sup>2</sup> recognizes in its Art. 2, §2, different forms of for-profit organizations, such as the private limited liability company,<sup>3</sup> joint-stock company,<sup>4</sup> cooperative company with limited liability,<sup>5</sup> cooperative company with unlimited liability,<sup>6</sup> general partnership,<sup>7</sup> ordinary limited partnership,<sup>8</sup> and partnership limited by shares.<sup>9</sup> As a member state of the EU, Belgium also recognizes, under the same provision, the European Company<sup>10</sup> and the European Cooperative Society,<sup>11</sup> which will not be dealt with in this note.

It is important to note that Belgium does not forbid unregistered for-profit organizations. These can be found under the form of *sociétés civiles de droit commun*, *sociétés momentanées* and *sociétés internes* and are subject to the general law of contracts. As they are not registered, they do not have legal personality and their members are jointly and severally liable for the obligations of the organization.

---

<sup>2</sup> *Code des Sociétés* or *Wetboek van Vennootschappen* (“Law on Companies”), available at: <http://www.droitbelge.be/codes.asp#soc>

<sup>3</sup> *Société privée à responsabilité limitée* or *besloten vennootschap met beperkte aansprakelijkheid* (“SPRL”/“BVBA”), governed by Arts. 210 to 349 of the Law on Companies.

<sup>4</sup> *Société anonyme* or *naamloze vennootschap* (“SA”/“NV”), governed by Arts. 437 to 653 of the Law on Companies.

<sup>5</sup> *Société coopérative à responsabilité limitée* or *coöperatieve vennootschap met beperkte aansprakelijkheid* (“SCRL”/“CVBA”), governed by Arts. 350 to 436 of the Law on Companies.

<sup>6</sup> *Société coopérative à responsabilité illimitée* or *coöperatieve vennootschap met onbeperkte aansprakelijkheid* (“SCRI”/“CVOA”), governed by Arts. 350 to 436 of the Law on Companies.

<sup>7</sup> *Société en nom collectif* or *vennootschap onder firma* (“SNC”/“VOF”) governed by Arts. 201 to 209 of the Law on Companies.

<sup>8</sup> *Société en commandite simple* or *gewone commanditaire vennootschap* (“SCS”/“GCV”) governed by Arts. 201 to 209 of the Law on Companies.

<sup>9</sup> *Société en commandite par actions* or *commanditaire vennootschap op aandelen* (“SCA”/“CVA”) governed by Arts. 654 to 660 of the Law on Companies.

<sup>10</sup> *Société européenne* or *Europese vennootschap* (*Societas Europaea*, “SE”) governed by Arts. 874 to 948 of the Law on Companies.

<sup>11</sup> *Société coopérative européenne* or *Europese coöperatieve vennootschap* (*Societas Cooperativa Europaea*, “SCE”) governed by Arts. 949 to 1011 of the Law on Companies.

As a general rule, no filing with, or approval from, any governmental authority in Belgium is required prior to the incorporation of a company, regardless of its type. However, if the company has the purpose of engaging in certain regulated activities (*e.g.*, banking or insurance, pharmaceuticals, transport), prior approval from the relevant governmental authorities will be required. Also, there are no requirements regarding the citizenship of a company's members.

### **1. Registration Process for Private Limited Liability Company (“SPRL/BVBA”)**

The SPRL/BVBA can be set up by individuals or legal entities. It is the only type of organization that can be composed of one single individual,<sup>12</sup> in which case it is referred to as a Sole-Person Private Limited Liability Company (“SPRLU/EBVBA”).

The minimum initial capital is EUR 18,550,<sup>13</sup> which must be fully subscribed,<sup>14</sup> and at least EUR 6,200 shall be paid up at the time of incorporation<sup>15</sup> through deposit in a Belgian commercial bank in the name of the company “to be incorporated”<sup>16</sup> (or EUR 12,400 in the case of a SPRLU/EBVBA<sup>17</sup>). If the capital contribution is made in kind, the assets must have an economic value and be subject to an appraisal report by an external auditor and to a report issued by the founders.<sup>18</sup> The Belgian Law on Companies also provides for a specific rule that can be applied, under certain conditions, to set up a Starter Private Limited Liability Company with a minimum capital and paid-in capital reduced to EUR 1 (SPRL-S/S-BVBA).<sup>19</sup>

The act of incorporation (*acte de constitution* or *oprichtingsakte*)<sup>20</sup> must be authenticated by a public notary, as well as the by-laws<sup>21</sup> and a financial plan.<sup>22</sup> The notary authenticates the documents and

---

<sup>12</sup> Law on Companies, Art. 211.

<sup>13</sup> Law on Companies, Art. 214, §1.

<sup>14</sup> Law on Companies, Art. 216.

<sup>15</sup> Law on Companies, Art. 223.

<sup>16</sup> Law on Companies, Art. 224.

<sup>17</sup> Law on Companies, Art. 223, §2.

<sup>18</sup> Law on Companies, Art. 219.

<sup>19</sup> According to the Arts. 211bis, 213 and 214, §2, of the Law on Companies, as amended by the Law of 15 January 2014, these are the conditions for the incorporation of a SPRL-S/S-BVBA: it can be composed by one or more individuals but not by legal entities; these individuals must not be shareholders in another SPRL-S/S-BVBA nor hold interests that represent more than 5% of the voting rights in other limited liability companies; and the financial plan must be drafted with the assistance of an expert.

<sup>20</sup> Law on Companies, Art. 66, provides that an official deed of incorporation (*acte authentique* or *authentieke akte*) is required for the constitution of an SPRL, an SCRL, an SA or an SCA, as well as an SE and an SCE.

keeps the financial plan, which will only be disclosed if the company becomes bankrupt.<sup>23</sup> The financial plan describes and justifies the amount of initial capital, showing that it will cover company operations for at least the first two years, and it may help in the assessment of the founders' liability in case of bankruptcy.

In order for the company to obtain legal personality, an extract of the authenticated act of incorporation must be deposited at the Clerk's Office of the local Commercial Court within 15 days for its publication in the Belgian Official Gazette.<sup>24</sup> The costs for publication are around EUR 260 (press publication) or EUR 210 (electronic publication).<sup>25</sup>

The next step is the registration with the Registry of Legal Entities,<sup>26</sup> as well as the VAT (Value Added Tax) and social security authorities, at a centralized company register called the *guichet-entreprises* or *ondernemingsloket*, where a company number is provided (*numéro d'entreprise* or *ondernemingsnummer*). The Registry of Legal Entities requires proof of basic knowledge of business management or practical experience from the appointed managers or the shareholders in cases of small and medium enterprises.<sup>27</sup> From the deposit of the initial capital in a bank account to the registration with the Registry of Legal Entities, the procedure takes about four days and it costs approximately EUR 1,700.<sup>28</sup> When all these steps are completed, the company is automatically registered. As will be seen below, the same applies to other types of for-profit organizations.

