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The Netherlands



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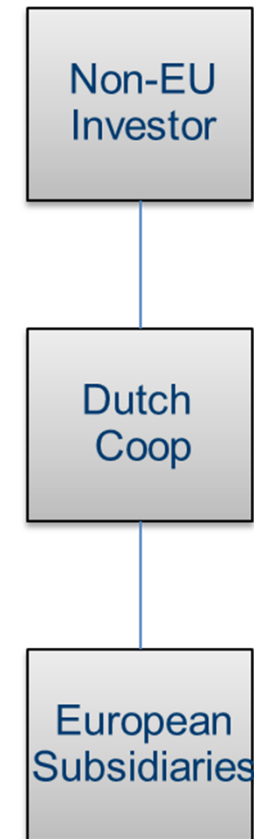
Dutch Cooperative

Why to use the Dutch Cooperative?

- The Dutch Cooperative (also called Dutch Coop) is often used in international structures as a holding company or in combination with a Dutch BV (as acquisition entity)
- The key consideration to use the Dutch Cooperative is that dividend distributions to its non-Dutch members (i.e. shareholders) are in general not subject to dividend withholding tax.
- The Dutch Coop has access to the extensive Dutch tax treaty network and EU parent / subsidiary directive benefits
- Extra benefits of the Dutch Coop are:
 - No capital taxes/stamp duties when Dutch Coop is organized and capitalized
 - The Dutch Coop can be set up quickly (2 weeks)
 - The members can have limited, restricted or unlimited liability

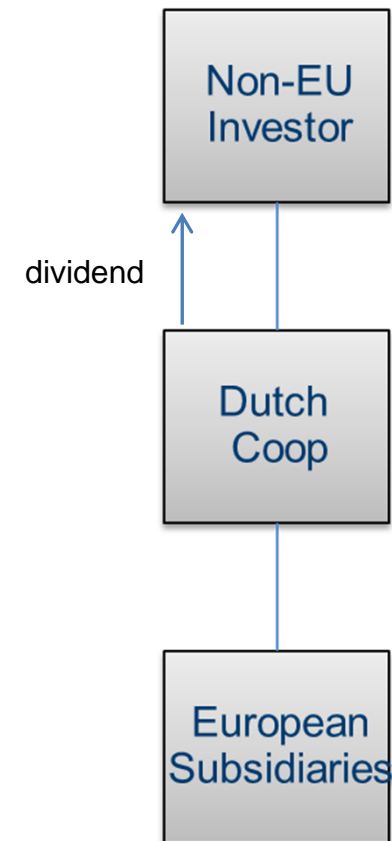
Dutch Cooperative – Legal Features

- A Dutch Coop must be incorporated by at least 2 members, it is not a company with a capital divided into shares
- It is incorporated by a notarial deed of incorporation
- The Dutch Coop is represented by a board of directors (Dutch or foreign residents)
- The board of directors and general meeting of shareholders must meet at least annually to determine the annual accounts etc.



Dutch Cooperative – Fiscal features

- Dividend distributions made by Dutch cooperative to its non-Dutch members (i.e. shareholders) should not be subject to Dutch dividend withholding tax if properly structured.
- In order to avoid dual tax residence discussions it is important to have sufficient substance in the Netherlands.
- Please note that Dutch substantial share interest (Dutch corporate income taxation in case of 5% or more interest in Cooperative) rules may apply to non-Dutch members (i.e. shareholders). Although relevant, this aspect is manageable upon the design of the preferred structure



Dutch Cooperative – implementation process

Phase	Scope
I	Preparation of tax memorandum describing the Dutch tax consequences of the set up of Coop in the Netherlands
II	Following the tax memorandum as prepared in Phase I, a step plan will be prepared for the implementation which includes both coordination and execution
III	Maintenance of the structure which is important/vital to ensure the effectiveness of the Coop structure



For further information:

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