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CASH AND TREASURY MANAGEMENT COUNTRY REPORT

NETHERLANDS

Executive Summary

Banking

The Netherlands' central bank is De Nederlandsche Bank. As the Netherlands is a participant in the eurozone, some central bank functions are shared with the other members of the European System of Central Banks (ESCB). De Nederlandsche Bank is responsible for regulatory supervision of all aspects of the Dutch financial system.

De Nederlandsche Bank collects balance of payments data from around 3,900 resident companies which submit information on all their transactions with and positions vis-à-vis non-residents as well as their financial account balances on a monthly basis.

Resident entities are permitted to hold fully convertible foreign currency bank accounts domestically and outside the Netherlands. Residents are also permitted to hold fully-convertible domestic currency (EUR) bank accounts outside the Netherlands. Non-resident entities are permitted to hold fully convertible domestic and foreign currency bank accounts within the Netherlands.

The Dutch banking system consists of 76 banks. Attracted by the large number of international companies and liberal regulatory framework, 64 foreign banks have also established branches in the Netherlands.

Payments

The Netherlands has two payments systems: the pan-European TARGET2 RTGS system for high-value and urgent payments; and the EquensWorldline Clearing and Settlement System (CSS), a bank-owned automated clearing house for retail payments.

The most important cashless payment instruments in the Netherlands are card payments in terms of volume and credit transfers in terms of value. Direct debits are also widely used by companies and individuals. Payments are effected almost exclusively by electronic means in the Netherlands. Checks were phased out in 2002 and the vast majority of credit transfers are electronic.

Liquidity Management

The Netherlands offers a wide range of short-term borrowing and investment alternatives. Interest is paid on company current accounts, and overdraft facilities are generally available in addition to a variety of short-term money market instruments.

Both cash concentration and notional pooling of balances (domestically and cross-border) are available and widely used by companies based in the Netherlands.

Trade Finance

The Netherlands applies the European Union (EU) customs code and all its associated regulations and commercial policies. All trade is free from restriction between the Netherlands and its fellow European Economic Area (EEA) member states.

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PNC's International Services

PNC can bring together treasury management, foreign exchange, trade finance and credit capabilities to support your international needs in a coordinated and collaborative way.

International Funds Transfers

International Funds Transfers to over 130 countries in USD and foreign currency can be accessed through PINACLE®, PNC's top-rated, online corporate banking portal.

Multicurrency Accounts

Set up demand deposit accounts that hold foreign currency instead of U.S. dollars. These accounts offer a simple and integrated way to manage and move money denominated in more than 30 currencies, including offshore Chinese Renminbi. You can easily view deposit and withdrawal details through PINACLE.

PNC Bank Canada Branch ("PNC Canada")

PNC Bank, through its full service branch in Canada, can help you succeed in this important market. PNC Canada offers a full suite of products including payables, receivables, lending, and specialized financing to help streamline cross border operations.

Multibank Services

PNC's Multibank Services provide you with balances and activity for all your accounts held with PNC and other financial institutions around the world. PINACLE's Information Reporting module can give you a quick snapshot of your international cash position, including USD equivalent value, using indicative exchange rates for all your account balances. You can also initiate Multibank Transfer Requests (MT101s), and reduce the time and expense associated with subscribing to a number of balance reporting and transaction systems.

Establish accounts in foreign countries

Establishing good banking relationships in the countries where you do business can simplify your international transactions. PNC offers two service models to help you open and manage accounts at other banks in countries outside the United States.

- PNC Gateway Direct comprises an increasing number of banks located in many European countries and parts of Latin America. PNC's team will serve as a

point of contact for setting up the account helping with any language and time barriers and will continue to serve as an intermediary between you and the bank you select. You can access reporting and make transfers via PINACLE.

- PNC's Gateway Referral service can connect you to a correspondent banking network that comprises more than 1,200 relationships in 115 countries.

Foreign Exchange Risk Management

PNC's senior foreign exchange consultants can help you develop a risk management strategy to mitigate the risk of exchange rate swings so you can more effectively secure pricing and costs, potentially increasing profits and reducing expenses.

Trade Services

PNC's Import, Export, and Standby Letters of Credit can deliver security and convenience, along with the backing of an institution with unique strengths in the international banking arena. PNC also provides Documentary Collections services to both importers and exporters, helping to reduce payment risk and control the exchange of shipping documents. We assign an experienced international trade expert to each account, so you always know your contact at PNC and receive best-in-class service. And PNC delivers it all to your computer through advanced technology, resulting in fast and efficient transaction initiation and tracking.

Trade Finance

For more than 30 years, PNC has worked with the Export-Import Bank of the United States (Ex-Im Bank) and consistently ranks as a top originator of loans backed by the Ex-Im Bank both by dollar volume and number of transactions.¹

Economic Updates

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(1) Information compiled from Freedom of Information Act resources.

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Financial Environment

Country Information

Geographical Information

Capital	Amsterdam
Area	41,543 km ²
Population	17.15 million
Official language	Dutch
Political leaders	Head of state — King Willem-Alexander (since April 30, 2013). Head of government — Prime Minister Mark Rutte (since October 14, 2010)

Business Information

Currency (+ SWIFT code)	Euro (EUR) The Netherlands joined the eurozone on January 1, 1999. Its former currency, the guilder (SWIFT code NLG), was converted to the euro at EUR 1 = NLG 2.20371.
Business banking hours	09:00-17:00 (Mon-Fri)
Bank holidays	2018 — December 25, 26 2019 — January 1, April 19, 22, 27, May 30, June 10, December 25, 26 2020 — January 1, April 10, 13, 27, May 5, 21, June 1, December 25, 26 Source: www.goodbusinessday.com
International dialing code	+ 31

Country Credit Rating

FitchRatings last rated Netherlands on October 26, 2018 for issuer default as:

Term	Issuer Default Rating
Short	F1 +
Long	AAA
Long-term rating outlook	Stable

Source: www.fitchratings.com, December 2018.