#### **i. Deregistration Process and Redress Mechanisms**

*Deregistration Process.* The SPRL/BVBA is established for an indefinite term, unless the by-laws provide otherwise. The dissolution of a SPRL/BVBA can be due to: (i) expiration of its term, in the

---

<sup>21</sup> The required content of the by-laws for a SPRL/BVBA is outlined in Arts. 69 and 226 of the Law on Companies.

<sup>22</sup> Law on Companies, Art. 215.

<sup>23</sup> Law on Companies, Art. 229, §5.

<sup>24</sup> Law on Companies, Arts. 67 and 68.

<sup>25</sup> The details of the procedure and exact costs are available at: [www.juridat.be/tribunal\\_commerce/bruxelles/](http://www.juridat.be/tribunal_commerce/bruxelles/)

<sup>26</sup> *Banque-Carrefour des Entreprises* or *Kruispuntbank van Ondernemingen*.

<sup>27</sup> Royal Decree of 21 October 1998, available at: [http://www.ejustice.just.fgov.be/cgi\\_loi/change\\_lg.pl?language=fr&la=F&cn=1998102130&table\\_name=loi](http://www.ejustice.just.fgov.be/cgi_loi/change_lg.pl?language=fr&la=F&cn=1998102130&table_name=loi)

<sup>28</sup> World Bank Group, "Doing Business 2015: Going Beyond Efficiency – Economy Profile: Belgium" at 16-21 (2015), available at: <http://www.doingbusiness.org/%20~/media/giawb/doing%20business/documents/profiles/country/BEL.pdf>

case it is defined and not extended; (ii) bankruptcy; (iii) judicial ruling upon request by a shareholder, the Public Prosecutor or any interested parties, in the cases provided by law; or (iv) voluntary decision by the shareholders, in presence of a notary, according to the rules provided by the by-laws and the Law on Companies.<sup>29</sup> A resolution to dissolve must be then be filed at the Clerk's Office of the Commercial Court for publication in the Belgian Official Gazette,<sup>30</sup> and the registration with the Registry of Legal Entities must be updated to reflect the decision to dissolve and liquidate.

However, the decision to dissolve the SPRL/BVBA is not sufficient to make it cease to exist. The SPRL/BVBA must go through a prior liquidation procedure before the Commercial Court, during which it continues to exist as a legal entity. In this case, a liquidator is nominated to perform the necessary acts in order to sell the assets and satisfy the creditors. When all the creditors are paid, the liquidator proceeds to the distribution of the remaining assets among the partners (the liquidation surplus). When the liquidation is concluded, the company's closing is published in the Belgian Official Gazette and the SPRL/BVBA will cease to exist.<sup>31</sup> The whole liquidation procedure is governed by law.<sup>32</sup>

Under specific circumstances, it is also possible to dissolve the SPRL with immediate effect with one notarial deed, notably if no liquidator has been nominated, the company has no pending debts and all the members had been present at the meeting and decided unanimously on the dissolution.<sup>33</sup>

*Redress Mechanisms.* Belgium has specific and comprehensive rules regarding confiscation and seizure of property by the State under the auspices of the Central Office for Seizure and Confiscation (COSC),<sup>34</sup> created through the Act of 26 March 2003<sup>35</sup> as an institution within the Public Prosecutor's Office. The COSC assists judicial authorities in problems with respect to seizure and confiscation of assets and is involved in the enforcement of court decisions where confiscation of such assets is ordered.

---

<sup>29</sup> Law on Companies, Art. 343.

<sup>30</sup> Law on Companies, Art. 74, §3 and §4.

<sup>31</sup> Federal Public Service – Economy, SMEs, Middle Classes and Energy, “*Choisir un statut juridique Entreprise individuelle ou société?*”, at 28-29 (01/2014), available at: [http://economie.fgov.be/fr/modules/publications/general/choisir\\_statut\\_juridique.jsp](http://economie.fgov.be/fr/modules/publications/general/choisir_statut_juridique.jsp)

<sup>32</sup> Law on Companies, Arts. 181 to 195bis.

<sup>33</sup> Law on Companies, Art. 184, §5, as amended by Law of 19 March 2012.

<sup>34</sup> Link to the COSC website: <http://www.om-mp.be/page/165/165/ocsc.html>

<sup>35</sup> The full act in French and Dutch is available at: [http://www.ejustice.just.fgov.be/cgi\\_loi/loi\\_a1.pl?sql=%28text%20contains%20%28%27%27%29%29&language=fr&rech=1&tri=dd%20AS%20RANK&value=&table\\_name=loi&F=&cn=2014021112&caller=image\\_a1&fromtab=loi&la=F](http://www.ejustice.just.fgov.be/cgi_loi/loi_a1.pl?sql=%28text%20contains%20%28%27%27%29%29&language=fr&rech=1&tri=dd%20AS%20RANK&value=&table_name=loi&F=&cn=2014021112&caller=image_a1&fromtab=loi&la=F)

The Act of March 26, 2003 has established summary judgment proceedings, contained in articles 28<sup>octies</sup> and 61<sup>sexies</sup> of the Code of Criminal Procedure, in order to dispose of or return the seized assets.<sup>36</sup> It also allows any person affected by the investigation or the prosecution to request the sale of the seized property or its return. The COSC, the Public Prosecutor and the investigating magistrate may also apply of their own accord for a similar request but only in the case where the storage of the property, even for a limited period, is likely to lead to a significant depreciation, or the preservation costs are not proportional to the property's value and only when such properties are replaceable and the exchange value easily determinable.

The Criminal Code<sup>37</sup> establishes the three conditions under which an asset can be confiscated by the State: (i) assets that are the object of a criminal offense or assets that were used to commit a criminal offense, if they belong to the convicted person; (ii) assets that were the result of a criminal offense; (iii) the material gains that directly resulted from a criminal offense, goods that have replaced by these gains and profits derived from it.<sup>38</sup>

As a member to the European Union, Belgium is also subject to the provisions set forth by the Council Framework Decision 2003/577/JHA, regarding the rules under which a Member State is to recognize and execute in its territory a freezing order issued by a judicial authority of another Member State in the context of criminal proceedings.<sup>39</sup> The Framework Decision expressly provides that it “does not prevent any Member State from applying its constitutional rules relating to due process, freedom of association, freedom of the press and freedom of expression in other media”. The Framework Decision also provides that the Members States have an obligation to put in place redress mechanisms to ensure that any interested party, including bona fide third parties, have legal remedies against a freezing order.<sup>40</sup>

---

<sup>36</sup> *Code d'instruction criminelle* or *Wetboek van Strafvordering* (“Code of Criminal Procedure”), available at: <http://www.droitbelge.be/codes.asp#ins>

<sup>37</sup> *Code penal* or *Strafwetboek* (“Criminal Code”), available at: <http://www.droitbelge.be/codes.asp#pen>

<sup>38</sup> Criminal Code, Arts. 42-43.

