

# Doing Business in the Netherlands

*Expert knowledge means success*

## **Contents**

1. Introduction
1. UK-Netherlands Trade
1. Reasons to do business in the Netherlands
3. Economy
4. Population
4. Geography
4. Climate
4. Government Structure
5. Establishing a Business in the Netherlands
6. Taxation
7. Exporting
9. Importing
9. Customs Duties
9. Terms of Payment
9. Advertising and Marketing
10. Business Hours
10. Business Etiquette
11. Transport and Travel
11. Travel Advice
12. Passports/Visas
12. Useful Contacts
13. Country Data
14. Further Information

## Introduction

The Kingdom of The Netherlands was formed in 1815. In 1830, Belgium seceded and formed a separate kingdom. The Netherlands (aka Holland) remained neutral in World War I but suffered invasion and occupation by Germany in World War II. A modern, industrialized nation, the Netherlands is also a large exporter of agricultural products. The country was a founding member of NATO and the EC, and participated in the 1999 introduction of the Economic and Monetary Union (EMU)..

The Netherlands and the UK are old and close friends. There are regular exchanges between ministers and at political levels across a broad range of policy fields. The two countries work particularly closely on EU and foreign policy issues, and in the field of social and employment policies.

One element of the 1999 Prime Ministerial agreement between the Netherlands and the UK was the establishment of a bilateral conference where representatives of various sectors of society could meet informally to discuss topical issues of mutual interest. The first conference was held in the Dutch town of Apeldoorn in May 2000. Subsequent conferences have been held in Edinburgh (2001), Amsterdam (2003), Norwich (March 2005) and The Hague (2007).

The Netherlands places great importance on maintaining good relations with its neighbouring countries: its Benelux partners (Belgium and Luxembourg), Germany, France, the United Kingdom and the Scandinavian countries. In addition, it is closely involved in developments in Central and Eastern Europe, and in assisting the fledgling democracies in their transition to a market economy. The Netherlands, along with 11 of its EU partners, began circulating the euro currency on 1 January 2002.

The Netherlands continues to be one of the leading European nations for attracting foreign direct investment. It has a prosperous and open economy which depends heavily on foreign trade. Its economy is noted for:

- stable industrial relations;
- moderate inflation;
- a sizable current account surplus, and
- an important role as a European transportation hub.

## UK-Netherlands Trade

A large number of major Anglo / Dutch companies in The Netherlands including Royal Dutch Shell, Unilever, Reed Elsevier, Logica/CMG, Corus, Reckitt Benckiser reflecting close bilateral trade ties. Over 75% of the population speak English and share many characteristics with the UK.

At least forty Dutch towns and cities are twinned with British towns and cities.

The main exports to The Netherlands from the UK are::

- Oil related materials
- Office equipment
- Medicinal and pharmaceutical products
- Telecommunications
- Organic chemicals
- Road vehicles
- Electrical machinery
- General industrial machinery
- Metal products
- Gas

The main imports to the UK from The Netherlands are:

- Office equipment
- Telecommunications
- Road vehicles
- Vegetables and fruit
- Electrical machinery,
- Organic chemicals
- Meat
- Animal and vegetable materials
- Plastics
- Medicinal and pharmaceutical products

## Reasons to do Business in the Netherlands

The Netherlands is a highly competitive growing market with opportunities for trade in all sectors, especially for small and medium-sized business. Almost anything that sells well in the UK can be sold in The Netherlands. The Dutch place a high premium on non-price factors such as design, quality, and delivery and after sales service.



### Did you know...?

The Netherlands is the most densely populated country in Europe, the sixth largest exporter and investor in the world and it has been a leading commercial power for over 500 years.

Today, the Port of Rotterdam continues the country's sea-faring tradition. The world's largest port, it covers an area of 30 square miles, and provides direct employment to more than 60,000 people. In 2003, some 328 million tonnes of cargo passed through Rotterdam. This is as much as the combined total of the next three largest European ports – Antwerp, Hamburg and Marseille.

73,000 British people live in the Netherlands. 1.6 million Dutch people visited the UK in 2004, while 1.8 million British people stayed overnight in tourist accommodation in the Netherlands. Most British visitors stay in the province of North Holland, and in the four largest cities (Amsterdam, The Hague, Rotterdam & Utrecht).

The Netherlands is a good test market for new exporters especially first time or inexperienced exporters. Barriers to market entry are low and the transparent legal framework and sophisticated financial services system make the market an attractive place for UK companies. It is geographically close to UK as well as being a key transportation hub to mainland Europe. The Netherlands re-exports between 60-70% of its imports to the rest of Europe and beyond, representing a useful springboard into other European markets.

The Netherlands has a qualified and cost-effective labour force. This, and a sophisticated IT infrastructure, high mobile phone penetration, smart government policies, high per capita income, good overall business environment, makes Holland an excellent choice of place to do business.

Considering its size, The Netherlands is a perfect location for companies to set up businesses as it has an incredible level of resources and expertise to help each company find the right partner. By working with the Netherlands Foreign Investment Agency (NFIA) and its network of business partners, companies are enabled to maximise their success in both The Netherlands and throughout Europe.

The NFIA offer the following five reasons to invest in The Netherlands.

- Strategic location in Europe
- International business environment
- Superior logistics and technology infrastructure
- Highly educated, multilingual & flexible workforce
- Good quality of life

## Financial Incentives

Amsterdam is a top international financial centre. The Dutch banking system is open, with a high concentration of domestic and foreign banks, and financial advisers. The largest Dutch banks have offices world-wide. There are over 50 foreign banks with offices in The Netherlands. The financial markets operate at market rates and it is claimed that the cost of Dutch financial services are amongst the lowest in Europe.

