

This Pocket Summary on *Starting Up In Belgium* is the result of the joint efforts of the following people:

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8th Edition 2009-2010

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WHY CHOOSE BELGIUM?

Belgium continues to be a magnet for many North American companies desiring to establish a presence in Europe. Belgium has a long tradition of attracting foreign investment. Currently, more than 1500 US companies are located in Belgium, representing more than US \$54 billion in investment.

The reasons to start up and invest in Belgium are diverse. One of the main factors is Belgium's unique location: Belgium is located at the heart of the European market and offers direct access to a large and prosperous EU customer base (more than 140 million consumers within a 300 miles radius). Furthermore, Belgium provides direct access to decision makers by hosting the European Union (EU), the North Atlantic Treaty Organization (NATO) and more than 1400 governmental and non-governmental international organizations. As a result, Belgium is often seen as "Europe's Gateway".

Another important fact is Belgium's tradition of foreign trade and foreign investment and its international business culture. Belgium has a high quality, highly productive, highly educated and multilingual work force, offers state of the art infrastructure (network of rail, water, air and road transportation) and provides for an attractive tax regime for foreign investment (notional interest deduction, patent income deduction, etc.). Last but not least, Belgium offers a high quality of life to expatriates.

The purpose of this booklet is to provide some initial answers to questions most frequently asked by North American companies about establishing a business in Belgium, such as: choice of business entities, how to start up a business, taxes and tax incentives, travel, work and residence permits, labor, employment and real estate issues. Due to space considerations, relevant information is passed on in summary form. More comprehensive guides to investing in Belgium and its Regions can be obtained from representatives listed in this booklet.

Finally, it should be emphasized that companies about to establish a presence in Belgium should not go at it alone. The various federal and regional authorities to Belgium are there to assist such companies. For this reason, ultimately the most important part of this booklet is perhaps the listing of the network of representatives in the US and Canada who will gladly help a North American company with an interest in Belgium.

This booklet is a general summary for informational purposes only and should not be considered as legal advice.

A. Steps to Start Up a Business in Belgium

Choice of Business Entities

- ***What types of entities can I consider?***

Foreign companies (or individuals) establishing a presence in Belgium have the same choices as would a Belgian entity (or individual); Belgian law makes no distinction whatsoever. There are four basic choices: branch; subsidiary; partnership; sole proprietorship. In practice, **most foreign companies investing in Belgium either open a branch office or establish a subsidiary.** Some individuals operate as an unincorporated sole proprietorship. Partnerships, both general and limited, are a far less common form of doing business than in the US or Canada.

Various groups, in particular trade and other associations, can opt to establish alternative entities, such as non-profit associations, economic interest groupings, and related entities.

- ***How to choose between branch and subsidiary?***

The choice for North American companies between operating as a branch or a subsidiary of the parent entity is a multi-faceted decision, although primarily a tax-based and marketing-based decision.

A branch does not have a separate legal corporate entity from the North American entity. The main advantage is that start-up losses will be consolidated with (i.e. off-set against) profits in the US or Canada, resulting in overall lower taxes. Hence, its establishment generally involves fewer corporate formalities. As possible downsides, the assets of the North American company will be exposed entirely in the event the branch office is held liable for anything, and the annual filing requirements will reveal certain financial information of the North American entity, an issue in particular for privately-held US companies (see further below). Finally, from a marketing viewpoint, a branch

office will not be seen as a Belgian or European company, but as a US or Canadian company.

Ultimately, most foreign companies operating in Belgium do so as a **subsidiary** of the foreign entity, i.e. a company which has a separate (legal) identity from the parent company. Such subsidiaries can be set up as a **stock corporation** (*naamloze vennootschap/société anonyme*), or as a **limited liability company** (*besloten vennootschap met beperkte aansprakelijkheid/société privée à responsabilité limitée*). Recently Belgium adopted legislation to allow for the incorporation of a **European Company** (“S.E.”), offering new options to a global corporation.

- **What about alternative entities?**

Depending on the needs of a particular business entity or group, it may even be more advantageous to set up as a non-profit association (*association sans but lucratif/vereniging zonder winstoogmerk*), a Belgian or European economic interest grouping, or a philanthropic association. All have separate establishment procedures and are subject to specific legislation.