<sup>39</sup> Council Framework Decision 2003/577/JHA, available at: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2003:196:0045:0055:en:PDF>

<sup>40</sup> Council Framework Decision 2003/577/JHA, Art. 11.

## 2. Registration Process for Joint-Stock Company (“SA/NV”)

A SA/NV is composed of at least two individuals or legal entities that are willing to invest capital and become shareholders.<sup>41</sup> Unlike partnerships (*sociétés de personnes* or *personenvennootschappen*, such as the SPRL/BVBA and the SNC/VOF), shareholders’ legal personality generally plays a minor role in a SA/NV.

A SA/NV can benefit from equity financing and its shares can be issued through public offerings.<sup>42</sup> The shares are freely transferable, unless the by-laws provide for some limitations such as an approval clause (meaning that the transfer of shares is subject to approval by a company body, usually the management), preemption clause (requiring shareholders wishing to transfer their securities to give other shareholders a first option to buy) and inalienability clause (which prohibits the transfer of shares, but must be limited in time and justified by the interests of the company).<sup>43</sup> Also, under Belgian law, a SA/VN is allowed to issue bearer shares.<sup>44</sup>

The registration process is similar to the one applicable to the SPRL/BVBA. It includes an authenticated act of incorporation, by-laws<sup>45</sup> and financial plan,<sup>46</sup> as well as deposit at the Clerk’s Office of the local Commercial Court for publication in the Belgian Official Gazette and registration with the Registry of Legal Entities. The main difference relies on the initial capital, which must be fully subscribed in the minimum amount of EUR 61,500,<sup>47</sup> and each share corresponding to a cash contribution must be at least 25% paid up.<sup>48</sup> In the event of a subsequent capital increase, there is no need for modifying the by-laws if they already provide for higher authorized capital.

The deregistration process and redress mechanisms are also similar to the ones applicable to the SPRL/BVBA, as discussed above.<sup>49</sup>

---

<sup>41</sup> Law on Companies, Art. 1.

<sup>42</sup> Law on Companies, Art. 438.

<sup>43</sup> Law on Companies, Art. 510.

<sup>44</sup> Law on Companies, Art. 466.

<sup>45</sup> The required content of the by-laws of a SA/VN are outlined in Arts. 66 and 453 of the Law on Companies.

<sup>46</sup> Law on Companies, Art. 440.

<sup>47</sup> Law on Companies, Art. 439.

<sup>48</sup> Law on Companies, Art. 448.

<sup>49</sup> Law on Companies, Art. 645.

### **3. Registration Process for Cooperative Company with Limited Liability (“SCRL/CVBA”) and Cooperative Company with Unlimited Liability (“SCRI/CVOA”)**

The SCRL/CVBA and the SCRI/CVOA are composed of at least three individuals or legal entities.<sup>50</sup> While the former follows the same registration procedure of the SPRL/BVBA and has the same minimum capital requirements, the latter is a much simpler type of company that can be incorporated by means of a private deed (*acte sous seing privé* or *onderhandse akte*). There is no need for an authenticated act of incorporation, financial plan, or minimum capital. Notwithstanding, the private deed of incorporation must also be deposited with the Clerk’s Office of the local Commercial Court for publication in the Belgian Official Gazette. Registration at the Registry of Legal Entities will, as usual, be necessary.

The deregistration process and redress mechanisms for the SCRL/CVBA and the SCRI/CVOA are similar to the ones applicable to the SPRL/BVBA, as explained above.<sup>51</sup> However, it is worth noting that the SCRI/CVOA has unlimited liability and, therefore, its members are personally jointly and severally liable for all the obligations of the company.

### **4. Registration Process for General Partnership (“SNC/VOF”)**

The SNC/VOF is characterized by the unlimited joint and several liability of the partners for all the obligations of the partnership. It is composed of at least two partners that can be either individuals or legal entities.<sup>52</sup> Unless otherwise provided by the by-laws, no partner can either sell or give away its stakes without the agreement of the other partners, and all decisions must be taken unanimously.

Similar to the SCRI/CVOA, the incorporation of a SNC/VOF starts by drawing up a private deed. There is no need for an authenticated act of incorporation, financial plan, or minimum capital. The private deed of incorporation must be deposited with the Clerk’s Office of the local Commercial Court and registration at the Registry of Legal Entities is also necessary.

The deregistration process and redress mechanisms for the SNC/VOF are similar to the ones applicable to the SPRL/BVBA. One particularity, however, is that if a partner resigns, dies or becomes

---

<sup>50</sup> Law on Companies, Art. 351.

<sup>51</sup> Law on Companies, Art. 386.

<sup>52</sup> Law on Companies, Art. 1.



legally incapacitated, the SNC/VOF is wound up, unless the by-laws provide otherwise for the continuation of the partnership. It is also worth noting that the SNC/VOF has unlimited liability, therefore its members are personally jointly and severally liable for all the obligations of the company.

## **5. Registration Process for Ordinary Limited Partnership (“SCS/GCV”)**

The SCS/GCV assembles different types of partners: managing partners (*commandités* or *beherende vennoten*) and limited partners (*commanditaires* or *stille vennoten*). The managing partners are, in all major respects, in the same position as the partners in a SNC/VOF. They take care of business management and have joint and several liability for the partnership’s obligations. The limited partners’ participation, on the other hand, is limited to financing the SCS/GCV and they benefit from limited liability as long as they do not interfere in the management and do not perform administrative acts.

A notarial deed of incorporation is not mandatory. A private deed is sufficient, which must be deposited with the Clerk’s Office of the local Commercial Court. There is no need for a financial plan and there is no requirement regarding minimum capital, but the minimum capital must be fully paid up by the partners at the time of incorporation. Registration at the Registry of Legal Entities will also be necessary.

The deregistration process and redress mechanisms for the SCS/GCV are similar to the ones applicable to the SPRL/BVBA. It is also worth noting that the managing partners in a SCS/GCV have unlimited liability, and are therefore personally jointly and severally liable for all the obligations of the company. As it happens with the SNC/VOF, if a managing partner resigns, dies or becomes legally incapacitated, the SCS/GCV is wound up, unless the by-laws provide otherwise for the continuation of the partnership.

## **6. Registration Process for Partnership Limited by Shares (“SCA/CVA”)**

The SCA/CVA combines certain aspects of the SCS/GCV with the SA/NV. It is allowed to issue shares and it has two categories of members: managing partners and limited partners.

