

## A Dutch Foundation ("Stichting")

*A Foundation, or "Stichting" is a legal entity under Dutch law. This fact sheet sets out the main characteristics of the Foundation and has a checklist for the incorporation thereof.*

### Legal entities

Under Dutch corporate law, there is a limited number of legal entities.

The most common legal entities are the "NV" and "BV" (limited liability companies with a share capital), the "Vereniging" (which is a union, with members), the "Coöperatie" (which is a cooperative union with a specific for-profit purpose) and the "Stichting" (a Foundation).

### Deed of incorporation

A Foundation is incorporated by way of a notarial deed, executed by a Dutch Civil law Notary ("Notaris"), and is registered in the commercial register ("Handelsregister"). There can be one or more incorporators. After the incorporation, there is no legal connection with the incorporator anymore, except for certain limits in its objectives, as set out hereafter.

### Objectives

A Foundation has to have a certain goal, which is defined in the objectives as recorded in the deed of incorporation. The objectives cannot include the making of distributions to an incorporator or to members of its board. It is however allowed to grant a reasonable remuneration to certain officials in accordance with the weight and scope of their task.

### Governance

The Foundation can have several corporate bodies. It has to have a board, composed of one or more persons, either individuals and/or legal entities. It can also have a supervisory board, or a board composed of executive and non-executive members.

Members of the board are appointed and dismissed by the board. Within certain

limitations, it is possible to delegate this authority to another corporate body or to third parties.

A foundation is not allowed to have members in the same way as a union.

### Representation

The board is the corporate body that has all the powers, and the board represents the foundation towards third parties. Representative authority may also be given to one or more board members, individually or jointly.

### Timing

As soon as the articles of the Foundation are in the agreed form, the deed of incorporation can be executed. This can be done by the incorporator(s) in person or by a proxy. After the incorporation, the Notary will take care of the registration of the foundation. Execution of the deed of incorporation, followed by registration in the commercial register, usually takes 2-3 days. Please also see the Questionnaire on the next page.

### Taxation

Please note that there are several tax regulations that could apply to the Foundation, depending on the actual activities of the Foundation, such as wages tax, VAT, CIT, gift tax. For not-for-profit foundations, there is a special regime: the so called ANBI-status.

### Contact information

For further information, please contact our Notary at Bird & Bird:

- René M. Rieter, Partner and Notary
- **Direct** +31 (0)70 353 8847
- **Mob** +31 6 2222 0344
- [rene.rieter@twobirds.com](mailto:rene.rieter@twobirds.com)

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## Questionnaire

To incorporate a Foundation, the following basic information must be supplied. In addition, the Notary might ask for more information if appropriate.

Question	Notes	Answer
What will be the name of the Foundation?	The name should not conflict with existing names. The name should include the word "Stichting" and also may include the word "Foundation". Example: Stichting Bird Foundation	
What will be the seat of the Foundation?	The seat has to be a city in the Netherlands	
What will be the address of the Foundation?	The address has to be a street address in the Netherlands.	
Who will be the incorporator of the Foundation?	The incorporator can be one or more persons, individuals and/or legal entities	
What will be the objects of the Foundation?	The actual activities have to be covered by the objectives	
What will be financial year of the Foundation?	This can be the calendar year, but may vary	
How many board members will the Foundation have?	At least one person, individual or legal entity, is required	
Who can represent the Foundation?	The board as a whole represents the Foundation. Next to the entire board, representative authority can be given to certain board members, jointly or individually	
Will there be a supervisory board in the Foundation?	This is optional	
If there will be a supervisory board in the Foundation, then what will be its task?		