Economic Statistics

Economics Table		2012	2013	2014	2015	2016
GDP per capita	(USD)	49,492	51,409	52,128	44,446	45,556
GDP	(EUR billion)	645	651	663	678	697
GDP	(USD billion)	829	864	879	752	774
GDP volume growth*	(%)	- 1.1	- 0.2	+ 1.4	+ 2.3	+ 2.1
BoP (goods, services & income) as % GDP		12.2	11.9	10.9	10.3	9.6
Consumer inflation*	(%)	+ 2.5	+ 2.5	+ 1.0	+ 0.6	+ 0.3
Population	(million)	16.75	16.81	16.87	16.92	16.99
Unemployment	(%)	5.8	7.2	7.4	6.9	6.0
Interest rate (Corporate lending rate)[†]	(%)	2.65	2.31	2.25	1.83	1.47
Exchange rate‡	(EUR per USD)[†]	0.7783	0.7532	0.7537	0.9017	0.9040

		2017		2018		
		Q4	Year	Q1	Q2	Q4
GDP per capita	(USD)	-	48,474	-	-	-
GDP	(EUR billion)	-	733	-	-	-
GDP	(USD billion)	-	826	-	-	-
GDP volume growth*	(%)	+ 3.4	+ 2.9	+ 3.1	+ 2.8	NA
BoP (goods, services & income) as % GDP		-	11.3	-	-	-
Consumer inflation*	(%)	+ 1.4	+ 1.4	+ 1.2	+ 1.5	NA
Population	(million)	-	17.04	-	-	-
Unemployment	(%)	4.3	4.9	4.4	3.9	NA
Interest rate (Corporate lending rate)[†]	(%)	1.26	1.33	1.13	1.05	NA
Exchange rate‡	(EUR per USD)[†]	0.849	0.887	0.814	0.839	0.860

*Year on year. †Period average. ‡Market rate. Sources: *International Financial Statistics*, IMF, December 2018 and 2018 Yearbook.

Sectoral Contribution as a % of GDP

Agriculture - 1.6%

Industry - 17.9%

Services - 70.2% (2017 estimate)

Major Export Markets

Germany (24.2%), Belgium (10.7%), UK (8.8%), France (8.8%), Italy (4.2%)

Major Import Sources

China (16.4%), Germany (15.3%), Belgium (8.5%), USA (6.9%), UK (5.1%), Russia (4.3%)

Political and Economic Background

Economics

Interest Rate Management Policy

As a participant in the eurozone, the Netherlands sets its interest rate through the mechanism of the European System of Central Banks (ESCB). Its main objective is to maintain price stability, defined by the European Central Bank (ECB) as keeping inflation below but close to 2% in the in the medium term. Interest rates are set at monthly meetings of the ECB's Governing Council.

Foreign Exchange Rate Management Policy

The Eurosystem's exchange rate policy is determined by meetings of ECOFIN (a meeting of the finance ministers in all of the member states of the European Union (EU)). Outside formal agreements, the ECB is also permitted to intervene unilaterally or in concert with other central banks to manage the euro exchange rate relative to other currencies. However, no exchange rate activity is permitted to conflict with the main objective of preserving price stability.

Major Economic Issues

The Netherlands has a stable, open and increasingly service-based economy that is reliant on strong import and export flows for sustained growth (with particularly close trading partnerships with Belgium, Luxembourg and Germany). Consequently, the Netherlands' economic fortunes are particularly susceptible to global economic trends. In particular, the UK's decision to leave the EU could have a negative impact on its economy; the UK is the country's second largest export destination. Despite the uncertainty over the impact of Brexit on the country's economy, exports increased 6.3% in 2017, imports 8.1%.

The economy grew 2.9% in 2017, its strongest performance since 2007, spurred on by low unemployment - strong consumer spending and rising exports. The government expects the economy to grow by 2.8% in 2018 and 2.6% in 2019, as the open Dutch economy benefits from expanding world trade and rising consumer spending.

The Netherlands has generally found it easier than most other eurozone countries to stay within the budget deficit guidelines of the European Growth and Stability Pact. Higher than expected revenue, and lower than expected spending, left the government with a balanced budget in 2016, its first time out of the red since 2008. The surplus is expected to reach 0.9% of GDP in 2018.

In September 2018, the government presented an expansionary budget for 2019, increasing spending on education, healthcare and the military and investment on infrastructure projects. Despite the additional spending, the budget surplus is expected to reach 1% in 2019.

Politics

Government Structure

The Netherlands is a constitutional monarchy in which the national government exercises power with the support of the national legislature's second chamber. The Dutch electoral system of proportional representation means government by coalition is common. At the local level, the Netherlands is governed by 12 provincial executives that are appointed by elected provincial councils, as well as a tier of municipal government.

Executive

The Dutch executive governs with the support of the Tweede Kamer (Second Chamber).

The current government is a coalition between Prime Minister Mark Rutte's People's Party for Freedom and Democracy (VVD), the progressive D66 party and the conservative Christian parties Christian Democratic Appeal (CDA) and Christian Union (CU).

Legislature

The Netherlands' Staten Generaal is a bicameral legislature.

The 75-member Eerste Kamer (First Chamber) is elected indirectly by the 12 provincial legislatures. All members serve four year terms.

The 150 members of the Tweede Kamer (Second Chamber) are elected every four years via a system of national proportional representation.

International memberships

The Netherlands is a member of the EU (and was a founder member of the European Economic Community). It is also a member of the Council of Europe, the Organisation for Economic Co-operation and Development (OECD), the Bank for International Settlements, the North Atlantic Treaty Organization (NATO) and the World Trade Organization (WTO). The Netherlands has strong, long-established, economic and political ties with its fellow Benelux countries, Belgium and Luxembourg.

Major Political Issues

The Dutch political environment is currently dominated by the issues of European immigration and integration, but the populace is also frustrated by years of financial austerity and rising health care costs. The spotlight on immigration, immigrants account for less than 10% of the population, has seen Geert Wilders' anti-immigration and anti-EU Freedom Party (PVV) come to fore and threaten the mainstream political parties in the country. The PVV is calling for an end to immigration from Islamic countries and a referendum on EU membership, as too is the Populist party for the Netherlands. However, despite resistance from opposition parties, in July 2018, the Dutch Parliament approved a bill that abolishes a 2015 national referendum law which allowed non-binding referenda in the case of new legislation and treaties.

