



OPENING UP SHOP IN THE NETHERLANDS

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The Netherlands is generally considered a perfect springboard into the European market. Many companies have already chosen the Netherlands as their gateway to Europe for, amongst other things, the country's strategic location, international business climate, first class infrastructure, competitive fiscal climate, highly educated and multilingual workforce and the exceptional quality of life. When establishing your business in the Netherlands,

you will have to make sure your company makes the right choices and is compliant with all local requirements when taking on staff, while local practices and local legislation vary from place to place.

Palthe Oberman is a dedicated labour and employment law firm operating in Amsterdam, the Netherlands. We provide legal assistance to national and international organizations for all

their employment related matters. We have many years of experience in guiding companies from all over the world through the process of taking on staff in the Netherlands. We also have a broad network of specialists to share with you, such as tax advisors, payroll companies, pension advisors, working conditions services, company doctor services and insurance companies.

I. LABOUR AND EMPLOYMENT LAW REQUIREMENTS

A) GENERAL EMPLOYER'S REQUIREMENTS

In order to be legally compliant, employers are required by legislation to create and implement a number of employment policies and practices. The following are statutory requirements for an organization that is commencing work in the Netherlands.

- Dutch working conditions legislation contains several statutory obligations for employers, such as having a Risk Inventory and Evaluation policy in place and entering into a contract with an occupational health and safety service provider ("company doctor").

- For many sectors, collective labour agreements have been agreed upon by the trade unions and employers' organizations, which may contain specific requirements for employers. Please note that collective labour agreements may apply by operation of law.
- Check whether a sectoral pension scheme may be applicable in your situation. Please note that a sectoral pension scheme may be mandatory.
- Make sure you keep personnel files for all employees in accordance with local laws and data protection legislation.
- Organise the salary administration of your company, including

the withholding of income taxes and national insurance contributions. Please note that foreign employees may be eligible for tax friendly measures.

- Will you hire any foreign nationals? Make sure you are compliant with local immigration laws.

B) EMPLOYEE TRAINING REQUIREMENTS

Firstly, an employer has an ongoing obligation to provide the necessary training for the employee to exercise the duties and responsibilities in his or her position.

This guide is intended as general information only. For legal advice and assistance with your business needs, please contact our Dutch firm, Palthe Oberman.



Secondly, an employer is liable for the well-being of his employees. In this context, an employer has certain responsibilities, for example:

- ensure that all employees are aware of possible safety and health policies or guidelines;
- if the workplace contains hazardous materials, employees must receive training on the handling of such materials;
- ensure that at least one employee has completed a company emergency response training;
- In some sectors collective labour agreements may provide for additional employee training requirements.

C) EMPLOYMENT CONTRACTS

The organization can choose from different types of employment contracts, such as permanent contracts, temporary contracts and contracts with a flexible number of work hours. In addition, the organization should consider which special clauses it wishes to include in the employment contract, such as a probationary period, non-competition clauses, confidentiality clauses etc. For each type of employment contract and for the special clauses, specific statutory rules apply. Depending the needs of your organization we are happy to advise on the most suitable employment contract and provide you with a template.

In the Netherlands, it is also common for companies to work with independent contractors on the basis of service agreements. Independent contractors generally charge an hourly fee and are not considered employees.

Palthe Oberman has extensive experience in drafting both employment agreements and service agreements to the specific needs of the company. We would be happy to assist you.



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II. CORPORATE LAW REQUIREMENTS

To incorporate a company in the Netherlands, there are a number of steps and requirements that are needed to ensure legal compliance, as listed below:

- decide whether to establish a subsidiary (legal entity) or a branch (no separate legal entity);
- in case of the establishment of a subsidiary: define the capital structure of the company and choose a legal form for your company. The most common forms are the private limited company (“besloten vennootschap”) and public limited company (“naamloze vennootschap”);
- prepare an incorporation deed (including the articles of association) with the public notary;
- establish the initial registered office address;
- decide who will be appointed as statutory director(s) of the company;
- register the company and the statutory directors with the Dutch Chamber of Commerce;
- register the company with the tax authorities and apply for the required tax numbers;
- register trademarks or other intellectual property protections, where applicable.



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III. PAYROLL AND BENEFITS PROVIDERS

Many companies in the Netherlands make use of the services of payroll companies to manage their payroll-related matters, including the withholding of the required wage taxes and national insurance premiums. We would be happy to put you in contact with a payroll company that fits your business requirements.

We are pleased to offer our services for all of the required work identified above and assist your organization to open in the Netherlands. Any portion of the work can be conducted on the basis of a blended rate of EUR

290 per hour in addition to any required disbursements and tax.

If you have any questions, please contact:

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We look forward to working with you.



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