In some areas, EU and Dutch government and local authority grants and subsidies may be available. In certain circumstances special incentives are also available. The regional development corporations, established by the

government to stimulate development in the less active regions, can help set up enterprises and also act as risk bearing partners. Contact The Netherlands Foreign Investment Agency (NFIA) for details:

### NFIA UK & Ireland

Embassy of the Kingdom of the Netherlands  
38 Hyde Park Gate, London SW7 5DP  
E-mail: [info@nfia.co.uk](mailto:info@nfia.co.uk)  
Tel: +44 20 7225 1074  
[www.nfia.co.uk/](http://www.nfia.co.uk/)

The NFIA has offices in Europe (HQ in The Hague, London and Istanbul), the US (New York, Boston, Chicago, Atlanta, San Francisco), Asia (Tokyo, Osaka, Taipei, Shanghai, Beijing, Guangzhou, Seoul, New Delhi, Singapore and Kuala Lumpur), the Middle East (Dubai, Tel Aviv) and a representative office in Brazil (São Paulo). For details, go to:

[www.nfia.co.uk/nfia\\_worldwide.html](http://www.nfia.co.uk/nfia_worldwide.html)

In addition to commercial banks there are a number of specialised institutions providing industrial funding. The National Investment Bank specialises in medium and long term lending, equity investment and capital market activities. The Industrial Fund (Industriefonds) is a joint venture between the Ministry of Economic Affairs, banks, insurance companies and pension funds. Its aim is to provide risk bearing capital to the larger high-tech companies. There are also venture capital funds available.

## Employment

The Netherlands had one of the lowest unemployment rates in Europe.

Unemployment was 5.1% of total labor force (March 2011). Staff shortages exist in some areas, such as teaching and healthcare.

The Netherlands has a well educated multi-lingual population. English is widely spoken. Companies wishing to set up in The Netherlands will benefit from the incomparable language skills. Sales, secretarial and admin staff bring at least one other language with them, and often more, without the additional costs such skills would attract in the UK. Dutch salaries are relatively high. Dutch workers are covered by a social security programme, the cost of which is shared by employers, employees and government.

Labour law is complex and favours the employee. It is strongly recommended that legal advice is taken before entering into any

## Springboard for Foreign Business

In all, there are approximately 170 million people living within 300 miles of Amsterdam. It therefore represents not just an attractive market in its own right, but also a useful springboard for UK and other companies looking to expand into markets further afield.

contractual agreement. British nationals and other EU nationals benefit from the Single Market and do not require work permits. But a residence permit is necessary for all foreigners residing in The Netherlands for more than 6 months. An application can be made at the Dutch Embassy or Consulate before departure. Registration is required with the police and the local authority where the employee lives.

## Strategic Location

The Netherlands represents not just a opportunistic market in its own right, but also a useful springboard into other markets in Western Europe. The Netherlands is shown to have a workplace and work ethic very similar to that in the UK. They share a natural affinity with British business. It has the advantage of being geographically and culturally close to the UK.

## Communications

The Netherlands' cutting edge technology and high quality telecommunications make it a perfect business partner for foreign businesses. It has one of the most efficient telephone systems in the world, with fully automatic inland and overseas services and telephone information given in Dutch, French, English and German. Charge card facilities are available. Reduced rates apply for KPN services from 1800 to 0800 and on weekends. All calls can be made from public booths and post offices. Blue phone booths require a phone card which can be purchased at post offices, Tourist Information Offices (VVV) and shops displaying the 'PTT-telephone card' poster.

The postal network is run by privatised utility TNT, which offers efficient and competitively-priced services. Post offices (PTT-shops) are located in all major residential and commercial areas.

## Export Opportunities

UK Trade and Investment have identified the following sectors as having significant potential for UK companies:

- Communications
- Biotechnology / Pharmaceuticals
- Oil and Gas
- Healthcare and Medical
- Marine
- Food and Drink
- Security
- Chemicals

## Economy

The Dutch economy is the fifth-largest economy in the Eurozone and is noted for its stable industrial relations, moderate unemployment and inflation, a sizable trade surplus, and an important role as a European transportation hub. Industrial activity is predominantly in food processing, chemicals, petroleum refining, and electrical machinery.

Data from the CIA World Fact Book<sup>1</sup> show:

- After 26 years of uninterrupted economic growth, the Dutch economy - highly dependent on an international financial sector and international trade - contracted by 3.9% in 2009 as a result of the global financial crisis. The Dutch financial sector suffered, due in part to the high exposure of some Dutch banks to U.S. mortgage-backed securities.
- In 2008, the government nationalized two banks and injected billions of dollars of capital into other financial institutions, to prevent further deterioration of a crucial sector. The government also sought to boost the domestic economy by accelerating infrastructure programs, offering corporate tax breaks for employers to retain workers, and expanding export credit facilities.
- The stimulus programs and bank bailouts, however, resulted in a government budget deficit of 5.3% in 2010 that contrasted sharply with a surplus of 0.7% of GDP in 2008. The government began implementing fiscal consolidation measures in early 2011, mainly reductions in expenditures, which resulted in an improved budget deficit of 4.2% of GDP.
- GDP (purchasing power parity): \$705.7 billion (2011 est.)

Other recent economic indicators<sup>2</sup> are:

- Economic growth: 2.5% (Q4 2010)
- Inflation: 2.0 % (March 2011)
- Unemployment rate, seasonally adjusted: 5.1% of total labor force (March 2011)
- Most important export destinations: Germany, Belgium, the UK and France (Europe 82%)

The Netherlands, along with 11 of its EU partners, began circulating the euro currency on 1 January 2002. The country continues to be one of the leading European nations for attracting foreign direct investment.

## Social Security and Welfare

All residents of The Netherlands are guaranteed national insurance plans. These schemes cover long-term invalidity, death, old age, as well as certain medical expenses and child benefits.

There are three kinds of compulsory social security schemes, for the general population of The Netherlands, employees and the self-employed.

People who are unable to cover essential living expenses are guaranteed supplementary benefit. Most Dutch natives and lawfully residing people are eligible for welfare, but there are exceptions. Illegal aliens, students who receive loans and grants and people who are under the age of 18 are not eligible to receive government assistance. Municipalities govern welfare support, and those who are granted benefits must meet the following terms:

- be unable to support themselves;
- have no other means of support available to them; and
- have made every effort to find a job.