The result of the Dutch election on March 15, 2017 also suggests the Dutch populace have rejected the PVV's anti-Islam and anti-EU position – Geert Wilders's party gained 20 seats, five more than in the previous election, but far fewer than predicted. The Labour Party, lost 29 seats, winning only nine. Prime Minister Mark Rutte's VVD party secured 33 out of 150 seats, a loss of eight seats from the previous parliament but enough to remain the biggest party in the Netherlands. In October 2017, the VVD, the progressive D66 and the conservative Christian parties CDA and Christian Union (CU) agreed to form a new center-right coalition government. With 76 seats, the coalition has a one-seat majority in the Second Chamber. The new cabinet, which was sworn in on October 26, 2017 after a record 225 days of coalition talks since the election, is expected to focus on tax cuts and on measures to reduce immigration.

Taxation

Resident/Non-resident

A company is considered resident if its effective management is located in the Netherlands, or if it is incorporated according to Dutch civil law.

Tax Authority

Belastingdienst (Tax revenue).

Tax Year/Filing

The tax year generally corresponds to the calendar year, unless the company defines a different year in its articles of association. The tax year usually is 12 months, but shorter or longer periods are permitted in the year of incorporation.

A provisional assessment, generally based on information from the previous two years, usually is issued in the first month of the taxpayer's financial year. This assessment is payable in monthly installments for the remaining months of the year.

Corporate income tax returns must be filed annually, within five months of the end of the fiscal year. However, extension of this deadline is possible. Businesses are expected to file all returns electronically. The tax return should be accompanied by all information required to determine taxable profits, including the balance sheet and profit-and-loss account and any other information requested by the tax inspector. If a company does not meet these obligations or does not file a proper tax return, the inspector may issue an estimated assessment.

Provided certain conditions are satisfied, a parent company may form a fiscal unity with one or more of its subsidiaries, under which the losses of one company may be offset against the profits of another company and fixed assets of one company may be transferred to another company without corporate income tax consequences. To qualify for fiscal unity status, the parent company must own at least 95% of the economic and legal ownership of the shares of the subsidiary and the parent company and the subsidiaries must have the same financial year.

A fiscal unity may be formed via a company based in another EU member state, and it is possible to form a fiscal unity, in certain cases, with an EU/EEA-resident parent company that has a Dutch PE.

Remedial legislation has been announced as a result of the opinion of the Advocate General (AG) of the Court of Justice of the European Union (CJEU) in two cases relating to the Dutch fiscal unity regime. The AG concluded that the Netherlands may not favour domestic situations by allowing a benefit that is not open to cross-border groups. If the CJEU follows the AG's opinion, tighter rules will be proposed, which means that some corporate income tax and dividend withholding tax rules would have to be applied as if no fiscal unity exists (this rule also could affect existing fiscal unities).

Corporate Taxation

Resident companies are subject to taxation on their worldwide income. Non-resident companies are generally subject to the same rates of corporate taxation as residents on certain types of income sourced in the Netherlands. Profits derived from qualifying shareholdings (generally shareholdings of 5% or more) are exempt from tax (the participation exemption regime).

Branches of foreign companies and subsidiaries are treated the same way in determining corporate income tax, although branches usually are exempt from withholding tax on profit remittances to their foreign head offices.

The Netherlands has a two-tier system with progressive tax rates. The first EUR 200,000 of taxable income is subject to a tax rate of 20%. Income in excess of EUR 200,000 is taxed at 25%. The rates in both brackets will be reduced, in stages, by a total of 4% by 2021: 1% in 2019; 1.5% in 2020; and 1.5% in 2021. In 2021, the rate in the first bracket will be 16% and the rate in the second bracket will be 21%.

There is no surtax or alternative minimum tax.

Various investment deductions and reliefs are available.

Under the “innovation box” regime, income derived from self-developed intellectual property (R&D) is effectively taxed at a 7% rate (up from 5% in 2017). As from 1 January 2017, the modified nexus approach applies under the regime, with the result that R&D expenses incurred by an affiliated entity will be disregarded and more stringent conditions are imposed on the type of R&D activities that qualify.

A special tonnage tax regime applies to shipping companies.

A 0% tax liability or an exemption is provided for qualifying investment funds.

Losses may be carried forward for nine years and carried back for one year. Certain restrictions apply to losses incurred by a company whose activities are at least 90% finance and/or holding activities.

Participation Exemption

The participation exemption applies to dividends and capital gains derived from shareholdings of at least 5%, provided:

- the subsidiary is not held as a mere portfolio investment;
- the subsidiary is subject to a reasonable effective tax rate based on Dutch tax principles (“subject to tax test”); or
- less than 50% of the assets of the subsidiary consist of “passive” assets, based on the fair market value of the assets (“asset test”). If the participation exemption is not applicable, a credit for the underlying tax may be obtained.

Group financing/licensing activities generally are deemed to be portfolio investment activities, i.e. participations predominantly engaged in these activities must meet test (2) or (3) for the participation exemption to apply.

Even if the participation exemption applies, dividends and interest payments received are taxable if the payment is tax deductible in the country of the payer.

Advance Tax Ruling Availability

A taxpayer can request an advance ruling from the tax authorities on the application of the participation exemption to holding companies in international structures; the use of hybrid financing instruments and hybrid entities; the existence of a PE in the Netherlands; or the classification of activities, i.e. group services or shareholder activities.

It is possible to enter into an advance pricing agreement for the use of a certain transfer pricing method.

Capital Gains Tax

Capital gains are generally taxed as ordinary income, except for those on certain investments in shares (e.g. in cases where the participation exemption regime applies). The taxable gain is the difference between the sale proceeds and the book value of the asset. Capital losses are, in principle, deductible from Dutch corporate income tax, except for those on certain investments in shares (e.g. in cases where the participation exemption regime applies).

Gains on certain assets can be deferred if there is an intention to reinvest in new assets within three years of the end of the year in which the asset is sold. The new asset must perform a similar economic function within the company, unless it is depreciated over ten years or less.

Withholding Tax (Subject to Tax Treaties)

Payments to:	Interest	Dividends	Royalties	Other income	Branch Remittances
Resident companies	None	0-15%	None	None	NA
Non-resident companies	None	0-15%	None	None	None

Withholding tax of 15% is levied on dividends paid to both residents and non-residents. For non-residents, the application of a tax treaty may reduce the rate, potentially to 0%.

As from January 1, 2018, Dutch holding cooperatives are required to withhold tax from dividends in certain cases.

In domestic situations, dividends are exempt from withholding tax if the participation exemption applies or if a fiscal unity for corporate income tax purposes exists between the dividend payer and the recipient.