Formalities of Establishing Business Entities

- ***Are there any government controls?***

In Belgium, there is **no requirement to obtain any government authorization** or business permit in order to establish a business, with the exception of a very few specific industries, such as the banking and broadcasting industries. In certain circumstances qualifications for managerial positions will need to be evidenced, in particular in retail business and other cases where there is a direct contact with the end-customer.

- ***How do I establish a branch?***

To form a branch office in Belgium, the foreign corporation's Board of Directors formally must adopt resolutions opening the branch office and appointing management personnel. These resolutions, together with the foreign company's articles of incorporation and by-laws, must be translated (by a certified translator) and filed with the clerk's office of the court of commerce where the branch will operate. Some documents will be published in Belgium's Official Gazette (*Het Belgisch Staatsblad/Le Moniteur Belge*). **Registering a branch does not require a notary deed.** The foreign corporation's translated most recent financial statements (even if the company is a privately-held entity) must be filed with the National Bank of Belgium, the country's central reserve bank. The branch office will obtain a company registration number and should be registered with the local VAT controller (see further below).

- ***How do I establish an NV/SA?***

To set up a *naamloze vennootschap (NV)/société anonyme (SA)*, at least two shareholders are needed. Frequently the foreign parent company will hold all but one of the shares, and one of the company's top executives will hold the only remaining share. A paid-in capital of at least € 61,500 is required. The incorporation is done by notary deed and the incorporators must present a three-year financial plan. There must be at

least three directors (which can be individuals and/or corporate entities), or two directors if the company has no more than two shareholders. A managing director, who runs the day-to-day operations of the company, also must be appointed. The company's articles of incorporation must be filed for publication in Belgium's Official Gazette (*Het Belgisch Staatsblad/Le Moniteur Belge*), after which the company registration and VAT number can be obtained (see further below).

- **How do I establish a BVBA/SPRL?**

To establish a *besloten vennootschap met beperkte aansprakelijkheid (BVBA)/société privée à responsabilité limitée (SPRL)*, in essence the same procedure is followed as for an NV/SA. The minimum capital requirement is €18,550, of which at least €6,200 must be paid-in at the time of incorporation. The entity can be established with only one shareholder and only one director, but in that case at least €12,400 must be paid-in upon incorporation.

The primary difference between operating as an NV/SA versus a BVBA/SPRL lies in the easier transferability of shares of an NV/SA and the management of the company.

- **When do I need to open a bank account?**

Prior to the incorporation of the SV/NA or the SPRL/BVBA or prior to the registration of the branch office, it is **necessary to open a bank account in Belgium**. The account will be under the name of "the company-information" or "the branch-in-registration".

There are no restrictions in Belgium on non-Belgian business entities or individuals regarding the opening of bank accounts. There are no exchange controls whatsoever on the capital or currency movements going either into or out of Belgium.

- **Can I check the availability of a corporate name?**

It is legally not required but **it is recommended to check the availability of a corporate name**, prior to the filing of incorporation or branch registration documents, through various on-line computer services. In the event one uses a corporate name which is identical or confusingly similar to another entity's name, that entity can obtain a court order prohibiting the further use of the identical or confusingly similar name, and furthermore may request compensation for certain damages.

- ***Which language will the incorporation documents be in?***

The language of the incorporation documents will be as follows: Dutch if the registered address is in Flanders, the northern part of the country; French if the registered address is in Wallonia, the southern part of the country; the company's choice of Dutch or French in Brussels; or German in the German-speaking, southeastern part of Belgium.

- ***How does a company register?***

Any company doing business in Belgium, regardless whether as a branch, an NV/SA or a BVBA/SPRL, will obtain a company registration number. It is the company's main identification number for third parties and must appear on the company's letterhead. This number will be generated at filing with the Central Company Dockets (*Ondernemingsloketten/Guichets d'Entreprises*) after incorporation. All registration formalities after incorporation can be done through the Central Company Dockets acting as a one-stop-shop for business entities and minimizes the administrative burden for start-ups.

- ***What is Value Added Tax?***

The value added tax (VAT in short) is best described as a general sales-like tax; it is not an import duty or other levy. Generally speaking, almost any business operating in Belgium is required to charge VAT to its customers and therefore to obtain its own VAT

number. In most cases, the company's registration number will serve as VAT number and can be activated by the Central Company Docket (*Ondernemingsloket/Guichet d'Entreprises*), also for VAT purposes. Companies need to register with the VAT Controller in the districts where it will be operating.