In this case, an authenticated act of incorporation is mandatory, as well as a financial plan and a minimum capital of EUR 61,500. Registration at the Registry of Legal Entities will be necessary, as well as deposit of the authenticated act with the Clerk’s Office of the local Commercial Court for publication in the Belgian Official Gazette.

The deregistration process and redress mechanisms for the SCA/CVA are similar to the ones applicable to the SPRL/BVBA. It is also worth noting that, as the managing partners in a SCA/CVA have

unlimited liability, they are personally jointly and severally liable for all the commitments of the company,<sup>53</sup> and also that the SCA/CVA ends upon the death of a managing partner, unless otherwise specified in the by-laws.

## **B. Not-For Profit Organizations**

### **a. Laws**

Not-for profit organizations in Belgium are subject to the Law on Associations.<sup>54</sup> Four types of not-for profit organizations are recognized by law: associations,<sup>55</sup> international associations,<sup>56</sup> private foundations<sup>57</sup> and public utility foundations.<sup>58</sup> These types of organization are in contrast to the informal association (*association de fait* or *feitelijke vereniging*), which does not have any status in law.

#### **1. Association (“ASBL/VZW”)**

An ASBL/VZW is composed of three or more members, which can be individuals or legal entities. The ASBL/VZW cannot aim to make a profit but can charge membership fees and organize activities in return for payment where these are compatible with its purpose; it cannot distribute profits to its members in any event.

The members cannot receive any material gains from the ASBL/VZW activities. The ASBL/VZW has its own legal personality and the members have limited liability.<sup>59</sup> There is no minimum capital requirement for incorporating an ASBL/VZW.

The registration procedure begins with drafting the by-laws,<sup>60</sup> which can be either in the form of a private deed or authenticated act.<sup>61</sup> Then, the by-laws, the list of directors and the list of the founding

---

<sup>53</sup> Law on Companies, Art. 685.

<sup>54</sup> *Loi sur les associations sans but lucratif, les associations internationales sans but lucratif et les fondations*, dated 27 June 1921, amended on 01 July 2003 (“Law on Associations”). Available at: [www.ejustice.just.fgov.be/cgi\\_loi/change\\_lg.pl?language=fr&la=F&table\\_name=loi&cn=1921062701](http://www.ejustice.just.fgov.be/cgi_loi/change_lg.pl?language=fr&la=F&table_name=loi&cn=1921062701)

<sup>55</sup> *Association sans but lucrative* or *vereniging zonder winstoogmerk* (ASBL/VZW)

<sup>56</sup> *Association internationale sans but lucratif* or *internationale vereniging zonder winstoogmerk* (AISBL/IVZW)

<sup>57</sup> *Fondation privée* or *private stichting* (FP/PS)

<sup>58</sup> *Fondation d’utilité publique* or *Stichting van openbaar nut* (FUP/SON)

<sup>59</sup> Law on Associations, Arts. 1 and 2bis.

<sup>60</sup> The required content of the articles of association for a ASBL/VZW is outlined in Art. 2 of the Law on Associations.

members must be deposited with the Clerk's Office of the local Commercial Court for publication in the Belgian Official Gazette. There is no minimum capital for incorporating an ASBL/VZW. There is no provision in law as to how long it takes to complete the necessary steps, but generally the procedure takes a few days. As soon as the by-laws are deposited, the ASBL/VZW obtains legal personality.<sup>62</sup> Until then, it is considered as an *association en formation* or *vereniging in oprichting*.<sup>63</sup>

Every modification to the membership of the association must be updated and a new list of members must be deposited at the Clerk's Office of the local Commercial Court within a month following the anniversary of the date of incorporation.

The deregistration process and redress mechanisms for the ASBL/VZW can arise from voluntary or judicial dissolution. In case of voluntary dissolution, the decision is made by four-fifths of the members.<sup>64</sup> Judicial dissolution, on the other hand, depends on a ruling by the Court of First Instance<sup>65</sup> upon request of any interested party, for at least one of the following reasons: the association is unable to pursue its goals; the association employs its assets in activities that do not meet its social purposes (*ultra vires* act); the association commits serious misconduct in relation to its articles of association, laws or public policy; the association has not deposited its annual accounts for the past three years; or the association has less than three members.<sup>66</sup> Following the decision to dissolve, the members vote for the nomination or the Court of First Instance nominates a liquidator, as the case may be.<sup>67</sup> The ASBL/VZW can also be dissolved and cease to exist through a single act, provided that the association has neither assets nor debts. In this case, there is no need for the nomination of a liquidator. When the liquidation procedure is concluded, the liquidation surplus must be transferred to another association with a similar purpose.<sup>68</sup>

---

<sup>61</sup> Law on Associations, Art. 2.

<sup>62</sup> Law on Associations, Art. 3, §1.

<sup>63</sup> Federal Public Service – Justice, “*L’asbl*”, pp. 13-15, available at: [http://justice.belgium.be/fr/publications/vzw\\_s.jsp?referer=tcn:421-138566-64](http://justice.belgium.be/fr/publications/vzw_s.jsp?referer=tcn:421-138566-64).

<sup>64</sup> Law on Associations, Art. 8.

<sup>65</sup> *Tribunal de première instance* or *Rechtbank van eerste aanleg*.

<sup>66</sup> Law on Associations, Art. 18.

<sup>67</sup> Law on Associations, Arts. 19 and 22.

<sup>68</sup> Law on Associations, Arts. 2 and 19.

## **2. International Association (“AISBL/IVZW”)**

Although very similar in its structure when compared to the ASBL/VZW, the AISBL/IVZW has some particularities, including the fact that its international character is determined by a non-profit purpose of international utility and its legal personality is granted by a Royal Decree.<sup>69</sup> Also, not three, but only two members are sufficient to constitute an AISBL/IVZW.

The registration procedure requires an authenticated act by a notary.<sup>70</sup> The authenticated act and a list of the members must then be deposited at the Justice Department (*Service Fédéral Public Justice*), with a written request addressed to the Minister of Justice, who will see to the issuance of the Royal Decree granting legal personality, if all conditions are met.<sup>71</sup> The Royal Decree will be issued in a few weeks, provided that the AISBL/IVZW pursues a not-for profit goal of international utility and its activities do not breach the law or violates public policy. The royal decree and the authenticated documents are then deposited at the Clerk’s Office of the local Commercial Court and published in the Belgian Official Gazette.

The deregistration procedure and redress mechanisms are similar to those applicable to the ASBL/VZW.<sup>72</sup>

## **3. Private Foundation (“FP/PS”)**

A FP/PS is the result of the will of one or more individuals or legal entities to allocate assets to the realization of a given non-profit purpose.<sup>73</sup> A FP/PS is not composed of members, but of assets from contributing individuals and legal entities. The FP/PS cannot distribute profits to the founders, nor to the directors, nor to any other person. A FP/PS is incorporated by authenticated act,<sup>74</sup> which is later deposited with the Clerk’s Office of the Commercial Court.<sup>75</sup> There is no minimum capital requirement, provided that it is sufficient to pursue the social purpose. Registration at the Registry of Legal Entities is also required.