Domestic rules implementing the EU parent-subsidiary directive paid to EU/EEA parent

companies under the same conditions as for distributions to a Dutch parent. As from January 1, 2018, the exemption from withholding tax also applies to dividends paid to a parent company in a third country that has concluded a tax treaty with the Netherlands that contains “qualifying provisions” relating to dividend withholding tax.

Tax withheld on dividends paid to non-resident individuals and companies may be refunded, provided the recipient is a resident of another EU/EEA member state and is the beneficial owner of the dividend. The refund will be equal to the amount of tax withheld that exceeds the (corporate) income tax that would have been due had the recipient been a Dutch resident. A similar refund also is available, in certain cases, to a resident of a third country that exchanges information with the Netherlands.

The Dividend Withholding Tax Act contains various anti-abuse rules. The dividend withholding tax is likely to be abolished in 2019 or 2020, except where abusive situations are involved.

The Netherlands does not levy withholding tax on interest. Interest on a hybrid loan can qualify as a dividend for tax purposes, in which case the rules for dividends apply. However, a withholding tax on interest is planned to be introduced in 2019 or 2020 to apply in cases of abuse.

No withholding tax is levied on royalties. However, a withholding tax on royalties is planned to be introduced in 2019 or 2020 to apply in cases of abuse.

The Netherlands does not levy withholding tax on technical service fees

Tax Treaties/Tax Information Exchange Agreements (TIEAs)

The Netherlands has concluded an extensive tax treaty network with more than 95 tax treaties. Different rates of withholding tax can apply to interest, dividends and royalties, depending on the terms of the agreement with the particular country.

Where, in a particular case, a treaty rate is higher than the domestic rate, the latter is applicable.

Netherlands has exchange of information relationships with 126 jurisdictions through 97 double tax treaties and 29 TIEAs (www.eoi-tax.org, March 2018).

On January 27, 2016, Netherlands, as part of the OECD/G20 Base Erosion and Profit Shift (BEPS) initiative, signed a multilateral co-operation agreement with 30 other countries (“the MCAA”). Under this multilateral agreement, information will be exchanged between tax administrations, giving them a single, global picture on some key indicators of economic activity within multinational enterprises (MNE).

With Country-by-Country reporting tax administrations of jurisdictions where a company operates will have aggregate information annually relating to the global allocation of income and taxes paid, together with other indicators of the location of economic activity within the MNE group. It will also cover information about which entities do business in a particular jurisdiction and the business activities each entity engages in. The information will be collected by the country of residence of the MNE group, and will then be exchanged through exchange of

information supported by such agreements as the MCAA. First exchanges under the MCAA will start in 2017-2018 on 2016 information.

As of December 2017, there are 68 signatory countries, including:-

- Argentina, Australia, Austria, Belgium, Brazil, Canada, Chile, Costa Rica, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, India, Ireland, Italy, Japan, Liechtenstein, Luxembourg, Malaysia, Mexico, Netherlands, Nigeria, Norway, Poland, Portugal, Russia, Singapore, Slovak Republic, Slovenia, South Africa, Spain, Sweden, Switzerland and United Kingdom.

Thin Capitalization

There currently are no thin capitalization rules in the corporate income tax code.

Transfer Pricing

The arm's length principle is laid down in the Dutch Corporate Income Tax Act. Corporate income taxpayers are obliged to keep records substantiating that intercompany transfer prices have been determined in line with the arm's length principle.

Acceptable transfer pricing methods include the comparable uncontrolled price, resale price, cost plus, profit split and transactional net margin methods, with transaction-based methods preferred over profit-based methods.

It is possible to enter into an advance pricing agreement for the use of a certain transfer pricing method.

Abuse of Law

The abuse of law doctrine applies where the motive of a transaction or series of transactions is the avoidance of tax.

In addition to the restrictions on the deductibility of interest, various other rules can result in the (partial) disallowance of a deduction for interest costs incurred by a Dutch taxpayer. These include:

- anti-base erosion rules that essentially cover the conversion of equity into intragroup debt without a valid business reason;
- rules on the acquisition of shares against debt from a related party without meeting a business purpose test or an effective tax rate test; and
- rules on debt-funded acquisitions of Dutch companies that limit an interest deduction for acquisition holdings.

These are rules that disallow the deduction of interest costs relating to excess debt (deemed to be) associated with the acquisition price of participations. The excess debt is calculated based on a mathematical rule, under which operational participations acquired from a third party generally are excluded.

When forming a fiscal unity between a parent company and an acquired subsidiary, interest expense relating to the acquisition may be deducted only up to the taxable income of the parent company.

Several exceptions and thresholds may apply to all of these rules.

Stamp Duty

No stamp duty is levied on loan agreements.

Sales Taxes/VAT (including Financial Services)

VAT is levied on all persons considered 'entrepreneurs' (this includes importers and foreign firms supplying goods and services in the Netherlands) at a general rate of 21%.

There is a reduced rate of 6% for basic goods and services. The reduced VAT rate is expected to be raised to 9% as from January 1, 2019. This VAT rate applies to goods like foodstuffs, medicines and books.

Exports and certain services are zero-rated, and certain goods and services are exempt (in particular, those which relate to financial services).

There is no registration threshold in the Netherlands; all VAT payers are required to register.

Financial Transactions/Banking Services Tax

The Netherlands has no specific tax rules with respect to financial transactions and/or banking services.

Cash Pooling

The Netherlands has no specific rules with respect to cash pooling arrangements.

Real Property Taxes

Municipalities impose an annual tax at varying rates on owners of real property. Real estate tax is deductible for corporate income tax purposes.

A 6% real estate transfer tax is payable on the acquisition of real property in the Netherlands or certain related rights. A reduced rate of 2% applies to the transfer of a residence.

Payroll and Social Security Taxes

There is no payroll tax payable by employers.

Salaries are subject to income tax, national insurance contributions and employee insurance contributions.

Social security contributions on employment income are payable by the employer and the employee. The contributions are calculated on gross salary, less pension premiums withheld from the salary.

An income-dependent health insurance contribution, disability insurance contribution and unemployment insurance contribution also are levied.

All tax information supplied by Deloitte Touche Tohmatsu and Deloitte Highlight 2018 (www.deloitte.com).