- ***Do I need to publish corporate annual reports?***

Every business operating in Belgium must file, on a yearly basis, a summary of its financial accounts. The financial accounts must be filed within 6 months of the end of a company's fiscal year.

There are very detailed and specific rules and regulations as to what must appear in -and what can be left out of- those filings of financial accounts (depending on the size of the business entity). In addition, companies must add to their annual report various specific employment data (the "social balance sheet"). Some statistical reporting should be filed with the National Institute for Statistics.

B. Business-Related Issues

Tax Questions

- **Levels of corporate taxation**

The corporate tax rates in Belgium are as follows:

Common rate:

Corporate Income Tax (CIT) is payable at a rate of 33%.

Reduced rates:

Interesting for start-ups is that reduced rates can be applied when the taxable profit does not exceed €322,500.

Taxable net profit in €	Applicable rate
0 – 25,000 €	24,25%
25,000 € - 90,000 €	31,00%
90,000 € - 322,500 €	34,50%

Surtax

In addition to the above rates, a 3% surtax is imposed on the corporate income tax. The surtax is a temporary measure. Thus, the corporate rate for taxable income from €322,500 and up is 33.99% (33 + 3% of 33).

- **Are corporate tax rulings available?**

Companies interested in establishing or expanding operations in Belgium can approach the Belgian tax authorities and request an advanced tax ruling prior to establishing or expanding their operations. **The tax ruling will provide legal certainty to the company for a period of 5 years as to the scope of its federal tax liability.** By making use of this system of tax rulings, it is possible to make the taxable basis

comply with the “arm’s length principle”, and adjust the taxable basis upwards or downwards as necessary.

- ***How are corporate taxes usually paid?***

Corporate taxes are to be pre-paid, on a quarterly basis. However, for start-ups, there are no penalties during the first three years after incorporation and when applying the reduced rates, in the event the taxes have not been pre-paid.

- ***Are there any tax incentives for corporations?***

Various tax incentives are available to companies investing in Belgium, including among others: **exemptions from withholding taxes, investment deductions, accelerated depreciation, etc.** The most important tax incentives for foreign companies are described below.

The general Belgian corporate tax system offers great opportunities for multinational companies to locate their holding company in Belgium. **As a rule, Belgium totally exempts capital gains on shares from any taxes.** Moreover, as a rule the possibility of deducting interest and management expenses is combined with a 95% deduction for dividends received.

Additionally, exemption from real estate taxes and capital duties, and double depreciation can be available in conjunction with the qualification for capital grants and interest subsidies.

Furthermore, there are various employment-related programs, granting, among others, substantial exemptions from social security contributions when hiring certain categories of job seekers.

Also, a tax-friendly regime was put in place for employee participation in a company’s capital and profit.

- **Notional interest deduction (NID)**

A new rule to attract foreign investors, the so-called “Notional Interest Deduction” (NID), has been introduced to ensure equal treatment of loan and equity. Belgian and foreign companies with a Belgian taxable branch will be allowed to deduct from their taxable base a “deemed” interest on the equity shown in the company’s individual Belgian financial statement, at a rate which should follow the average annual 10-year government bond rate (currently 4.473%). Small and medium-sized enterprises will be allowed in some cases to apply a 0,5%-higher interest rate.

The NID brings the effective corporate income tax rate much lower than the standard 33% rate (estimated around 25%, to 12% for highly capitalized corporations). To the extent that the interest deduction has no direct tax effect (e.g. in loss situations), it will be possible to carry it forward for the next seven years.

Combined with the recent abolition of registration duty on capital contributions, the NID is a unique tax feature for equity funded entities (e.g. coordination centers of multinationals).

- **Patent income deduction and other R&D related tax incentives**

Recently, a new incentive has been introduced to create a favorable regime for R&D activities. The newly adopted tax incentive allows companies to deduct 80% of royalties received under patents, resulting from R&D activities, from their taxable basis. The **Patent Income Deduction (PID)** leads to a maximum effective tax rate of 6.8% on patent income and results in the lowest effective European tax rate on income derived from the licensing of patents or the commercialization of patented products or services.

Investments in patents or fixed assets used in Belgium in R&D-related activities are eligible for an increased investment deduction of either 15,5% on the acquisition value or 22,5% of annual depreciations permitted for tax

purposes. As an alternative to the investment deduction, a reimbursable R&D tax credit is granted on qualifying R&D-related investments or investments in patents. The taxpayer has to opt for one of the two methods (investment deduction or R&D tax credit).