Persons aged over 57 ½ and carers of children under five years are exempt from the responsibility of seeking employment.

Municipalities possess the freedom of discretion concerning personal situations in individual cases.

In order to be eligible for social security, you must register with your local authorities as well as with immigration authorities. After registering with immigration and local authorities, you can then apply for a social security (or tax number) from the local tax authorities. It is up to employers to arrange social security for their employees, but it is the employee's responsibility to arrange their own health insurance.



## Population

The Netherlands is one of the most densely populated countries in the world with a population of 16,612,213 (2010 Source: World Bank) in a land area of 33,889 sq km. It has relatively high emigrant and immigrant figures. The population is generally highly educated, and multilingual.

## Geography

The Netherlands is in Western Europe. It is, in line with the stereotype, a very flat country. Nearly a quarter of the country lies below sea level. The country's lowest point, at 6.7 metres below sea level, is near Rotterdam. The highest point, the Vaalserberg, is 321 metres high, and lies in the southeast, where the borders of the Netherlands, Belgium and Germany meet.



There are 12 provinces in the Netherlands:

- Drenthe;
- Groningen;
- Friesland;
- Flevoland;
- Utrecht;
- Overijssel;
- Gelderland;
- North Brabant;
- Limburg;
- Zeeland;
- South Holland; and
- North Holland.

## Climate

Holland enjoys a temperate maritime climate. Summers are generally warm but with changeable periods as in the UK. Winters are fairly cold normally with some snow. In summer, the average temperatures peak in July and at around 17°C. In January and February the temperature drops to about 2°C. January and February before picking up sharply in April and May. March sees the heaviest rainfall; July and August are the driest months. Rain is spread pretty evenly over the year, so there is not much point in trying to avoid the Dutch drizzle. As with the UK, a raincoat or umbrella is recommended in any season.

## Government Structure

The Netherlands has a Constitutional hereditary monarchy with a parliamentary system of government. The chief of state is Queen Beatrix Wilhelmina Armgard (since 30 April 1980). The official website of the Dutch Monarchy - [www.koninklijkhuis.nl](http://www.koninklijkhuis.nl) - offers a description of the royal family and the royal palaces; as well as setting out the institutional role of the Head of State in The Netherlands.

The Council of Ministers is appointed by the monarch. There are no elections as the monarch is hereditary. Following the Second Chamber elections, the leader of the majority party or leader of a majority coalition is usually appointed Prime Minister by the monarch; the vice Prime Minister is appointed by the monarch.

The Hague is the seat of government with 12 provinces - Drenthe, Flevoland, Friesland, Gelderland, Groningen, Limburg, Noord-Brabant, Noord-Holland, Overijssel, Utrecht, Zeeland, and Zuid-Holland. It has two dependent areas – Aruba and Netherlands Antilles.

For a biography and a description of the activities of the Government, visit: [www.government.nl/issues/parliament](http://www.government.nl/issues/parliament)

## Government with Consensus

The Netherlands is a constitutional monarchy with Queen Beatrix at its head. One of the most stable social and political environments in the world, it operates a democratic parliamentary system based on a written constitution. The executive is headed by the Prime Minister and his cabinet of ministers.

Legislative power rests with the Parliament. The upper house, the Senate, consists of 75 members, elected for four-year terms by direct vote.

All Dutch citizens over the age of 18 are eligible to vote. The political landscape is characterised by a larger number of political parties which makes it difficult for any single party to gain a majority large enough to govern by itself. The result is a broad distribution of political power and a tradition of coalition governments with consensus.

Between July 1<sup>st</sup> and December 31<sup>st</sup> 2004 the Netherlands holds the Presidency of the EU. Its stated priority issues are the enlargement of the EU, the sustainable growth of the European economy, security, a sound European multi-annual budget and a more effective role for the EU in the world. It also plans to start a debate with the Union's citizens and governments on how to advance European integration and cooperation and on common European values.

## Establishing a Business in the Netherlands

Foreign companies may settle in The Netherlands under a variety of forms, depending on the investors' development strategies. A foreign company or investor proposing to establish a business in Netherlands may choose from a number of different business organisations:

- Public Limited Company
- Private Limited Company
- General Partnership
- Limited Partnership
- Professional Partnership –
- Branch
- Subsidiary
- Joint Venture
- Offshore Companies

The most common legal structures which foreign investors choose to conduct their business in The Netherlands is either as a public company (Naamloze Vennootschap (NV) or a private company (Besloten Vennootschap met Beperkte Aansprakelijkheid (BV).

The Netherlands Chamber of Commerce manages the trade register. The Chamber's other tasks are to provide Dutch entrepreneurs with information, stimulate regional trade & industry and advise local and regional government. The Netherlands Chamber of Commerce is incorporated under public law and, as such, targets its services at Dutch businesses across all sectors. For information on regional offices go to [www.kvk.nl/english/aboutus/default.asp](http://www.kvk.nl/english/aboutus/default.asp)

The most common business structures in The Netherlands are summarized below.

### Public Limited Company (NV)

A Public Limited Company (NV) resembles the English PLC, the French SA and the German AG. It may sue, be sued, enter contracts and transact business in own name. This is the form normally adopted by companies that wish to raise capital publicly, whether listed on the stock exchange or not.

An NV can be formed by one or more founders. A minimum paid-in capital of €45,000 is required and at least 20% of the authorised share capital must be issued.

Shares issued must amount to 25% paid for on subscription and a company may not purchase more than 10% of its own shares. There are no restrictions on the issue or transfer of shares or notes.

### Private Limited Company (BV)

A Private Limited Company (BV) is similar to a NV but shares of the BV must be transferred by notarial deed in accordance with the company's bylaws. Liability of shareholders is limited to their capital subscription. This is the most common form of commercial enterprise in The Netherlands.

A BV requires a minimum paid-in capital of €18,000. Shares cannot be transferred freely.

### General Partnership

In a General Partnership all partners have unlimited liability. There are no capital or nationality requirements on partners. A General Partnership must file its name, purpose and location with the local Chamber of Commerce, but the partnership agreement can be an informal document.