Cash Management

Banking System

Banking Regulation

Banking Supervision

Central bank

The responsibilities and authority of the Netherlands' central bank, De Nederlandsche Bank (DNB), are derived from the 1998 Bank Act and its amendments. DNB's financial supervisory responsibilities are in accordance with the 2007 Financial Supervision Act.

As the Netherlands is a participant in the eurozone, responsibility for setting and implementing monetary policy is shared with the other members of the European System of Central Banks (ESCB). Within the ESCB, the main objective is to maintain price stability. DNB issues currency under authority from the ECB.

Within the Netherlands, DNB's responsibilities include support of government policy, foreign currency reserve management, payment system oversight and regulatory supervision of the financial sector.

Other banking supervision bodies

Since November 4, 2014, the ECB has been granted a supervisory role to monitor the financial stability of banks within the eurozone via the Single Supervisory Mechanism (SSM), in accordance with the EU's SSM Regulation No 1024/2013 conferring specific tasks on the ECB with regard to the prudential supervision of credit institutions. The ECB has final supervisory authority while member states' national supervisors now provide a supporting role. The ECB directly supervises the 118 "most significant" banks.

The ECB possesses the authority to conduct supervisory reviews, on-site inspections and investigations; grant/withdraw banking licences; assess bank acquisitions; ensure compliance with EU prudential rules; and, if required, to set higher capital requirements to counter financial risks.

The Netherlands Authority for the Financial Markets (De Autoriteit Financiële Markten - AFM) regulates interaction between financial institutions and customers in accordance with the 2007 Financial Supervision Act.

Central Bank Reporting

General

The External Financial Relations Act obliges companies to report transactions to the central bank, DNB, for balance of payments monitoring purposes.

Transactions to be listed

DNB requires monthly reporting of transactions with and positions vis-à-vis non-residents by a sample of around 2,000 resident companies. Sample companies also have to report financial account balances (gross transactions, revaluations, other changes and positions) on a monthly basis.

Other companies are occasionally requested to report in a benchmark survey used by DNB to ensure the sample companies are representative.

In addition to DNB reporting on financial flows, securities transactions and related income, Statistics Netherlands collects non-financial data (e.g. international trade in goods and services) for current account statistics.

Responsibility for reporting

Companies included in DNB's sample must supply data on a monthly basis using a fully automated online reporting tool, e-Line BOP. Exceptions are made for information on which only annual reporting is required, e.g. profits and losses and positions relating to equity capital and real estate.

Additional reporting for liquidity management schemes

No additional reporting requirements apply.

Exchange Controls

Exchange structure

The Netherlands is a full participant in the eurozone. Its former currency, the Dutch guilder (NLG), was converted to the euro on January 1, 1999 at the conversion rate of EUR 1 = NLG 2.20731. The euro has a free floating exchange rate.

Exchange tax

There is no exchange tax.

Exchange subsidy

There is no exchange subsidy.

Forward foreign exchange market

There are no restrictions on forward (or spot) foreign exchange markets.

Capital flows

There are restrictions on investment from outside the EU in airlines (where non-EU residents may not hold a majority interest). Additionally, in shipping, non-residents may not hold a majority share in any flag vessels of the Netherlands.

Loans, interest and repayments

There are no controls on the provision of loans by commercial banks.

Royalties and other fees

There are no restrictions.

Profit remittance

There are no restrictions on the remittance of profits into or out of the Netherlands.

Bank Account Rules

Resident entities are permitted to hold fully convertible foreign currency bank accounts domestically and outside the Netherlands. Residents are also permitted to hold fully-convertible domestic currency (EUR) bank accounts outside the Netherlands.

Non-resident entities are permitted to hold fully convertible domestic and foreign currency bank accounts within the Netherlands. Non-residents are also permitted to hold domestic currency accounts outside the Netherlands.

Multi-currency accounts are also available to resident and non-resident entities. All accounts are permitted to offer interest – paid gross as the Netherlands does not levy withholding tax on current accounts – and overdraft facilities.

To open a bank account in the Netherlands, a company must provide formal identification of the account holder and the ultimate economic beneficiary. A resident entity is one which is incorporated under Dutch law or maintains its place of effective management in the Netherlands.

Any banks that practice value dating must inform clients of any conditions they apply.

Anti-money Laundering and Counter-terrorist Financing

- The Netherlands has enacted anti-money laundering legislation, including the Money Laundering and Terrorism Financing (Prevention) Act of 2008 which implements the Third European Money Laundering Directive (Directive 2005/60/EC). The Ministry of Finance, the Dutch National Bank and the FIU have also issued associated Guidance.
- The Netherlands has yet to transpose the 4th EU anti-money laundering directive into national law.
- A Financial Action Task Force (FATF) member, it observes most of the FATF+49 standards. The Netherlands is also a member of the Caribbean Financial Action Task Force (CFATF) as a Co-operating and Supporting Nation.
- The Netherlands has established a financial intelligence unit, the Financial Intelligence Unit-the Netherlands (FIU-the Netherlands), which is a member of the Egmont Group.
- Account opening procedures require formal identification of the account holder.
- Beneficial owners must also be identified and have their identity verified by taking adequate measures on a risk-sensitive basis.
- Relationships with shell banks are prohibited.
- All financial institutions have to identify clients in respect of any individual or aggregated transactions, where the amount involved is equal to or greater than EUR 15,000.

- Financial institutions in the broadest sense are required to record and report cash transactions above EUR 15,000 and 'unusual' transactions to FIU-the Netherlands 'without delay' – a broader standard than the requirement to report 'suspicious' transactions.
- Financial institutions are required to report a money transfer for the sum of EUR 2,000 or more.
- Individuals entering or exiting the EU must declare currency of EUR 10,000 to the customs authorities.
- Customs authorities must also report unusual transactions to the FIU-the Netherlands.
- All records necessary for the reconstruction of financial transactions must be kept for at least five years.

Data as at March 2018.

Banking Sector Structure

Major Domestic Banks

Bank	Total assets (USD million) December 31, 2017
ING Bank	1,015,379
Coöperatieve Rabobank	723,445
ABN AMRO Bank	471,711
Bank Nederlandse Gemeenten (BNG Bank)	167,996
NWB Bank	104,527

Source: www.accuity.com

Overall Trend

The Dutch banking system consists of 76 banks, including 24 domestically-owned institutions and subsidiaries of foreign banks. Attracted by the large number of international companies and liberal regulatory framework, 64 foreign banks have also established branches in the Netherlands.