Companies active in R&D can benefit an exemption from payroll withholding tax for researchers (PhD, engineers and master degrees). Recently, the maximum exemption has been increased from 65% to 75%.

- **VAT incentives**

Interesting regimes for customs (customs transit regime, temporary import regime, customs warehouses, etc.) or VAT warehouses are available for companies importing or exporting considerable amounts of goods for distribution within the European market. A special regime for avoiding the pre-financing of VAT on import of goods is another possibility to avoid pre-financing VAT and there is the possibility to register for VAT purposes using a fiscal representative.

Also, legal separate tax paying entities of the same group can choose to be regarded as a single fiscal entity for VAT purposes (so-called "VAT-grouping"). When applying the VAT-group scheme, there will be one VAT return for the entire group and allows companies of the same group to save the VAT on intra-group transactions.

- **Double taxation treaties**

Belgium has developed a very extensive network of double taxation treaties. Currently, more than 80 double taxation treaties are in place with the most important jurisdictions.

The new **US-Belgium tax treaty**, in effect from 2008, is one of the most advantageous double taxation treaties in place and contains a variety of interesting features for US companies.

The treaty provides for reduced tax rates with dividends taxed at 0% if the recipient holds a 10% participation (so-

called intercompany dividends) or is a pension fund. The 10% participation threshold is significantly lower than in other double taxation treaties. In other cases, the maximum tax rate on dividends under the treaty is maximum 15%.

Interest and royalties are also taxed at 0% under the treaty. Together with the Notional Interest Deduction and the Patent Income Deduction (see above) the new treaty makes direct loans and direct investments between the U.S. and Belgium very attractive.

However, the advantage tax rates are subject to a limitation of benefits provision, in order to avoid abuse and to confirm with the current US treaty policy.

The **Canada-Belgium tax treaty** provides for withholdings of 5% for dividends if the recipient holds a 10% participation (a 15% tax rate applies in other cases), and 10% for interest and royalties.

- **Organization for Financing Pensions**

A flexible legal and fiscal context was created for pension funds established in Belgium. An *Organization for Financing Pensions (OFP)* is a special purpose vehicle designed for pension institutions and benefits several fiscal advantages.

- **Levels of personal taxation**

The rates applicable to 2009 income are:

Taxable income in €	Marginal rate
0 – 6,430 € (for each individual or spouse)	0 %
6,430 – 7,900 €:	25 %
7,900 – 11,240 €:	30 %
11,240 – 18,730 €:	40 %
18,730 – 34,330 €:	45 %
More than 34,330 €	50 %

Tax exemptions are granted for dependent children, ranging from € 1,370 for the first dependent child, up to € 4,870 for any child after the fourth.

A number of cities may levy city taxes. These vary from city to city.

- ***Are there any special rules for non-Belgian tax payers?***

A special tax regime was established in 1983 for non-Belgian tax payers locating to Belgium for business reasons on a temporary basis. Among other things, expatriates are not taxed on reimbursements of expenses incurred as a result of their temporary stay in Belgium. Furthermore, the law recognizes a number of non-taxable allowances such as cost of living subsidies, allowances for housing, school fees, etc. The concept behind the law is to encourage foreign companies to invest in Belgium by minimizing their salary costs for foreign executives.

- ***How do I obtain status as foreign expatriate?***

The employer of the expatriate, or the self-employed person, must file the application for expatriate status with the Belgian authorities before arrival in Belgium, the so-called "**Limosa**" declaration. The registration can easily be done online via www.socialsecurity.be. This one-stop-shop declaration considerably reduces the administrative burden for expatriates.

- ***Do I qualify for any other investment incentives?***

Belgium offers a multitude of investment and employment-creating incentives, at a federal, regional and local level. However, as a general rule, a "critical mass" of investment and/or creation of new jobs must be reached before incentives can be granted.

Applicable regulations about the required "critical mass" vary. The various economic development

authorities referred to in this booklet can provide further information and assistance.

Travel, Work and Residency Permits

- ***Do I need a visa to enter Belgium?***

A US or Canadian citizen does not need a visa to visit Belgium for business or for pleasure. A valid passport is sufficient to enter the country for a period no longer than 90 days in a 6 month period.