---

<sup>69</sup> Law on Associations, Art. 50.

<sup>70</sup> Law on Associations, Art. 44.

<sup>71</sup> Law on Associations, Art. 46.

<sup>72</sup> Law on Associations, Art. 55.

<sup>73</sup> Law on Associations, Art. 27.

<sup>74</sup> Law on Associations, Art. 27.

<sup>75</sup> Law on Associations, Art. 31, §1.

The deregistration procedure and redress mechanisms are similar to those applicable to the ASBL/VZW.<sup>76</sup>

#### **4. Public Utility Foundation (“FUP/SON”)**

The FUP/SON is distinguished by its particular purpose, which must be philanthropic, philosophic, religious, scientific, artistic, pedagogic or cultural.<sup>77</sup> The FUP/SON registration procedure is similar to the one applicable to the AISBL/IVZW, in the sense that it requires an authenticated act that must be then deposited at the Justice Department and addressed to the Minister of Justice, who will see to the issuance of the Royal Decree granting legal personality in a few weeks, as long as the FUP/SON is constituted for the abovementioned purposes.<sup>78</sup> The Royal Decree and the authenticated documents are then deposited at the Clerk’s Office of the local Commercial Court and published in the Belgian Official Gazette.

The deregistration procedure and redress mechanisms are the same as those applicable to the FP/PS.

#### **b. Case law**

Trade unions in Belgium are organized as ASBL. On April 2, 2009, the Constitutional Court issued a decision (*Arrêt* n. 64/2009) for the application of the Anti-Discrimination Law of February 15, 1993 to trade union affiliation. According to this ruling, the exclusion of trade union affiliation from the grounds of non-discrimination listed in a 2007 law was in breach of the constitutional principle of equality and nondiscrimination. As a consequence, the Anti-Discrimination Law was amended on December 30, 2009 in order to include trade union affiliation as a protected ground of discrimination.

#### **C. Analytical Comparison**

In the case of for-profit organizations, the registration procedures depend on whether an authenticated act is required or if a private deed is sufficient. The same thing with whether a financial plan is required or not. In any case, the acts of incorporation must be deposited with the Clerk’s Office of the local Commercial Court for publication in the Official Belgian Gazette in order for the organization to acquire legal personality.

---

<sup>76</sup> Law on Associations, Art. 39.

<sup>77</sup> Law on Associations, Art. 27.

<sup>78</sup> Law on Associations, Art. 29, §2.

In the case of not-for profit organizations, associations can be incorporated by means of a private deed. International associations, private foundations and public utility foundations require an authenticated act. As to the acquisition of legal personality, associations and private foundations must have their acts of incorporation deposited at the local Commercial Court for publication in the Official Belgian Gazette, while international associations and foundations must submit their acts of incorporation to the Justice Department for approval by Royal Decree.

In both categories, the law recognizes the organizations' legal personality. Also, publication is always mandatory, except in the case of the specific not-for profit organizations that are subject to approval by Royal Decree. The procedure for deregistration follows, in both cases, similar rules regarding liquidation.

The most significant issue regarding registration is whether the incorporation of an organization (either for-profit or not-for profit) requires an authenticated act or whether a private deed is enough. However, there are some other relevant aspects. For example, a for-profit organization may have specific requirements regarding minimum capital or preparation of a financial plan. A not-for profit organization, on the other hand, may be subject to approval by Royal Decree in order to acquire legal personality, but these aspects are exclusive to each respective category. The requirement for an authenticated act is the only one that applies to some, but not to all of the for-profit organizations, as well as to some but not all of the not-for profit organizations.

In the case of for-profit organizations, the need for an authenticated act coincides to some extent with the limited liability character of the companies. The limited liability organizations (SPRL, SA and SCRL) are all subject to this requirement, according to Article 66 of the Law on Companies. Unlimited liability organizations (SNC and SCRI), on the other hand, can be incorporated by means of a private deed. The SCA and the SCS are the exceptions, as both of them are composed of shareholders with limited and unlimited liability, but can be distinguished by assessing whether the role played by the shareholders personality is of major or minor relevance (*société de personnes* or *société de capitaux*, respectively).

### **III. Tax Laws**

#### **A. For-Profit Organizations**

##### **a. Laws**

Generally, the corporate tax regime in Belgium applies indistinctively to all types of for-profit organizations. As stated above, one of the steps of the registration procedure applicable to all types of for-profit organizations is registration at the Registry of Legal Entities, which includes registration with the VAT (Value Added Tax) authorities.

Provided that the company is validly incorporated in Belgium, has a separate legal personality, carries out a business or is engaged to profit-making activities, and has its registered office, main establishment or place of management in Belgium, the corporate income tax is levied at the rate of 33.99% on the total worldwide profit realized by a company, including distributed dividends. However, the effective tax rate is in many cases much lower than the nominal rate of 33.99%, as a consequence of the so-called notional interest (*intérêt notionnel* or *notionele interestaftrek*) deduction regime introduced in 2007, which enables companies subject to the Belgian corporate tax to deduct from their taxable income a fictitious interest calculated on the basis of its net assets.<sup>79</sup>

In addition, business expenses are generally tax deductible in so far as they are incurred to secure or preserve taxable income.

No capital tax is due on the amount of capital contributed by the shareholders or partners. The 0.5% capital tax was abolished in 2006. However, if real estate located in Belgium is contributed in kind by any individual and it is entirely or partially used or intended for habitation, a transfer tax of 10% or 12.5% will be due, depending on whether the real estate is located in the Flemish Region or elsewhere.

Also, if an organization is liquidated, a 10% withholding tax is due on the distribution of liquidation surplus, *i.e.*, the part of liquidation proceeds that exceeds debts and capital.

Belgium plays a significant role in international tax planning, as its law provides for a number of advantageous features in addition to the abovementioned, including: (a) a participation exemption, which provides for a favorable tax regime for income from qualifying subsidiary companies, *i.e.*, dividends

---

<sup>79</sup> For more details about the notional interest, *see*:  
[http://finance.belgium.be/en/ondernemingen/vennootschapsbelasting/belastingvoordelen/notionele\\_interestaftrek/](http://finance.belgium.be/en/ondernemingen/vennootschapsbelasting/belastingvoordelen/notionele_interestaftrek/)

received and capital gains realized on the transfer of shares; (b) an extensive and beneficial tax treaty network; (c) the application of the EU Parent-Subsidiary Directive to all tax treaty countries; (d) the possibility of obtaining advance confirmation from the Belgian tax authorities on various tax issues (rulings); (e) special tax regime for patent income resulting in an effective tax rate of 6.8%; (f) beneficial tax regime for stock options; and (g) favorable tax regime applicable to qualifying foreign executives.