### Limited Partnership

A Limited Partnership is similar to a General Partnership but can include limited partners liable only to the extent of their capital contribution.

### Professional Partnership

A Professional Partnership is similar to a General Partnership but partners are liable only for debts incurred themselves plus a pro rata share of the Professional Partnership's legal debts. They are not required to register with the Chamber of Commerce.

### Branch

A Branch must register with the local Chamber of Commerce and be recorded in the registrar of companies. The foreign parent company is responsible for all liabilities and obligations of the Dutch Branch. A Branch is often used by companies starting operations in The Netherlands.

Branches of foreign companies are subject to the same commercial registry requirements as a foreign owned Dutch company. The foreign parent is responsible for all liabilities and obligations of The Netherlands branch. The cost of establishing a branch is minimal.



### Legal Background

The Netherlands hosts a civil law system incorporating French penal theory. The constitution does not permit judicial review of acts of the State's General. It accepts compulsory ICJ jurisdiction, with reservations.

The Legislative branch is bicameral. The States General or Staten Generaal consists of the First Chamber or Eerste Kamer (75 seats; members indirectly elected by the country's 12 provincial councils for four-year terms) and the Second Chamber or Tweede Kamer (150 seats; members directly elected by popular vote to serve four-year terms).

The Judicial branch is the Supreme Court or Hoge Raad where justices are nominated for life by the monarch.

## Subsidiary

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A subsidiary is similar to a branch but with limited liability of the head office (up to the value of issued shares) for the subsidiary in The Netherlands.

## Joint Venture

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A Joint Venture is used for exclusively Dutch operations and between Dutch and foreign enterprises.

## Offshore Companies

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No special legal or tax provisions apply to Offshore Companies.

## Local regulations

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The Netherlands has a well developed legal and regulatory system. Rules on health and safety, environment etc., are applicable. Foreign ownership is permitted in most sectors. It is recommended that legal advice is sought before taking investment decisions.

The Netherlands Foreign Investment Agency (NFIA), part of the Ministry of Economic Affairs, is the Dutch government agency tasked specifically with assisting foreign investors.

[www.nfia.co.uk/](http://www.nfia.co.uk/)

## Taxation

The following is intended to provide a brief outline of tax issues. You should always take professional advice on these matters to determine the correct position according to your own personal circumstances.

### Corporate Tax rates etc

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Corporate Income Tax Rate: 25.5%

Capital Gains Tax Rate: 25.5%

Branch Tax Rate: 25.5%

Withholding Tax on Dividends: 15%

Net Operating Losses (Years):

Carry back: 1

Carry forward: 9

### Dutch Corporate Tax System

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Dutch resident companies are subject to corporate income tax on their worldwide income. Furthermore, foreign companies, holding 5% or more in the issued share capital of a Dutch resident company could also become subject to Dutch corporate income tax on Dutch-source income. The latter only applies in case the corporate shareholder cannot benefit from any treaty protection.

## Participation exemption

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Double taxation is eliminated through the participation exemption. The following requirements need to be met in order to benefit from the participation exemption:

- The entity in which the participation is held must have a capital divided into shares;
- The shareholder should have an interest in the share capital of the entity of at least 5%, and;
- The entity in which the participation is held may not qualify as a low-taxed portfolio investment participation.

With respect to the latter requirement, a participation is considered to be a low taxed portfolio investment company if the assets of the participation (directly or indirectly) consist for more than 50% of portfolio investments and the effective tax rate of the participation is less than 10%.

Furthermore, if an EU/EER or Dutch resident company holds 5% or more in the issued share capital of a Dutch resident company, under strict conditions no withholding tax will be levied upon dividends distributed to this qualifying shareholder. In all other cases, the double tax treaty applies with a maximum of 15%. This maximum rate thus also applies if no double tax treaty protection can be invoked.

### Transfer Pricing Rules

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The transfer pricing regulations stipulate that pricing between affiliated entities should be determined based on the at arm's length principle. Entities are considered affiliated if a company directly or indirectly participates in the board of, has a substantial control over or participates in another company.

Dutch taxpayers are obliged to keep records in their administration substantiating the "at arm's length" character of intercompany pricing agreements.

### Foreign Tax Credit

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A unilateral tax relief is granted to a Dutch company in case income is derived from a foreign permanent establishment or a permanent dependant representative. A Dutch company can deduct corporate income and withholding tax paid abroad as expenses in case no other double taxation relief can be applied.

## Exempt Investment Company

Dutch investment companies that are involved in collective investment activities and have more than one shareholder can under certain circumstances apply for the Exempt Investment Company status (“EIC”). The company may solely invest in qualifying financial instruments such as shares and stocks.

As a consequence of this EIC status the return on portfolio investments will not be subject to corporate income tax and dividends distributed by the EIC are not be subject to withholding tax. As a consequence an EIC may not benefit from double tax treaty protection.

## Fiscal Investment Company

Dutch investment companies may, under specific circumstances, also apply for the Fiscal Investment Company regime (“FIC”). The FIC is subject to 0% corporate income tax but has a yearly obligation to distribute its profits to the shareholders. These distributions are subject to withholding tax. FIC companies may benefit from double tax treaty protection.

## Patent-box

Corporations liable to Dutch corporate income tax can opt for the so called patent-box if revenues are received from self-developed patented intangible assets. In case the patent-box is applicable revenues received from intangible assets will be subject to 10% corporate income tax, rather than 25,5%. The 10% rate can only be applied to for a maximum of four times the production costs of the intangible assets.

## Value added Tax

Generally, value added tax is imposed on goods and service provided at a rate of 19%. A lower rate of 6%, or 0% might apply for specific goods and / or services provided. Furthermore, certain goods and / or services are fully exempt.

## Other taxes and stamp duties

No net worth tax applies. Further no capital duty or other duties are payable on capital contributions to a Dutch incorporated entity.

A 6% real estate transfer tax is levied upon the acquisition of legal title or economic ownership of real estate located in the Netherlands. The acquisition of an interest in a real estate company may also be subject to the same 6% real estate transfer tax.