- ***From what point on do I need a residence permit?***

A residence permit is required for all stays exceeding 90 days in a 6 month period. An application must be filed with the Embassy of Belgium (in Washington DC for the US, or in Ottawa for Canada) or Consulate General (in New York, Atlanta or Los Angeles for the US, or in Toronto or Montreal for Canada), as appropriate, depending on the applicant's location in the US or Canada (see network listing of representatives in the US or Canada). Within eight days of arrival in Belgium, the visa holder and the accompanying family members must register at the local town hall. The first employee of a North American company expanding into Belgium to set up local operations can benefit from an accelerated procedure to obtain a temporary residence permit.

- ***Who needs a work permit and how do I obtain it?***

Every non-EU citizen to be employed in Belgium needs a work permit, which must be applied for and obtained by the employer at the Belgian Regional Employment Departments in Flanders, Brussels or Wallonia, depending on the location of the employer.

- ***Who needs a professional card and how to obtain it?***

In principle, every non-EU citizen who wants to establish himself or herself as an independent or who will be a manager or director of a business operation in Belgium, for a period longer than 3 months, needs a

professional card. However, if the manager or director is not resident in Belgium (not staying for periods longer than 3 months) and his presence in Belgium is only for business purposes, there is no need for a professional card.

If the Managing Director has an employee status (i.e. receives a fixed salary from the foreign parent company), he/she should apply for the work permit (see above) instead of a professional card. Professionals, such as lawyers, consultants and self-employed managers or directors should apply for the professional card. The application must be filed at the same time as the application for a residence permit through the Belgian Embassy or Consulate General, as appropriate, depending on the applicant's place of residence in the US or Canada.

- ***Driver's License***

Foreign driving licenses together with an international permit remain valid until people from overseas become resident in Belgium (see above). At that stage, a current Belgian driving license is required. However, between Belgium and the U.S. an acceptance convention is in place. This means that a national license can be exchanged automatically for a Belgian license when registering at the local town hall (see above).

Labor and Employment

- ***Where can I find potential employees for my business?***

One inexpensive way to locate potential employees is to contact the local Employment Agency about your needs. This state agency will then inform the unemployed of the vacancies. There is no charge for these services. For mid-level and higher positions, the company can place ads in the local newspapers, contact a local headhunter, or use the services of a private company to assist with recruiting for specific assignments, such as information technology recruitment.

- ***How much do I need to pay employees?***

In Belgium, wages generally are set by collective bargaining agreements negotiated between representatives of employers and employees. Each industry has its own joint industrial committee which in turn will decide on any specific regulations, if any, regarding salary and work conditions above and beyond those specified in the collective bargaining agreements.

- ***Must US or Canadian citizens pay social security in Belgium?***

Belgium has entered into a social security treaty with both the US and Canada, allowing US and Canadian citizens who move to Belgium on a temporary basis (i.e. for not more than five years), to elect to stay within the US or Canadian social security system, in which case no social security must be paid in Belgium. They also can choose to join the Belgian social security system for the period covering their stay in Belgium, in which case they will obtain all benefits of the Belgian social security system, including, without limitation, general health care coverage.

- ***How do I pay the employer's social security contributions?***

In Belgium the employer must deduct the employee's social security contributions and withhold applicable personal income tax from the wages. In addition, the employer will have to pay the employer's social security contributions and premiums for the insurance against accidents in the work place.

Many employers use a private or semi-private agency to handle payroll services.

- ***How much are the social security contributions?***

Currently, employee's contributions to social security amount to 13.07% of gross wages. The employer's contributions are determined as follows, depending on the size of the company and the type of employee:

Size of Company	Blue-Collar	White-Collar
1-9 employee(s)	38.80%	32.80%
10-19 employees	40.49%	34.49%
20 or more	40.49%	34.49%

There are several employment programs reducing overall social security costs. The rates also can vary slightly each quarter and are depending on the industry sector.

- ***What is included in "social security" contributions?***

Social security contributions cover a complete health care program for all the persons at charge (including sickness, disability, treatment in hospitals, dentistry and general and specialized health care), a pension fund and unemployment allowance.

Social security contributions must be paid to the national departments of Pension, Unemployment, Health Care, through a social security or payroll agency with which the employer is affiliated.

- ***Should I require written employment agreements?***

In Belgium a written employment agreement is not legally required or mandatory as many employment aspects are regulated through various statutes which apply automatically (e.g., Law on the Employment Contract; Law on the Protection of the Salary; Law on the Protection of Women and Children; etc.).

