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# Introduction / Background

- BVm (maatschappelijke BV)
- Social development
- Limited liability company for social entrepreneurs
- First regulation outline: March 2021
- Purpose: recognize and facilitate social enterprises in NL (new classification to stand out)

# Key characteristics

1. Social objective
2. Allocation of profits in line with social aims
3. Specific rights for stakeholders
4. Social reporting requirements

# 1. Key characteristics - social objects

- Articles of Association include the objects of the company
- Objects: short description of the contemplated activities of the company
- Objects should pursue or promote social objectives
- Extensive and exhaustive list of social objects included in Dutch law;  
examples
- Activities must match objectives; what if a director acts outside the scope of the objects?

## 2. Key characteristics - allocation of profits

- Restricted possibilities to distribute profits to shareholders
- Profits predominantly committed to social objects or reserved to maintain financial stability of BVm
- Board must withhold their approval to a distribution if it interferes with BVm's social objectives
- Board to propose social profit and reserve policy, which should be made publicly available

### 3. Key characteristics - stakeholders' rights

- More governance rights for stakeholders
- Exert influence over board resolutions if they are contrary to company's social purpose
  - (de-)mergers, dissolutions, conversions of BVm
- Stakeholders will (likely) include: shareholders, financing parties, contractors, customers
- Enterprise Chamber

## 4. Key characteristics - social reporting

- Board to prepare report on BVm's benefit to public
- Report to include: objectives, activities and value added to society
- Report should be made publicly available for third parties

# How do you incorporate a BV(m)?

- Not yet possible, though status is in development
- Notarial deed of incorporation that includes the Articles of Association (similar to “ordinary” BV)
- Notarial statement confirming that the requirements of a BVm have been met
- Registration in the Dutch Trade Register
- UBO register



# Tax Aspects

BVm treated similarly as ordinary BV

- Corporate tax:  
2022 rates  
profit  $\leq$  EUR 395,000: 15%  
profit  $\geq$  EUR 395,000: 25.8%
- Dutch dividend withholding tax: generally 15%
- VAT: 0%, 9% or 21%
- Wage tax and social security contributions: up to 49.5%
- Gift tax:
  - 2022 rates: 30% or 40%
  - not possible to obtain ANBI status

# Germany

- Similar model of “social enterprise” in Germany
  - Profits used for social objects are tax-free
  - Additional requirements for incorporation than for a BVm
    - naming of a beneficiary in the Articles of Association
  - Generally not allowed to pursue or distribute profits
    - BVm only has a 50% requirement
- gGmbH
  - GmbH VE

# BVm vs B-corp

- What's the difference?
- Can a company be classified as both **BVm** and **B-corp** at the same time?

# Why is The Hague appealing to companies that do good and do business?

- ImpactCity ecosystem
- Impact investing cluster
- Start-up hubs
- Free support from THBA & Municipality

BUREN

The Hague.

Business Agency