The Dutch banking industry has seen a great deal of consolidation in the last 20 years due to mergers and consolidation as a result of the financial crisis. The Dutch banking sector is now dominated by a small number of large banks holding large market shares. The country's five largest banks accounted for 85% of the banking sector's total assets at the end of December 2017.

The banking landscape in the Netherlands is dominated by ING Bank, Rabobank and ABN AMRO. While Rabobank's international services are focused in the agribusiness sector, ING has acquired substantial European capabilities. All major European and US transaction services banks have a presence in the Dutch market.

ABN AMRO raised EUR 3.3 billion in an initial public offering (IPO) on Euronext Amsterdam in November 2015. The bank was nationalized in 2008 at the height of the financial crisis; the Dutch government, which spent almost EUR 22 billion to bailout the bank, sold a 20% share in IPO. In October 2016, Nordea's offer to buy ABN AMRO was rejected by the Dutch government.

In January 2016, Rabobank's 106 previously independent local cooperative banks were merged into their central institution and the group now operates under a single banking license under the name of Coöperatieve Rabobank UA.

Payment Systems

Overview

The two main payment systems used in the Netherlands are TARGET2 and the Equens Clearing and Settlement System (CSS).

The Netherlands migrated to the pan-European TARGET2 RTGS system on February 18, 2008. TARGET2's Single Shared Platform (SSP) is operated by the Bundesbank, along with the Banque de France and the Banca d'Italia.

The EquensWorldline CSS is a multilateral net settlement system that mainly processes low-value, non-urgent payments. Equens and Belgium's Wordline (formerly Atos Wordline) merged in September 2016 to form EquensWorldline. EquensWorldline plans to introduce a pan-European instant payment service in the near future.

The dominance of a small number of large banks in the Netherlands means that a high proportion of payments are cleared via the banks' internal facilities rather than external clearing systems.

The Dutch banking sector is developing a new infrastructure for real-time payments (Instant Payments). Instant Payments will enable a payment to be immediately credited to the account of the beneficiary, regardless of where the account is held. Instant Payments will be available 24/7, 365 days of the year. The launch date is scheduled for May 2019. The large Dutch banks have already confirmed they will be offering the service via their online and/or mobile channels.

High-value

Name of system	TARGET2 The Netherlands' national component is TARGET2-NL.
Settlement type	Real-time gross settlement
Settlement cycle	Payments are settled in real time with immediate finality.
Links to other systems	The TARGET2 system links payment systems in all 24 participating EU member states.
Payments processed	High-value and urgent electronic payments, both domestic and cross-border. Settlement of net positions from EquensWorldline CSS.
Currency of payments processed	EUR
Value and other limits to processing	There are no value thresholds.
Operating hours	07:00-18:00 CET, Mon-Fri
System holidays	TARGET2 does not open on weekends and on New Year's Day, Good Friday, Easter Monday, Labor Day (May 1) and December 25, 26.
Cut-off times	Customer payments = 17:00 CET Interbank payments = 18:00 CET
Participants	60 direct and 40 indirect participants in TARGET2-NL at the end of 2017.
Access to system	Banks connect via the SWIFTNet FIN Y-Copy service. Payments are submitted using SWIFT standard message types.
Future developments	NA

Low-value

Name of system	EquensWorldline Clearing and Settlement System
Settlement type	Multilateral net settlement
Settlement cycle	Payments are settled across accounts at the TARGET2 SSP every half hour between 07:30 and 17:00 CET.
Links to other systems	TARGET2-NL Cross-border SEPA payments can also be bilaterally exchanged between EquensWorldline CSS participant banks and those in other retail payment systems in Europe (see Payment and Collection Instruments, Electronic, Credit Transfer, Low-value).
Payments processed	Low-value non-urgent SEPA payments, including credit transfers, direct debits and payment card transactions
Currency of payments processed	EUR
Value and other limits to processing	There is no maximum value threshold.
Operating hours	07:00 to 17:00 CET
System holidays	Closed on TARGET2 holidays
Cut-off times	The cut-off time for guaranteed same-day settlement is 15:30 CET.
Participants	There were 25 direct participants at the end of 2017.
Access to system	By the SWIFTNet FileAct service, Connect:Direct network, FTP or browser-based file transfer. Paper-based instruments must be converted into electronic items in advance.
Future developments	NA

Payment and Collection Instruments

Overview and Trends

The use of cashless payment instruments is particularly advanced in the Netherlands. With the adoption of contactless technology making payments quicker and easier, the number of debit card payments for all retail payments now exceeds the use of cash. Technology is also driving the development of digital wallet services and the rise in the number of mobile payments in the country. Credit transfers remain the dominant instrument by volume and value.

In January 2016, a Revised Directive on Payment Services (PSD2) entered into force. The overall objective of the PSD2 is to increase the competition on the European Union payment market, facilitate innovative payment services and ensure that payment services are safe and offer complete consumer protection. The directive had to be incorporated into the EU members' national laws and regulations by January 13, 2018. However, as of May 2018, only 23 (excluding the Netherlands) of 28 EU members had fully transposed the directive into their national laws.

Statistics of Instrument Usage and Value

	Transactions (million)		% change 2017/2016	Traffic (value) (EUR billion)		% change 2017/2016
	2016	2017		2016	2017	
Debit cards	3,649.6	4,101.2	12.4	111.6	118.2	5.9
Credit cards	158.8	178.7	12.5	14.5	15.7	8.3
Credit transfers	2,109.7	2,303.2	9.2	19,127.2	23,366.7	22.2
Direct debits	1,161.6	1,211.0	4.3	227.0	235.6	3.8
E-money	0.4	0.4	0.0	0.0	0.0	0.0
Checks	0.2	0.1	- 50.0	1.8	0.8	- 55.6
Total	7,080.3	7,794.6	10.1	19,482.1	23,737.0	21.8

Source: ECB payment statistics, September 2018.

Paper-based

Checks

Checks have not been issued in the Netherlands since 2002. Legacy items are occasionally used. If used, they are expensive and difficult to negotiate and are cleared bilaterally between banks.

Paper-based Credit Transfers

Mainly used for retail payments, paper-based credit transfers must be converted into electronic format before clearing.