However, it is recommended to have a written agreement which will include specific items such as the working hours, salary, non-disclosure, etc. Additionally, certain provisions will not be enforceable unless they are in writing. Thus, a trial period is not valid, unless specified in writing prior to the start of the employment (see further below). Post-employment non-compete restrictions also must be in writing (see further below).

- ***Can I hire employees on a trial basis?***

If in writing, an employment relationship can commence with a certain trial period during which the employee can be terminated on very short notice and without any further indemnification liability for the employer.

For white-collar employees, the trial period is at least one month and, if the salary does not exceed €35,638 per year, can be up to six months. If earning more than €35,638 per year, the trial period can be up to one full year. For blue-collar employees, the trial period is at least seven days, but can not exceed 14 days.

- ***How can I terminate an employee?***

An employee can always be terminated either for urgent cause (breach of contract, serious fault) or without cause. In the first case, it can be done without a notice period or a severance. In the second case, certain mandatory rules regarding notice and/or severance shall be observed.

- ***What are my liabilities for terminating an employee?***

Except for a termination for urgent cause, a notice period should be observed during which the employee continues to work for the employer. No additional severance must be paid, except for the payment of the vacation pay still due at that moment.

If for one reason or another continuation of work is not possible or desirable, a severance sum will have to be paid equal to the salary the employee would have received if he continued to work for the employer.

Employees earning €59,460 per year or more now may agree at the commencement of the employment on the extent of the termination notice or severance payment, provided it is not less than the statutory minimum requirement of three months' notice or severance pay for every five years of commenced employment.

- ***How can I impose non-compete restrictions?***

Non-compete clauses are valid only if (i) entered into in writing, (ii) prior to the commencement of the employment, (iii) the employee earns at least €29,729 per year and (iv) the non-compete is limited in geographical scope (i.e. not for a territory larger than Belgium, except in very specific situations) and in time (i.e. in any event not longer than one year).

Real Estate

- ***Should I rent, buy or build a building?***

As a practical matter, most start-up businesses commence with renting a building or a part of a building that suits their particular needs (i.e. office space, warehouse space, manufacturing space, a combination thereof, etc.). One of the advantages of buying a building is that the purchase price will be included in the amount which will be considered the "total investment" for purposes of obtaining investment incentives.

- ***Who can assist in finding proper office and warehouse space?***

The Regional Economic Development Authorities keep an inventory of all available office and warehouse space in their area (see network listing of representatives in the US or Canada). Real estate brokers can also be consulted.

Additionally, the Regional Development Authorities provide the possibility for start-up businesses to participate in so-called "business centers". Business centers rent offices and/or work space and provide secretarial and communication services. They are actively promoted and encouraged by the regional development authorities as a tool to reduce the cost threshold for start-up companies.

- ***What is a "commercial" lease?***

The Law of April 30, 1951, as amended, specifies a number of requirements, protecting tenants of premises which are directly accessible to the tenant's customers. Most importantly, the statute provides for quasi-automatic renewal of the lease, and this up to three renewals for a term of 9 years. Further, the statute allows the tenant to sell its business, which is considered to include the lease. While the statute is meant to protect retail commerce, it also can be made applicable by agreement of the parties to other types of leases.

- ***What is a "3-6-9" lease?***

Even for premises which are not used for or intended for direct contact with customers, many leases covering such "non-commercial" premises follow the pattern suggested by the Law of April 30, 1951, as amended, or the law on leases for residential housing. One of the typical features of such leases is that leases which are for a nine-year period generally are terminable by either party under certain conditions after any three-year period.

- ***What is a lease with option to buy?***

It is possible to negotiate with the landlord that the company will have, at some point during the lease, an option to purchase the building. Belgium has no restrictions whatsoever against non-Belgian businesses or persons on the purchase of buildings or land.

- ***Should I request a written lease?***

Leases must be registered (for tax purposes) and therefore must be in writing. The lease will be in French, Dutch or German depending on the location of the premises, and will stipulate the duties and obligations of the respective parties.

- ***Must tenants provide guarantees?***

Customarily, the landlord will require a guarantee, usually equal to three to six month's worth of rent. Guarantees are provided by way of deposit with a bank or by way of bank guarantee. In the case of a bank guarantee, the tenant will be charged a (small) fee by the bank in return for which the bank will furnish such a guarantee.