

2. FAQ - Financial

2.1 Costs

What are the costs of setting up an association in Brussels?

The core costs associated with the establishment of the association are related to:

- Registration and publication fee (see [here](#) for current amounts),
- Notary costs, for any association choosing to become an international non-profit association (INPA / AISBL (FR) / IVZW (NL)),
- Any consulting or service costs for advice or support (e.g. from an Association Management Company (AMC), lawyer, tax advisor, social secretariat, etc.).

What minimum base capital is required to launch an international association?

There is no founding capital required to establish an association (ASBL/AISBL) in Belgium.

What would be the fixed recurrent costs to be expected?

Associations typically have the following recurrent fixed and administrative costs:

- Rent and utility costs
- Service fees (e.g. association management company, lawyer, tax advisor)
- Employment / contracting costs
- Insurances
- Costs for official publications and for ensuring compliance
- Subscriptions, licenses

2.2 Banking

Can a newly established association open a bank account in Belgium?

Yes, it is obligatory to open a bank account for the association. Although Belgian legislation does not explicitly require the bank account to be in Belgium, for practical purposes this would be recommended.

The bank will request the following information:

- Information on the legal entity (name, address, type of legal entity, etc.);
- Information on each mandatory (full name, birth date, occupation, address, phone number, email address) and definition of their rights (access, payments, limits, etc.);
- a copy of each mandatory's ID and, if no Belgian ID, also proof of address, such as utility bill, driver's license, tax declaration, etc. need to be provided.

The bank documents need to be signed by each mandatory, and they are likely to need to identify themselves in person at a Belgian branch of the chosen bank.

2.3 Fiscality

Which tax regime applies to associations in Belgium?

In Belgium, non-profit associations are normally not subject to corporate income tax, but rather to the legal entities tax, which taxes income from real estate (e.g. rental income), and certain types of movable income (e.g. investments) that the association might own.

In very specific circumstances, they may be subject to some specific income tax (e.g. on movable income such as interest and dividends) and to a separate assessment on fees paid or attributed to beneficiaries that are not correctly mentioned on fee forms (the so-called 'secret commissions tax') and on part of the benefit in kind on company cars.

Associations are not taxed on donations or on revenue generated by their activities, provided that these are non-commercial.

(International) non-profit organisations are subject to a 'compensatory tax for inheritance tax', an annual taxation of 0.17% payable on the assets of the association to the extent the value of these assets exceeds €25,000.

A non-profit association supplying goods or services to third parties (which can be its members) may be considered a VAT taxpayer. Depending on the activity conducted by the association, the VAT status will be fully taxable, partially exempt or fully exempt. Even when the association is fully exempt of VAT, a VAT registration might be required in order to self-account for the Belgian VAT due on goods and services acquired from abroad.

2.4 Liability

What liability implications are there for the association board?

The association is responsible for the faults of its directors and bodies. Nevertheless, the association, via its general assembly, has the power to engage the legal responsibility of its directors for their mistakes and damages to the association. The directors and those entrusted with the daily management of an association, i.e. the officers, may be held legally liable in case they do not exercise their mandates in a professional manner. In cases of gross mismanagement, they may be held accountable towards the association for faults in the exercise of their assignment (contractual fault), and towards third parties for extra-contractual faults.

It is recommended to subscribe to a director's and officer's liability insurance, which protects them in case of claims following a wrongful act committed in their capacity of director or officer:

- Errors, omissions, negligence, violation of legal obligations
- Third party liability and criminal liability may be engaged
- Risk for the director to have to pay on his private assets
- Defence costs and indemnities

- Claims possible from all stakeholders (employees, shareholders, suppliers, clients, state, competitors, etc.)

In practice, when the board of directors consists of more than one person, it operates under the principle of collective responsibility, which requires that decisions taken are deliberated, with some exceptions, by a majority of the votes present or represented. Directors acting as a collegial body will jointly engage their liability in the event of mismanagement, misconduct or violation of the law. Nevertheless, directors could be relieved of their legal responsibility if they did not take part and denounced the fault alleged to all other members of the board. It is therefore recommended to ensure proper minuting of the contested decision.

Directors found personally liable for damage resulting from breach of the regulations enforceable against associations or for the association's debts expose themselves to financial penalties, but only to a certain amount regulated by law:

Average turnover on an annual basis (excl. VAT)	AND/OR	Average balance sheet total on an annual basis	Liability Cap
< €350,000	AND	< €175,000	€125,000*
< €700,000	AND	< €350,000	€250,000
< €9,000,000	OR	< €4,500,000	€1,000,000
Between €9,000,000 and €50,000,000	AND	Between €4,500,000 and €43,000,000	€3,000,000
> €50,000,000	OR	> €43,000,000	€12,000,000

**for the capped liability of €125,000 the amounts are calculated over the last financial year, for the other caps over the last three financial years.*

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