The most common paper-based credit transfer is a pre-prepared transfer known as the Acceptgiro (which can also be electronic). This can be used for regular payments of fixed or variable amounts, i.e. insurance premiums, subscriptions and household bills as well as one-off purchases. The use of Acceptgiro has been declining for years. The number of Acceptgiro transfers processed in 2017 fell by 21% to 15 million, mainly due to the increasing use of electronic payment methods such as SEPA Direct Debits and iDeal (a standard payment method for making secure online payments directly between bank accounts). The Acceptgiro was due to be discontinued in January 2019 but in April 2017, following consultations with banks and users, Currence, the brand owner, decided to postpone its discontinuation indefinitely.

Electronic

Credit Transfer

The credit transfer is the most common payment instrument in the Netherlands for business and government use. Credit transfers are increasingly initiated electronically via companies' electronic banking packages or personal internet banking services.

The TNS (Telegiro Nieuwe Stijl - New Style Telegiro) transfer is a low-value urgent legacy credit transfer which continues to operate in the Netherlands, irrespective of SEPA.

Domestic and cross-border electronic credit transfers in EUR can be made using the Europe-wide, SEPA-compliant, XML-based credit transfer format.

High-value

High-value and urgent (TNS) credit transfers can be settled via TARGET2. All payments settled through TARGET2 are done so in real time and with immediate finality.

High-value cross-border credit transfers are effected via TARGET2, as long as the beneficiary account is accessible through a TARGET2 participant.

High-value and urgent cross-border electronic payments can also be processed via the Euro Banking Association's EURO1 clearing system for end-of-day value. Five banks in the Netherlands participate in EURO1.

Cross-border credit transfers in EUR and other currencies can also be processed via a combination of SWIFT connectivity, correspondent banking relationships and branch network capabilities.

Low-value

Low-value credit transfers are processed by the EquensWorldline CSS. The EquensWorldline CSS settles low-value transfers every thirty minutes, but instructions must be received by 15:30 CET if same-day settlement is required.

The EquensWorldline CSS is linked bilaterally with Germany's EMZ retail payment system, Austria's Clearing Service International (CS.I), Spain's Iberpay, Greece's DIAS, Poland's KIR, Romania's TransFonD and Bulgaria's BISERA for the clearing of SEPA credit transfers (SCTs), and

with the Euro Banking Association's STEP2, Italy's BI-COMP and Switzerland's German-based Swiss Euro Clearing Bank (SECB) for the clearing of both SCTs and SEPA direct debits (SDDs). EquensWorldline CSS is also linked bilaterally with the Federal Reserve Banks of the United States to clear cross-border payments in multiple currencies.

Low-value cross-border transfers in EUR can be processed via the EBA's STEP1 or STEP2 systems and through banks' traditional correspondent banking relationships or networks.

EBA Clearing and Italy's SIA Group (which already serves as a technical operator for STEP2) have developed and implemented a pan-European real-time infrastructure for instant EUR payments. The service, called RT1, is fully compliant with the SEPA Instant Credit Transfer (SCT Inst) Scheme of the European Payments Council (EPC) and aligns with the ISO 20022 global messaging standards for instant payments. Both RT1 and SCT Inst were launched in eight European countries (Austria, Estonia, Germany, Italy, Latvia, Lithuania, the Netherlands and Spain) on November 21, 2017. The EPC's SCTInst service will be available across 34 SEPA countries, 24/7, 365 days a year, by 2019. SCTInsts have a maximum limit of EUR 15,000 per transaction and take no more than ten seconds to complete.

Direct Debits

Most commonly used for low-value, recurrent utility-type payments, direct debits account for about a sixth of all payments in the Netherlands by volume. In 2017, direct debits accounted for 15.5% of all cashless transactions.

SEPA Direct Debit (SDD) CORE and B2B services have been available since November 2, 2009, enabling cross-border EUR-denominated direct debits to be made. The EBA has been processing SDD payments in STEP2 since the launch of the SDD schemes on that date. All banks in the Netherlands have been capable of accepting and processing SDDs since July 1, 2010. SDDs fully replaced the domestic direct debit (incasso) on August 1, 2014.

Direct debits are cleared by the EquensWorldline CSS in the same way as other non-urgent, low-value payments. They are typically settled on a same-day or next day basis.

Payment Cards

The use of debit and credit cards is commonplace in the Netherlands and is expected to rise further. There were 27.2 million debit cards and 3.6 million cards with a credit and/or delayed debit function in circulation at the end of 2017.

Debit cards are issued in conjunction with Visa's V Pay or Maestro/MasterCard. All cards issued are EMV-compliant. About half of all debit card payments were contactless at the end of 2017; introduced in the Netherlands in 2014, in 2017, there were 1,543 million contactless payments, up from 630 million in 2016 and 135 million in 2015.

Credit card usage still lags behind that of other European countries. Most credit cards are issued in affiliation with Visa or MasterCard. American Express and Diners Club credit cards are in use.

Card payments are usually cleared via the EquensWordline CSS. American Express, JCB and Diners Club card payments are cleared by the international credit card companies.

ATM/EFTPOS

Use and availability of ATM machines and EFTPOS terminals continue to grow. At the end of 2017, there were approximately 6,389 ATMs and 491,054 EFTPOS terminals in service. All ATMs and POS terminals in the Netherlands are now EMV chip-compliant. Dutch ATMs are interoperable through the EquensWordline-operated Dutch Interbank Authorisation Network, enabling customers to withdraw cash from any participant bank.

Four fifths of all EFTPOS terminals in the country are enabled for contactless payment, compared with two thirds in 2016 and one third in 2015. All EFTPOS terminals are required to be contactless payment-enabled by 2020.

Netherlands' three largest banks ING, Rabobank, and ABN AMRO have announced plans for a joint ATM network covering the whole country as they seek to adjust to a changing market where cash use is in decline, but customers still demand access to it. The project is aimed at developing an "optimized and safer" network with fewer ATMs and is expected to involve a standard ATM model, from which customers may make deposits or withdraw cash with the same withdrawal limits regardless of which bank they have an account with. As part of the plan, the banks will transfer the ownership and operational processes of the network to Geldservice Nederland (GSN). GSN was established in 2011 as a joint venture between the three banks to provide logistical services such as cash counting, distribution and collection. Geldservice Nederland (GSN) will change its name to Geldmaat on January 1, 2019. The partners expect to start migrating the network in the first quarter of 2019 and aim at completing the project by the end of 2020.