## **B. Not-For Profit Organizations**

### **a. Laws**

Not-for profit organizations in Belgium are subject to tax on two major sources of income: cadastral income of real property located in Belgium and income from personal property and certain miscellaneous income.

The first is based on the fictitious rental value of the buildings owned in Belgium (the so-called “cadastral income”). The tax is equal to the real estate withholding tax, and its basic rate ranges between 1.25% to 2.25% of the cadastral income.

The second is based on personal property such as dividends and interest. The tax owed by foundations on such income is equal to the personal property withholding tax, *i.e.*, 25% on dividends and 15% on interest. Capital gains on significant shareholdings, *i.e.*, participation representing more than 25% of the capital of the organization, are taxable at 16.5%.

The not-for profit organizations may also be taxed on income from real estate located abroad and to the net amount of rentals and rental charges relating to real estate located in Belgium that exceeds the cadastral income of such property, unless the property is rented to an individual for private habitation purposes.

In light of the foregoing, a Belgian not-for profit organization is in principal only taxed on the income derived from real estate and participation (shares and bonds) it holds in other organizations. The not-for profit organizations are not taxed on donations they receive or the revenues generated by their activity.

Other taxes not related to income are also due, such as a tax at the rate of 0.17% levied on the assets owned by the organization, a tax ranging between 8.8% to 1.1% on the donations that may also include contributions in cash or in kind, a tax of EUR 100 on the donations or contributions made by



another not-for profit organization, and legacies made to not-for profit organizations located in the Brussels Region are subject to a rate of 25% to 12.5%.

All donations to not-for profit organizations above the sum of EUR 100,000 are subject to approval by Royal Decree. However, as the law does not provide for an annual maximum amount for the donations, one may simply divide its one-shot donation that exceeds EUR 100,000 into multiple donations of maximum EUR 100,000.

Also, the Belgian income tax code provides for a possible deduction of 45% from taxes of all donations of at least EUR 40 made by individuals to recognized not-for profit organizations, with a maximum of 10% of the taxable income of the taxpayer on a basis of EUR 365,950 maximum income. For companies, the donations must be of at least EUR 40 with a maximum of 5% of the taxable income on a basis of EUR 500,000 maximum income. This recognition is only available to certain not-for profit organizations that are active in the cultural, scientific or in the charity sectors.

Associations and foundations are also subject to VAT, although they are usually exempted since their activities may fall under one of the categories provided by Art. 44, §2 of the Belgian VAT Code (in accordance with articles 132 and 133 of the EU VAT Directive).<sup>80</sup>

### **C. Analytical Comparison**

The tax regime is generally applicable in the same manner to all for-profit organizations. Belgian law provides for some tax benefits, especially regarding the rules on notional interest and the absence of capital tax.

Not-for profit organizations are also treated generally in the same way regarding tax laws. The total amount of taxes imposed on not-for profit organizations is much lower in comparison to what is imposed on for-profit organizations. They are subject to two main forms of taxation on legal entities, which are based on income resulting from real estate properties and on dividends and interests related to participation in other companies.

In both cases, the organizations are subject to the VAT when purchasing goods and services, although some not-for profit organizations might be exempted.

---

<sup>80</sup> Belgian VAT Code, Art. 44, §2, and Council Directive 2006/112/EC on the common system of value added tax (“EU VAT Directive”), Arts. 132 and 133.

## **IV. Financial Transaction Laws**

### **A. For-Profit Organizations**

#### **a. Laws**

##### **i. Foreign Investment/Foreign Funding Laws**

There are no particular restrictions regarding foreign investment or funding to Belgium for-profit organizations. However, there are some requirements with which resources from foreign sources may have to comply. Indeed, Belgium has put in place some measures intended to prevent the use of the financial system for the purpose of money laundering and terrorist financing. In 1993, it created The Financial Intelligence Processing Unit – CTIF/CFI (*Cellule de Traitement des Informations Financières* or *Cel voor Financiële Informatieverwerking*), an authority responsible for monitoring suspicious transactions and facts reported by specific institutions and individuals, including banks, postal service, clearing institutions, insurance companies, brokers, real estate agents, notaries, bailiffs, auditors, lawyers, etc.<sup>81</sup>

##### **ii. Political Contribution Laws**

Belgian law prohibits donations from companies to political campaigns. Instead, political parties are financed by public funds and donations by individuals.

#### **b. Case law**

No relevant case law found.

### **B. Not-For Profit Organizations**

#### **a. Laws**

##### **i. Foreign Investment/Foreign Funding Laws**

Same requirements applicable in relation to for-profit organizations, as explained above.

---

<sup>81</sup> For more details about the Financial Intelligence Processing Unit – CTIF/CFI, *see*: <http://www.ctif-cfi.be/website/>

## **ii. Political Contribution Laws**

Political parties in Belgium are organized as associations. Having this in mind, and the abovementioned fact that Belgian law prohibits donations by companies to political campaigns, political parties are responsible for their own funding, through public funds and donations made by individuals.

## **C. Analytical Comparison**

Belgian law does not provide for specific restrictions or additional burdens regarding access to foreign resources. There is, however, one specific prohibition on donations from legal entities to political parties, which are organized as associations. Having this in mind, the prohibition operates in relation to for-profit and not-for profit organizations, which would be respectively on the giving and on the receiving end of donations to political campaigns.

## **V. Auditing/Reporting Requirements**

### **A. For-Profit Organizations**

#### **a. Laws**

The different types of for-profit organizations must comply with different auditing and reporting requirements, depending on their size. Usually, the board of directors or the managers of a company must prepare annual accounts and submit them to the annual shareholders' meeting for approval, within six months of the closing financial year.<sup>82</sup> The accounts must then be filed with the Belgian National Bank<sup>83</sup> within thirty days of the approval. These obligations are subject to civil, criminal and administrative sanctions.

The company must appoint a statutory auditor, being a member of the Institute of Chartered Accountants (*Institut des Réviseurs d'Entreprises* or *Instituut der Bedrijfsrevisoren*), to audit the annual accounts and issue an accountant's statement.<sup>84</sup> The annual accounts must consist of a balance sheet, a profit and loss account and explanatory notes and must be prepared in accordance with the Belgian

---

<sup>82</sup> Law on Companies, Art. 92.

<sup>83</sup> *Banque nationale de Belgique* or *Nationale Bank van België*.

<sup>84</sup> Law on Companies, Art. 130.

Accounting Law and Belgian GAAP (Generally Accepted Accounting Principles). If a company qualifies as small, it will be allowed to prepare less extensive annual accounts.<sup>85</sup>

In order to qualify as a small company, a company must not exceed one of the following thresholds: an average number of 60 employees, a net annual turnover (excluding VAT) of EUR 7,300,000, and EUR 3,650,000 of assets value according to the balance sheet.