## Personal Tax<sup>3</sup>

Income tax is a tax on an individual’s income, which is levied as one sum together with an individual’s social security contributions. The tax year runs from 1 January to 31 December.

On 1 January 2001 the box system was introduced. This system is based on 3 types of taxable income, each type having its own box and its own rate:

- Box 1: taxable income from work and home;
- Box 2: taxable income from substantial interest;
- Box 3: taxable income from savings and investments.

The tax on taxable income for income from work and dwellings (box 1) for the fiscal year 2012 is:

- First bracket: 33% on the first €18,945. This rate comprises of 1.95% tax and 31.15% security contributions;
- Second bracket: 41.95% on the next €14,918. This rate comprises of 10.80% tax and 31.15% social security contributions;
- Third bracket: 42% tax on the next €22,628;
- Fourth bracket: 52% tax on the excess income.

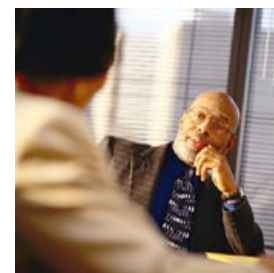
Taxable income from substantial interest (box 2) is taxed at a flat rate of 25%.

Taxable income from savings and investments (box 3) is taxed at a flat rate of 30% of a deemed return on investment of 4%. There is a tax-free amount of €21,139. This results in taxation of 1.2% of your total equity above the threshold of €21,139.

## Exporting

UK Trade and Investment encourages the availability of competitive export finance to all UK companies seeking to export goods or services or invest overseas. For further information visit [www.uktradeinvest.gov.uk](http://www.uktradeinvest.gov.uk)

The Integrated Tariff of the United Kingdom contains helpful information on Importing or Exporting. It includes references to the relevant laws and regulations. For further information, visit [www.hmrc.gov.uk](http://www.hmrc.gov.uk)



## Auditing

Statutory auditing in The Netherlands is reserved to two categories of professional public accountants:

- Register accountants; and
- Accountants-Administratieconsulenten.

Other accountancy services are not regulated but such services may only be performed under the designation of “accountant” – a designation available only to the two categories of accountants as above.



## Export licences (from UK)

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You should check with HMRC to see if a licence is required for any goods you wish to export to the Netherlands. There are a number of licensing requirements, relevant to exports. These include:

- Common Agricultural Policy (CAP) Licences;
- The Department for Business, Innovation and Skills (BIS<sup>4</sup>) Licences;
- Department for Environment, Food & Rural Affairs (DEFRA) Licences;
- Department of Culture, Media and Sports (DCMS) Licences.

An export licence is mandatory if you are exporting certain products. If a licence is required and is not presented at the time of export, the consignment will not be able to leave. For further information, visit: [www.hmrc.gov.uk](http://www.hmrc.gov.uk).

The BIS's Export Control Organisation is the first point of contact for information on export controls. They provide advice on many issues, including how to establish whether or not specific goods need an export licence, the different types of export licences, how to complete export licence application forms and how long they take to process. They are also the point of contact for Export Control Organisation publications and licence application forms. For further information visit: [www.bis.gov.uk/europeandtrade/strategic-export-control/index.html](http://www.bis.gov.uk/europeandtrade/strategic-export-control/index.html)

The Defence Export Services Organisation (DESO) can provide information concerning the export of defence related equipment. For further information visit [www.deso.mod.uk](http://www.deso.mod.uk)

For information concerning export controls on antiques and works of art, please visit the Department for Culture, Media and Sport website. For further information visit [www.culture.gov.uk](http://www.culture.gov.uk)

## Export Credits Guarantee Department (ECGD)

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ECGD can provide insurance or arrange medium/long-term finance packages in a wide range of markets worldwide for UK exporters of capital goods and projects. They can also provide contacts for private sector insurance for UK exporters of consumables. For more information on how ECGD may be able to help you visit the ECGD website at [www.ecgd.gov.uk](http://www.ecgd.gov.uk) or contact their helpline: Tel: +44 (0)20 7512 7887.

## Export Documentation

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SITPRO is the UK's trade facilitation body dedicated to simplifying the international trade process by cutting red tape. It manages the UK Aligned Series of Export documents, and licenses a network of approved suppliers to provide them. The series now contains nearly 70 standard commercial, transport, banking, insurance and official forms. Further information can be found at: [www.sitpro.org.uk](http://www.sitpro.org.uk)

## Technical Help for Exporters

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Technical Help for Exporters (THE) is a service provided by the British Standards Institution (BSI) to provide information and advice on compliance with overseas statutory and other technical requirements.

THE produces a wide range of publications and provides a special updating service of information in some product fields. THE can supply detailed information on foreign regulations; identify, supply and assist in the interpretation of foreign standards and approval procedures; research and consult on technical requirements for a specific product; and provide translations of foreign standards, items of legislation and codes of practice. Fees vary according to the amount of work involved.

For further information visit the British Standards Institution (BSI) website at: [www.bsi-global.com/Technical+Information](http://www.bsi-global.com/Technical+Information) or e-mail: [THE@bsi-global.com](mailto:THE@bsi-global.com)

## Insurance for short-term credit

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A number of companies provide insurance for short-term credit to guard against non-payment of business debts, such as:

- **Gerling NCM**  
Tel: + 32 3 213 4298  
[www.gerling.com](http://www.gerling.com)
- **Euler Trade Indemnity**  
Tel: +44 (0)20 7512 9333  
[www.eulerhermes.com/en/](http://www.eulerhermes.com/en/)
- **Association of British Insurers**  
Tel: 020 7600 3333  
[www.abi.org.uk](http://www.abi.org.uk)
- **Coface UK**  
Tel: +44 (0)20 7325 7500  
[www.cofaceuk.com](http://www.cofaceuk.com)



## Importing

The Integrated Tariff of the United Kingdom contains helpful information on Importing or Exporting. It includes references to the relevant laws and regulations. For further information, visit [www.hmrc.gov.uk](http://www.hmrc.gov.uk)

### Import licenses

You should check with Her Majesty's Revenue and Customs to see if a licence is required for any goods you wish to import from The Netherlands. There are a number of licensing requirements, relevant to imports. These include;

- Common Agricultural Policy (CAP) Licences,
- The Department for Business, Innovation & Skills (BIS) Licences;
- Department for Environment, Food & Rural Affairs (DEFRA) Licences,
- European Commission Licences,
- Forestry Commission Licences and
- Radio Communications Agency (RDA) Licences.

