

The most difficult, time-consuming, and expensive part of expanding your company is establishing a subsidiary. Depending on the country and its laws, you could spend months trying to incorporate before you can even hire employees. Instead, Globalization Partners can take the stress out of the Netherlands subsidiary setup process. As the Employer of Record, we can hire employees under our established subsidiary that work for you. Instead of the months it would take to get to work, we'll help you start in a few days.

How to Set up a Netherlands Subsidiary

You have several factors to consider before you decide on expanding to the Netherlands. Start by determining your industry and the type of business you will operate. Then look at any trade agreements or relationships that could grow stronger with a move to the Netherlands. These relationships could impact which of the 12 provinces you choose for your headquarters. Although the Netherlands has relatively unified regulations, there may be small differences based on your specific region.

Although the country recognizes English as one of the official languages, the official national language is Dutch. You will also encounter other regional languages such as Frisian wherever you're located. Consider which you'll need to know to do business in a specific province and whether you need to hire a translator or staff members who speak these different dialects.

You'll also need to consider several Netherlands subsidiary laws that could impact employees. While it's easy for European Union (EU) members to move between the Netherlands and other member states, non-EU or EEA citizens will need a residence permit (MVV) or a work permit (TWV). The Netherlands also has some regulated professions that require a recognized qualification. Employees in these roles will need this qualification before they can start.

Once you discuss these factors, the Netherlands setup subsidiary process includes:

- Checking your trade name
- Notarizing your Articles of Association
- Registering your business and name with the Dutch Chamber of Commerce
- Registering with the Trade Register and Tax Office
- Opening a corporate bank account
- Paying employee insurance
- Conducting a risk inventory and evaluation

Netherlands Subsidiary Laws

The most common type of subsidiary in the Netherlands is a private limited liability company known as a Besloten Vennootschap or BV. You can also incorporate as a public limited liability company called a Naamloze Vennootschap or NV.

Netherlands subsidiary laws vary based on what company you decide to incorporate. For example, you'll need a minimum share capital of 1 EUR for a BV. At least one share needs to have voting rights while one has profit rights, or you can have a single share with a combination of both. BVs also can't issue share certificates or bearer shares. On the other hand, NVs need a minimum share capital of 45,000 EUR but do not have the same restrictions as a BV.

Benefits of a Netherlands Subsidiary

Without an established subsidiary, your company will not be recognized in the Netherlands. The most significant advantage of subsidiary setup is that it's the first step to hiring employees, establishing a payroll, and conducting official business in the country.

While the entire setup process takes about a month in the Netherlands, this is a month you lose before you can even onboard an employee.

Instead, you'll enjoy greater benefits when you choose an alternative to establishing a Netherlands subsidiary. As a global PEO, Globalization Partners makes it easy to expand to the Netherlands. We'll act as the Employer of Record, hiring employees to work for you and making sure you meet all Netherlands hiring laws without setting one up a subsidiary. You'll get all the reward without the risk of non-compliance.

What Do You Need?

Your company will need a significant amount of time and money to set up a subsidiary in the Netherlands. Specific steps of the process often cost a notable amount, and you will need money to travel back and forth from the parent company to your Netherlands subsidiary. If you do not have experts in Netherlands subsidiary laws on your team, you will also have to hire legal counsel or other employees to deal with matters of compliance.

Contact Globalization Partners

Instead of wasting valuable time and resources, let Globalization Partners do all the hard work. Contact us today to learn more about how our services can help you expand.