In case the annual accounts are not deposited for three consecutive fiscal years, the company may be dissolved by a judicial ruling, upon request of the Public Prosecutor or any interested party.<sup>86</sup>

The specific accounting rules are provided by the Accounting Law.<sup>87</sup>

## **B. Not-For Profit Organizations**

### **a. Laws**

Not-for profit organizations have different accounting obligations depending on their size.

Large not-for profit organizations have accounting obligations similar to the ones applicable to the for-profit organizations, subject to the provisions of the abovementioned Accounting Law. A large not-for profit organization must also file the annual accounts at the Belgian National Bank. A not-for profit organization qualifies as large if it exceeds two of the following three criteria: five employees, EUR 312,500 of revenues (except for extraordinary revenues), and a balance sheet total of EUR 1,249,500.

Small not-for profit organizations, on the other hand, have accounting obligations based on a profit-and-loss model.<sup>88</sup> A small not-for profit organization must file its annual accounts at the Clerk's Office of the local Commercial Court.

---

<sup>85</sup> Law on Companies, Art. 93.

<sup>86</sup> Law on Companies, Arts. 182.

<sup>87</sup> *Loi du 17 juillet 1975 relative à la comptabilité des entreprises* or *Wet van 17 juli 1975 met betrekking tot de boekhouding van de ondernemingen* ("Accounting Law"), available at: [http://economie.fgov.be/fr/modules/regulation/loi/19750717\\_1\\_comptabilite\\_des\\_entreprises.jsp](http://economie.fgov.be/fr/modules/regulation/loi/19750717_1_comptabilite_des_entreprises.jsp)

<sup>88</sup> [http://justice.belgium.be/fr/themes\\_et\\_dossiers/associations\\_et\\_fondations/asbl/obligations\\_comptables/](http://justice.belgium.be/fr/themes_et_dossiers/associations_et_fondations/asbl/obligations_comptables/)

The same provisions are equally applicable to associations,<sup>89</sup> international associations,<sup>90</sup> as well as private and public utility foundations.<sup>91</sup> In case the annual accounts are not deposited for three consecutive fiscal years, the association or foundation can be dissolved by a judicial ruling.<sup>92</sup>

### **C. Analytical Comparison**

Whether in relation to for-profit or not-for profit organizations, accounting obligations depend on the size of the organization. Some large not-for profit organizations are even subject to the same accounting rules applicable to for-profit organizations.

## **VI. Penalties for Non-Compliance**

### **A. For-Profit Organizations**

#### **a. Laws**

Belgian law provides for different kinds of liabilities for directors, managers and shareholders. In terms of civil liability, a director or manager can be held liable for faults such as tortious acts<sup>93</sup>, mismanagement<sup>94</sup>, violations of the by-laws or of the Law on Companies<sup>95</sup>, and other specific violations (in case of insolvency<sup>96</sup>, failure to pay corporate taxes<sup>97</sup>, failure to pay the VAT, etc.<sup>98</sup>). Criminal liability concerns acts of criminal offense by directors in the exercise of their duties. The company can also be held criminally liable.

In relation to the shareholders, the general rule is that civil liability is limited in cases of organizations that provide for limited liability. However, there are statutory and legal exceptions, as in

---

<sup>89</sup> Law on Associations, Art. 17.

<sup>90</sup> Law on Associations, Art. 53.

<sup>91</sup> Law on Associations, Art. 37.

<sup>92</sup> Law on Associations, Arts. 18, §4, and 39, §5.

<sup>93</sup> Civil Code, Art. 1382.

<sup>94</sup> Law on Companies, Art. 527.

<sup>95</sup> Law on Companies, Art. 528.

<sup>96</sup> Law on Companies, Art. 530.

<sup>97</sup> Law on Income Tax, Art. 44.

<sup>98</sup> Belgian Law on VAT, Art. 93, C.

case of irregularity in the incorporation and the subscription and payment of the corporate capital.<sup>99</sup> Also, even in cases where the shareholders have limited liability, they may be held jointly and severely liable in case a judicial ruling pierces the corporate veil.

## **B. Not-For Profit Organizations**

### **a. Laws**

Directors of non-profit organizations are generally subject to the same penalties applicable to directors and managers of for-profit organizations. Limited liability is also the general rule regarding the civil liability of the associations' members. However, there are some exceptions, such as in the case a member undertakes an obligation in name of an association or foundation that has not yet been incorporated, and it does not acquire legal personality within two years from the date such obligation was undertaken or if the association or foundation does not ratify such obligation within six months from the same date,<sup>100</sup> or if a member acts in name of an association without making reference in documents to the acronym ASBL/VZW, AISBL/IVZW, FP/PS or FUP/SON, as the case may be, or without indicating the address of the organization's registered office.

## **C. Analytical Comparison**

The organization itself, its directors, managers, shareholders, partners or members can be subject to different kinds of liabilities, from civil to administrative and criminal. They range from tortious acts to breaches of accounting obligations and failure to pay taxes. The general rule, however, is that organizations have their own legal personalities and in some cases the shareholders or members have limited liability. This limited liability can be disregarded by a judicial ruling that decides to pierce the corporate veil.

## **D. Statistics on actual penalties for each group (if available)**

No statistics regarding penalties for non-compliance were found.

---

<sup>99</sup> Law on Companies, Arts. 229 and 456.

<sup>100</sup> Law on Associations, Arts. 3, §2; 29, §3, and 50, §2.