If a licence is needed and is not presented at the time of importation, the goods will not be allowed to enter the country.

## Customs Duties

If goods are produced in the UK (or in another EU member state) they are not liable to import duty on entry into The Netherlands. If goods have entered the EU from a non-member country and have had the necessary import duty paid on them, they can enter The Netherlands without any further import duties being levied.

The UK has guidance levels for the import of tobacco, alcohol and other products bought by visitors for their own use. These levels can be checked at [www.hmce.gov.uk/](http://www.hmce.gov.uk/)

If you buy more than the amount specified, you must be able to satisfy Customs Officers at both the points of departure and arrival that the goods are for your personal use. Her Majesty's Customs and Excise operates a seizure policy against any vehicles detected with illicit alcohol or tobacco.

If you are carrying or transporting valuables (including works of art and antiques) or large amounts of cash, you should check Dutch customs regulations before you enter The Netherlands.

## Terms of Payment

The most common method of payment from The Netherlands is by open account, whereby the exporter sends the customer an invoice and trusts them to pay as instructed. The invoice should state how the value should be transferred to the UK (or the UK supplier's local Dutch bank account) giving the exporter's name and town, the sort code, and the exporter's bank account and number.

Companies should contact an international branch of their own bank to advise on the best route for their money to be transferred to the UK. Banks can also give advice on credit management, and short term credit insurance and factoring.

## Advertising and Marketing

If planning an advertising campaign in The Netherlands, it is advisable to consult an advertising agency. The Dutch Association of Recognised Advertising Consultants can advise on suitable agents and what sort of campaign will be appropriate. Their details are:

- **Vereniging van Onafhankelijke Erkende/Geregistreerde Reclame Adviesbureaus (PRAGMA)**  
Heidestein 7, 3971 ND Driebergen  
Tel: + 31 343 531921  
Fax: + 31 343 516776

Another association having recognised and non-recognised members is VEA:

- **Vereniging van Communicatie Adviesbureaus (VEA)**  
Ernststraat 169  
1083 GT Amsterdam  
Tel: + 31 20 642 5642  
Fax: + 31 20 646 4737

Advertising is accepted in all forms of media, although TV and radio advertising is restricted to 30 and 40 minutes per day respectively for each station or channel. Advertisements for TV and radio are accepted by Stichting Ether Reclame (STER).

- **Stichting Ether Reclame**  
Lapersveld 70  
1213 VB Hilversum  
Tel: + 31 35 672 5500  
Fax: + 31 35 621 8940

UK Trade & Investment offers British companies a range of subsidised commercial publicity services designed to assist and enhance their export strategies. Advice on agents can be obtained from the Dutch advertising association, Nederlandse Vereniging van Erkende Reclame Adviesbureaus (VEA).

Most advertising is direct, in newspapers and magazines. There are a wide variety of trade and professional magazines covering many different subjects and areas of activity. The UK Trade and Investment team at the British Embassy in The Hague is happy to assist with enquires as to suitable trade press for exporters. The Dutch Publishers Association (Netherlands Uitgeversbond) can also advise on publications available in The Netherlands.

- **Netherlands Uitgeversbond**  
P.O Box 12040  
1100 AA Amsterdam  
Tel: + 31 20 430 9150  
Fax: + 31 20 430 9179

## Sales Promotion

Even though most Dutch business people speak several foreign languages it is essential to publish trade literature in the Dutch language. Should you not be able to provide sales literature or operating instructions in Dutch, a version in English would be preferred to any other language.

Prices should be in quoted in euros as large importers are likely to use the euro, given the advantages of lower transaction and transparent pricing between euro-zone countries.

The two largest main exhibition centres in The Netherlands are the RAI in Amsterdam and the Jaarbeurs in Utrecht. In addition trade fairs are also held in other major Dutch cities like Rotterdam, The Hague and Maastricht. Details about forthcoming trade fairs organised by the RAI and the Jaarbeurs can be found on their websites:

[www.rai.nl/en/Pages/default.aspx](http://www.rai.nl/en/Pages/default.aspx)  
[www.jaarbeursutrecht.nl](http://www.jaarbeursutrecht.nl)

## Local representation

In most cases it is necessary to have local representation in the market. This should be an agent or distributor. Agents work on commission, they are often sole traders and do not hold stock, merely samples. The commission varies according to the price and volume of goods, but averages around 10 % of the order value. However it can be as high as 25%. Distributors normally hold stock

from the manufacturer, which they purchase at a discount typically 25-30%. They would then mark up the goods by 35-50 %.

## Business Hours

Offices are open from 08.30 to 17.00/17.30 Monday to Friday and factories are open from 07:30/08.30 to 16.30/17.00 Monday to Friday.

Most shops are open from 09.00 to 18.00 Monday to Friday and from 09.00 to 17.00 on Saturdays. Major supermarkets are open from 08.00 to 20.00 Monday to Friday and from 08.00 to 18.00 on Saturdays. Many shops and department stores in major cities are open on a Sunday.

Banks are open from 09.00/10.00 to 16.00/17.00 Monday to Friday.

## Business Etiquette

The Dutch share an affinity with British business. However, the work structure tends to be less hierarchical than in the UK. Appointments are always necessary. The Dutch appreciate punctuality, and generally tend to arrive early for appointments and will expect the same in return. Over the telephone, it is standard Dutch practice to announce your name and company. It is also customary to exchange business cards. When approaching a Dutch company, first contact by telephone. Then, if they are interested, follow up. Send a price list with a covering letter. People are normally on holiday in July and August, so avoid calls during this time. The most time for business visits seems to be March to May, and September to November. There is a high standard of dress for business occasions and social functions. Men are expected to wear business suits, and women suits or similar.

