

Belgium approves far-reaching company law reform

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On February 28, 2019, the Belgian Chamber voted on the most far-reaching post-war reform of its company law. With the entry into force of this new law, differences between a corporation and an association are redefined, the distinction between civil and commercial companies is lifted, and a significant number of types of corporate entities will cease to exist. At the same time, a new private company will no longer be subject to the company capital requirement, which previously stood at €18,550 (for a private limited liability company). Finally, with this reform, Belgian company law will adopt the incorporation theory. Under the current real seat theory, Belgian corporate law applies to each company effectively managed from Belgium. Pursuant to the incorporation theory, the corporate law of the jurisdiction where the company concerned was established will apply.

Existing companies become subject to the provisions of the new company law as of January 1, 2020, however, they are able to apply these provisions sooner voluntarily, as of May 1, 2019. In each case, they will have to adapt their articles of association during the first amendment thereof following January 1, 2020, with January 1, 2024 as the latest date of entry into force for those companies, which have not amended their articles of association prior to that date.

Please do not hesitate to contact Dentons Europe in case of any questions pertaining to the practical consequences of this legislative reform for your corporation or commercial plans in Belgium.

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