



> COMPANY FORMS AND FORMATION

In the Wallonia Region, a commercial activity can be initiated and a company established – of whatever form – very quickly. In fact you could complete all the formalities, obtain a company registration number and commence activities within a mere three days or so.

Nowhere else in Europe completes administrative formalities that fast.

This is only made possible by a system that is both simply and extremely modern.

- **The Banque-Carrefour des Entreprises** – the register of companies, in effect –

is in sole charge of registering independent practitioners and companies: it constitutes a virtual crossroads where all corporate data converge. It has links to the financial authorities (particularly for VAT), social affairs (for social security) and justice. This centralized structure saves time and avoids duplication of data transmission.

- **The Guichets d'Entreprise**, which has offices all over the country, registers entrepreneurs and centralizes all formalities in one location. Data are transmitted only once, which represents a significant cost saving for companies.

Whether you are an individual or a company, starting a business is not fundamentally different in most European countries, though certain special features

have to be taken into account – and the various corporate forms have different implications. Don't hesitate to ask us for help and advice.

GOOD TO KNOW

For an initial approach to a foreign market it often makes sense to select a simple legal structure for its flexibility and administrative simplicity. Later, once your requirements and your

development prospects have become clearer, you can opt for a corporate form that's appropriate to them.

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Independent status

If you decide to pursue your activity independently, as a sole practitioner, you must appreciate that the activity is not legally regarded as an autonomous entity. In this event:

- the entrepreneur engages in the activity on his own behalf, directing and controlling it himself
- there is no question of any separate capital base: the assets associated with his activity are part of his own personal assets.

Representative office

A representative or liaison office is an auxiliary body of the foreign company that it represents. All documents are signed in the name of the parent company. It is merely an "observation post" facilitating local contact, taking care of publicity and supplying information about the market – which means that it is prohibited from engaging in any commercial activity. In order to open a branch office, the company's resolution to do so must first be lodged with the office of the commercial court – and this is followed by registration with the Banque-Carrefour des Entreprises.

Branch office

The branch office does not have a legal personality separate from that of its parent company. Unlike a representative office, it can engage in commercial activity. It is subject to Belgian laws and regulations with regard to its activities (signing a contract of employment, responsibility of directors, compliance with tax rules etc.). The establishment of a branch office has the advantage that it does not entail any capital-funding burden. Nonetheless, certain formalities are involved with its establishment (registration with the office of the commercial court and the BCE) and during its operations (bookkeeping, filing annual accounts etc.).

Other possible corporate forms

Other corporate forms exist, among them the SPRL, the SA and the Cooperative Society.

SPRL (private company with limited responsibility)

An SPRL is a private company with restricted share-transfer possibilities, so that associates always know who they are dealing with. The minimum issued share capital is €18,550. The law also permits you to opt for a "single-person company" with limited responsibility.

SA

The SA is a form of company that caters primarily for the contribution of capital by associates. Shares are normally bearer shares, and thus transferable without restriction – subject to a statutory provision that imposes express restrictions. The minimum issued share capital is €61,500.

SC (cooperative society)

There are two types of cooperative society: the SCRL, with limited responsibility and minimum issued share capital of €18,550, and the SCRI, with unlimited responsibility and no minimum issued share capital.

There are other possibilities: the SNC (partnership), SCS (simple general partnership), SCA (stock corporation). Which legal corporate form you select is a function of a number of criteria that must absolutely be borne in mind:

- separation of assets, responsibility, protection of private assets
- taxation of revenue
- fund-raising
- cooperation with one or more associates
- business continuity
- administrative and managerial obligations.

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→ Setting up a business

→ setting up your company

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