The majority of Dutch business people speak extremely good English. You should keep language straightforward and avoid ambiguity. Interpreters can be booked through a translation agency such as Kwintessential:  
[www.kwintessential.co.uk/contact.html](http://www.kwintessential.co.uk/contact.html)

The British Embassy in The Hague can also provide a list of interpreters and translators. For information on business etiquette, visit UK Trade and Investment at [www.uktradeinvest.gov.uk](http://www.uktradeinvest.gov.uk).



## Transport and Travel

Travelling to the Netherlands from the UK is extremely easy, whether it is by air, rail or sea. Once there, the Netherlands is compact and easy to get around. There is an extensive network of buses, trams and underground trains in the main cities which run from around 0600 until shortly after midnight.

Roads and express motorways are excellent, though subject to sometimes severe congestion at rush hour times. Cycling is part of Dutch life and all modern roads have a cycle path. There are many cheap bus services from London to Amsterdam, Rotterdam and The Hague.

### Air

There are 28 airports, 19 with paved runways, and regular flights from most local airports in the UK to the main destinations in The Netherlands. Royal Dutch Airlines or KLM (Koninklijke Luchtvaart Maatschappij) is the national airline – [www.klm.com](http://www.klm.com). The main international airport is Schiphol Amsterdam – [www.schiphol.nl](http://www.schiphol.nl). Flights from London take about 45 minutes. There are also flights operated to Rotterdam, Eindhoven, Groningen and Maastricht from the UK.

### Train

Trains from the UK run from London Liverpool Street to Harwich where you board the Stena HSS fast ferry to the Hook of Holland, then speed by rail to Amsterdam Central Station. Direct train services run between Hoek van Holland and all major cities in the Randstad. Alternative routes include London Victoria to Dover and Sheerness in Kent that tie in with ferry connections. You can also take the Eurostar from London and the South (trains regularly depart from London Waterloo station or Ashford, Kent) to Brussels, and then take a train from Brussels to Amsterdam. The Eurostar runs about 6 times daily through the Channel Tunnel, you can take your car on the Eurotunnel train between Dover and Calais.

The Netherlands has an extensive railway system which has connections all over the country and is considered to be one of the best in the world. Dutch trains run frequently and are reliable, clean and comfortable. A journey time from Amsterdam to The Hague is just 45 minutes and Amsterdam to

Utrecht around 50 minutes.

### Water

Ferries cover a number of routes between UK and Dutch ports. The main ferry services between the two countries are:

- Harwich-Hoek van Holland by Stena Line (Tel: 020 7834 2345) [www.stenaline.com](http://www.stenaline.com)
- Olau Line (Tel: +44 (0)795 666666) between Sheerness and Vissingen.
- North Sea Ferries (Tel: +44 (0)482 77177) operate crossings from Hull to Rotterdam.
- DFDS operate a daily service from Ijmuiden to Newcastle.

The frequent ferry services between the UK and France and the UK and Belgium can be used as a vehicular route to The Netherlands.

## Travel Advice

If you are planning to visit the country you are advised to consult the Foreign and Commonwealth Office who issue regularly updated travel advice. Tel: +44 (0)207 238 4503 / 4504. Their website is at: [www.fc.gov.uk](http://www.fc.gov.uk)

You should take with you a European Health Insurance Card (EHIC). This is available for a small charge from most United Kingdom post offices, or free online from [www.ehic-card.com](http://www.ehic-card.com). It will cover part of the cost of emergency health care at State hospitals in Spain during your stay.

However, an EHIC does not cover all medical fees, or medical repatriation, or on-going medical treatment of a non-urgent nature. The Foreign and Commonwealth Office therefore recommends that you obtain comprehensive travel and medical insurance. For further information on health, check the Department of Health's website.

The Netherlands is generally a safe and peaceful country to visit. However, as in any country, travellers should avoid carrying valuables and large sums of money on their person, but it is important to carry copies of identification details. Amsterdam is a busy city and you should exercise caution particularly in central Amsterdam (especially Central Station). As in many large cities, pick pocketing is commonplace. Pickpockets often operate in gangs (usually on the trams, especially numbers 2 and 5) while one distracts you, another picks your pocket.



There have been several incidents of bag snatching on the trains that operate through Schiphol Airport. Be alert at all times; do not lose sight of your baggage or your belongings.

In the event of theft, contact the nearest police station and obtain a police report. If your passport is stolen a police report is accepted by some carriers in lieu of a passport. A police report is required as part of the application for a replacement passport.

## Passports/Visas

UK/EU nationals entering The Netherlands should have a full passport. Visas are not required. UK/EU nationals are free to enter The Netherlands for up to 3 months to look for work or set up a business. If planning to look for work EU nationals must register with their local Foreign Police registration office within 8 days of arrival. They will also need to obtain a Social Welfare/Taxation form from the local tax office and obtain a residence permit.

The Netherlands is a signatory of the Schengen Accords and passports are not required by the holders of national identity cards issued in Andorra, Austria, Belgium, France, Germany, Greece, Italy, Liechtenstein, Luxembourg, Malta, Monaco, San Marino and Switzerland, although passports may be useful for identification in banking and other business transactions.

Passports are required by all other nationals, and all visitors should note that operation of the Schengen Accords has been occasionally suspended as a precaution against illegal immigration.

## Useful Contacts

### British Embassy

Lange Voorhout 10  
2514 ED The Hague, The Netherlands  
Tel: + 31 70 427 0427  
E-mail: [library@britain.nl](mailto:library@britain.nl)  
[www.britain.nl](http://www.britain.nl)

### CIA World Factbook

[www.cia.gov/cia/publications/factbook](http://www.cia.gov/cia/publications/factbook)

### De Nederlandsche Bank

Westeinde 1 1017 ZN Amsterdam  
P.O. Box 98 1000 AB Amsterdam  
Tel: (0031) 20-5249111

### Dutch EU Presidency

Official website of the Dutch EU presidency  
[www.eu2004.nl](http://www.eu2004.nl)

### Euronext

Euronext N.V. claims to be the first multinational exchange organisation in Europe. It provides services for cash markets in Belgium, France, The Netherlands and Portugal, and for derivatives in the UK.  
[www.euronext.com](http://www.euronext.com)

### The official Holland website

Information on trade and tourism including leisure and business travel.