## VII. OVERVIEW CHART:

Issue	For-Profit Organizations	Not-For Profit Organizations	Similarities
Registration Procedures	Registration procedure depends on whether the organization has limited or unlimited liability. Incorporation of a limited liability company requires an authenticated act and a financial plan. The minimum capital requirement may vary depending on which form is adopted. Unlimited liability companies can be incorporated by means of a private deed and a financial plan is not required. In any case, the acts of incorporation must be deposited with the Clerk's Office of the local Commercial Court for publication in the Official Belgian Gazette in order for the organization to acquire legal personality.	An association can be incorporated by means of a private deed. Incorporation of international associations, private foundations and public utility foundations require an authenticated act. As to the acquisition of legal personality, associations and private foundations must have their acts of incorporation deposited at the local Commercial Court for publication in the Official Belgian Gazette, while international associations and foundations must submit their acts of incorporation to the Justice Department for approval by Royal Decree.	In both categories, the organizations have their own legal personality. Also, publication in the Belgian Official Gazette is always mandatory, except in the cases of international associations and public utility foundations, which are subject to approval by Royal Decree. The procedure for de-registration follows, in both cases, similar rules regarding liquidation procedure.
Tax Laws	The tax regime is generally applicable in the same manner to all organizations. Belgian companies benefit from the rules regarding notional interest and the absence of capital tax.	Not-for profit organizations are subject to two main forms of taxation on legal entities: based on real estate and on dividends and interest resulting from participation in companies.	In both cases, the organizations are subject to VAT when purchasing goods and services. However, some not-for profit organizations might be exempted.
Financial Transaction Laws	No specific restrictions or additional burdens regarding resources from foreign countries, however, transfer of funds may be subject to monitoring by the Financial Intelligence Processing Unit – CTIF/CFI. Legal entities are prohibited from making donations to political parties in Belgium.	No restrictions to the access of foreign resources by Belgian associations and foundations. , however, transfer of funds may be subject to monitoring by the Financial Intelligence Processing Unit – CTIF/CFI. Political parties are organized as associations, and are not allowed, under Belgian law, to receive donations from legal entities.	In both cases there are no specific restrictions regarding foreign resources, and the prohibition regarding donations to political parties operates respectively on the giving and on the receiving end. In any event, financial transaction may be subject to monitoring by the Financial Intelligence Processing Unit – CTIF/CFI.
Auditing / Reporting Requirements	For-profit organizations have different accounting obligations depending on their sizes. Usually, they must provide annual accounts and deposit them at the Belgian National Bank. Small organizations, however, are allowed to present less extensive accounts.	Not-for profit organizations also have different accounting obligations depending on their sizes. Small organizations may not only present less extensive accounts, but are also allowed to deposit them with the local Commercial Court instead of the Belgian National Bank.	In both cases, accounting obligations depend on the size of the organization. Some large not-for profit organizations are even subject to the same accounting rules applicable to for-profit organizations.
Penalties	The organization itself, its directors or managers, shareholders or partners, are all subject to different kinds of civil, administrative and criminal liability. Belgian law provides for shareholders' limited liability, but it is possible that a court may order the piercing of the corporate veil.	Directors of non-profit organizations are generally subject to the same penalties applicable to directors and managers of for-profit organizations. Limited liability is also the general rule regarding the civil liability of the associations' members.	The applicable liabilities are roughly the same. They range from tortious acts, to breach of accounting obligations and failure to pay taxes, and have different degrees of sanctions, from civil to administrative and criminal. Under Belgian law, a legal entity can also be held criminally liable.

## **SOURCES:**

Accounting Law (*Loi du 17 juillet 1975 relative à la comptabilité des entreprises* or *Wet van 17 juli 1975 met betrekking tot de boekhouding van de ondernemingen*), available at:

[http://economie.fgov.be/fr/modules/regulation/loi/19750717\\_1\\_comptabilite\\_des\\_entreprises.jsp](http://economie.fgov.be/fr/modules/regulation/loi/19750717_1_comptabilite_des_entreprises.jsp)

Belgian VAT Code (*Code de la taxe sur la valeur ajoutée* or *Wetboek van de belasting over de toegevoegde waarde*), available at : <http://www.juristax.be/codes/CodeTva2012A4-115.pdf>

Business.belgium.be website, information for “setting up a business” in Belgium:

[http://business.belgium.be/en/managing\\_your\\_business/setting\\_up\\_your\\_business/](http://business.belgium.be/en/managing_your_business/setting_up_your_business/)

Central Office for Seizure and Confiscation: <http://www.confiscaid.be>

Code of Criminal Procedure (*Code d'instruction criminelle* or *Wetboek van Strafvordering*), available at: <http://www.droitbelge.be/codes.asp#ins>

*Code penal* or *Strafwetboek* (“Criminal Code”), available at: <http://www.droitbelge.be/codes.asp#pen>

Council Directive 2006/112/EC on the common system of value added tax (“EU VAT Directive”)

Council Framework Decision 2003/577/JHA, available at: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2003:196:0045:0055:en:PDF>

Federal Public Service – Economy, SMEs, Middle Classes and Energy , “*Choisir un statut juridique Entreprise individuelle ou société?*”, (01/2014), available at:

[http://economie.fgov.be/fr/modules/publications/general/choisir\\_statut\\_juridique.jsp](http://economie.fgov.be/fr/modules/publications/general/choisir_statut_juridique.jsp)

Federal Public Service – Finances, information regarding “notional interest”:

[http://finance.belgium.be/en/ondernemingen/vennootschapsbelasting/belastingvoordelen/notionele\\_inte\\_restaftrek/](http://finance.belgium.be/en/ondernemingen/vennootschapsbelasting/belastingvoordelen/notionele_inte_restaftrek/)

Federal Public Service – Justice, “*L’asbl*”, pp. 13-15, available at:

[http://justice.belgium.be/fr/publications/vzw\\_s.jsp?referer=tcm:421-138566-64](http://justice.belgium.be/fr/publications/vzw_s.jsp?referer=tcm:421-138566-64).

Federal Public Service – Justice, information regarding associations and foundations :

[http://justice.belgium.be/fr/themes\\_et\\_dossiers/associations\\_et\\_fondations/](http://justice.belgium.be/fr/themes_et_dossiers/associations_et_fondations/)

Financial Intelligence Processing Unit – CTIF/CFI: <http://www.ctif-cfi.be/website/>

Information provided by the Clerk’s Office of the Commercial Court regarding registration of legal entities (costs and procedure), available at: [www.juridat.be/tribunal\\_commerce/bruxelles/](http://www.juridat.be/tribunal_commerce/bruxelles/)

Law on Associations (*Loi du 27 juin 1921 sur les associations sans but lucratif, les associations internationales sans but lucratif et les fondations* or *Wet van 27 juni 1921 betreffende de verenigingen zonder winstoogmerk, de internationale verenigingen zonder winstoogmerk en de stichtingen*), available at:

[www.ejustice.just.fgov.be/cgi\\_loi/change\\_lg.pl?language=fr&la=F&table\\_name=loi&cn=1921062701](http://www.ejustice.just.fgov.be/cgi_loi/change_lg.pl?language=fr&la=F&table_name=loi&cn=1921062701)



Law on Companies (*Code des Sociétés* or *Wetboek van Vennootschappen*), available at:  
<http://www.droitbelge.be/codes.asp#soc>

Royal Decree of 21 October 1998, available at:  
[http://www.ejustice.just.fgov.be/cgi\\_loi/change\\_lg.pl?language=fr&la=F&cn=1998102130&table\\_name=loi](http://www.ejustice.just.fgov.be/cgi_loi/change_lg.pl?language=fr&la=F&cn=1998102130&table_name=loi)

World Bank Group, “Doing Business 2015: Going Beyond Efficiency – Economy Profile: Belgium” (2015), available at:  
<http://www.doingbusiness.org/%20~/media/giawb/doing%20business/documents/profiles/country/BEL.pdf>