Netherlands Board of Tourism & Conventions  
PO Box 30783  
London WC2B 6DH,  
Tel: +44 (0)906 871 7777  
(premium rate number, 60p/min)  
[www.holland.com](http://www.holland.com)  
[info@nbt.org.uk](mailto:info@nbt.org.uk)

### Ministry of Economic Affairs

The Ministry of Economic Affairs is responsible for promoting sustainable economic growth in the Netherlands  
[http://english.minInv.nl/portal/page?\\_pageid=116,1640354&\\_dad=portal&\\_schema=PORTAL](http://english.minInv.nl/portal/page?_pageid=116,1640354&_dad=portal&_schema=PORTAL)

The Agency for International Business and Cooperation (EVD) is a branch of the Ministry of Economic Affairs and can assist in finding Dutch trading partners:  
Agency for International Business and Cooperation (EVD)  
Juliana van Stolberglaan 148  
2595 CL Den Haag  
P.O.Box 20105  
2500 EC Den Haag  
The Netherlands  
E-mail: [madeinholland@info.evd.nl](mailto:madeinholland@info.evd.nl)  
[www.hollandtrade.com](http://www.hollandtrade.com)

### Netherlands British Chamber of Commerce

Imperial House  
15-19 Kingsway  
London WC2B 6UN  
Tel: +44 (0)20 7539 7960  
E-mail: [info@nbcc.co.uk](mailto:info@nbcc.co.uk)  
Website: [www.nbcc.co.uk](http://www.nbcc.co.uk)

### Netherlands Bureau for Economic Data & Statistics

[www.cbs.nl/en-GB/menu/home/default.htm](http://www.cbs.nl/en-GB/menu/home/default.htm)

### Netherlands Bureau for Economic Policy Analysis

[www.centraalplanbureau.nl](http://www.centraalplanbureau.nl)

### Netherlands Chamber of Commerce

The Netherlands Chamber of Commerce manages the trade register. The Chamber's other tasks are to provide Dutch entrepreneurs with information, stimulate regional trade & industry and advise local and regional government. For information on regional offices go to:  
[www.kvk.nl/english-kvk-sites/](http://www.kvk.nl/english-kvk-sites/)

## Netherlands Foreign Investment Agency

The NFIA has been set up for the specific purpose of helping and advising those businesses who wish to take advantage of the Dutch business environment as a base for operations.

Netherlands Foreign Investment Agency  
38 Hyde Park Gate, London SW7 5DP  
Tel: +44 (0)20 7225 1074  
E-mail: [info@nfia.co.uk](mailto:info@nfia.co.uk)  
[www.nfia.com](http://www.nfia.com)  
[www.nfia.co.uk](http://www.nfia.co.uk)

## The Royal Netherlands Embassy

38 Hyde Park Gate,  
London SW7 5DP  
Tel: +44 (0)20 7590 3200  
E-mail: [london@netherlands-embassy.org.uk](mailto:london@netherlands-embassy.org.uk)  
[www.netherlands-embassy.org.uk](http://www.netherlands-embassy.org.uk)

## UK Trade and Investment

Tel: +44 (0)207 215 8000  
[www.uktradeinvest.gov.uk](http://www.uktradeinvest.gov.uk)

## Country Data

Feature	Country Data
Local time	The Netherlands is one hour ahead from GMT.
Population	16,612,213 (2010: Source: World Bank). The population density is 493/km <sup>2</sup> (March 2011).
Capital City	Amsterdam. The Hague is the seat of government. There are 12 provinces (provincien, singular - provincie): Drenthe, Flevoland, Friesland, Gelderland, Groningen, Limburg, Noord-Brabant, Noord-Holland, Overijssel, Utrecht, Zeeland, Zuid-Holland.
Language /Religion	Dutch and Frisian. English is spoken by over 85% of the population and widely used in international trade and correspondence. Roman Catholic 34%, Protestant 25%, Muslim 3%, other 2%, unaffiliated 36%.
Area	The land area is 33,889 sq km.
Public and Statutory holidays	For details of holiday dates, go to: <a href="http://en.wikipedia.org/wiki/Public_holidays_in_the_Netherlands">http://en.wikipedia.org/wiki/Public_holidays_in_the_Netherlands</a>
International dialling code from UK	00 31 Amsterdam - (0)20 Rotterdam - (0)10 Utrecht - (0)30 Maastricht - (0)43 The Hague - (0)70
Local currency	Euro (100 euro cents = 1 €)
Weights and measures	The metric system is used in the Netherlands
Electricity supply	220 volts AC, 50hz. Plug fittings used are two-pin round.

## Further Information

This guide is for general interest - it is always essential to take advice on specific issues. We believe that the facts are correct as at the date of publication, but there may be certain errors and omissions for which we cannot be responsible.

If you would like to receive further information about this subject or other publications, please call us – see our contact details on the next page.

### Acknowledgement/References:

<sup>1</sup> See: <https://www.cia.gov/library/publications/the-world-factbook/geos/nl.html>

<sup>2</sup> Source: [www.nfia.co.uk/General\\_statistics.html](http://www.nfia.co.uk/General_statistics.html)

<sup>3</sup> Source: [www.finsens.nl/expat-tax-advice/tax-rates/2/20](http://www.finsens.nl/expat-tax-advice/tax-rates/2/20)

<sup>4</sup> The Department for Business, Innovation & Skills (BIS) was formerly known as the Department for Business, Enterprise and Regulatory Reform (BERR) and before that was called the Department for Trade & Industry (DTI).

<sup>5</sup> Some of the information in this publication has been derived from UK Trade and Investment sources and Crown Copyright © therein is duly acknowledged.

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Publication issued or updated on:  
25 January 2012

Ref: 623