ATM and POS transactions are processed by the EquensWordline CSS.

Electronic Wallet

At the end of 2017, there were 24,000 payment cards in circulation with an e-purse function.

Although there are some geographic variations, electronic money can be used at most EFTPOS terminals, public phones, vending machines, parking ticket dispensers and company catering facilities.

A number of digital wallet services such as MasterCard's MasterPass are available and widely used.

The number of mobile contactless payment accounts in the Netherlands increased by 190% in 2017, to 433,000 accounts, and is expected to reach 750,000 by the end of 2018.

Liquidity Management

Short-term Borrowing

Overdrafts

Overdraft facilities are available to resident and non-resident entities.

Bank Lines of Credit/Loans

Resident and non-resident entities can arrange short-term bank loans denominated in local and foreign currency from local and foreign banks.

Trade Bills – Discounted

Discounted trade bills are mainly used for export financing. Bills are held by the discounting bank as there is no formal secondary market in the Netherlands.

Commercial Paper

The EUR-denominated commercial paper market is increasingly liquid due to the growing interest of investors, and a number of large Dutch companies have taken advantage of the opportunity to issue paper for periods between a month and two years. The minimum tenor is EUR 500,000.

Bankers' Acceptances

Bankers' acceptances are not available in the Netherlands.

Intercompany Borrowing, including Lagging Payments

Intercompany loans are a common source of short-term liquidity.

Short-term Investments

Interest Payable on Bank Account Surplus Balances

Interest is payable on current accounts held in local and foreign currency accounts by resident and non-resident entities. Interest is paid gross – as the Netherlands does not levy withholding tax on current accounts – on a quarterly basis to companies. Although interest levels are low it is relatively simple to sweep surplus balances in order to utilize higher-yielding alternatives.

Time Deposits

Dutch firms typically invest surplus funds in time deposits, for periods from overnight to a few years. Deposits can be held in major foreign currencies as well as euros, paying out fixed, floating or annuity interest rates.

Certificates of Deposit

Certificates of deposit (CDs) are offered by commercial banks.

Treasury (Government) Bills

The Dutch State Treasury Agency issues Dutch Treasury Certificates (DTCs) in maturities of three, six, nine and 12 months.

Commercial Paper

EUR-denominated commercial paper is issued by companies, financial institutions and governments in maturities from a month to two years in minimum denominations of EUR 500,000. Investment and issuance have grown rapidly in recent years.

Money Market Funds

Money market funds have become increasingly available from both local and international banks.

Repurchase Agreements

Collateralized loans (known locally as *belening*) are a popular method of short-term investment.

Bankers' Acceptances

Bankers' acceptances are not available in the Netherlands.

Liquidity Management Techniques

The Netherlands is a popular location for group and central treasury operations due to the benign regulatory environment (e.g. withholding taxes are not applied on interest payments, there are no lifting fees, etc.) for liquidity management techniques and the range of services available from local and international banks.

Many international firms were attracted to the country by the low-tax Dutch International Group Finance Companies regime, but, following an EU-wide agreement, the scheme was phased out in 2009. In its place, the Dutch government introduced a group interest box regime, which applies a 5% tax rate on income from interest payments between companies belonging to the same corporate group.

Cash Concentration

Companies are permitted to concentrate balances from resident and non-resident accounts as well as accounts held by different legal entities. Zero- and target balancing arrangements are offered by local and international banks.

Cross-border cash concentration techniques vary more widely between banks depending in part on the branch network. Some banks offer cross-currency, cross-border concentration of cash, most typically within the eurozone.

Notional Pooling

Domestic notional pools may include balances from resident and non-resident accounts as well as accounts held by different legal entities. Domestic notional pooling is offered by many local and international banks.

Intercompany cross-guarantees will usually be required if participating companies have different beneficial owners. Cross-border notional pools that include balances held outside the Netherlands (most typically within the eurozone) are also available.

Trade Finance

General Rules for Importing/Exporting

A member of the EU, the Netherlands follows the EU customs code; all associated regulations and commercial policies apply.

All trade with other countries in the European Economic Area (EEA) is free from tariffs and other controls.

The EU has also established trade agreements with a number of countries as well as with other regional trade blocs.

One free zone (Amsterdam Schiphol Airport) is currently operating in the Netherlands.

Imports

Documentation Required

Imports originating outside the EU will normally need to be accompanied by a commercial invoice, a customs declaration, a bill of lading and a packing list. A certificate of origin may also be required.

Imports originating inside the EU do not require formal supporting documentation, although a commercial invoice should normally be supplied.

Import Licenses

Various steel products from certain countries with formerly state-controlled trading (e.g. China) require import licenses.

Textiles from North Korea and a limited number of textiles from Belarus also require import licenses.

Import Taxes/Tariffs

As a member of the EU, the Netherlands applies the common customs code to all imports originating from outside the EU. In general terms, the customs code applies higher levels of tariffs on agricultural imports.

Financing Requirements

There are no particular financing requirements for imports.

Risk Mitigation

The Netherlands does not operate a national risk mitigation program for importers.

Prohibited Imports

The Netherlands prohibits imports in line with EU regulations and UN Security Council resolutions. Imports are prohibited for safety and moral reasons, to preserve wildlife, and to protect national security.

Exports

Documentation Required

Exports to countries outside the EU will normally need to be accompanied by a commercial invoice, a customs declaration, a bill of lading and a packing list. A certificate of origin may also be required.

Exports to countries within the EU do not require formal supporting documentation, although a commercial invoice should normally be supplied.

Proceeds

There are no restrictions on the use of export proceeds.

Financing Requirements

There are no particular financing requirements for exports.

Export Licenses

Export licenses are required for the export of a small number of strategic goods.

Export Taxes/Tariffs

The Netherlands does not levy taxes or tariffs on exports.

Risk Mitigation

Export financing is available from leading commercial banks.

Atradius Netherlands is the country's official export credit agency which provides export credit insurance against political, commercial and foreign exchange risk. Export credit insurance is also available from several other commercial entities.

Prohibited Exports

The Netherlands prohibits exports in line with EU regulations and UN Security Council resolutions.

Information Technology

Electronic Banking

Befitting a country that hosts the treasury operations of a large number of multinational companies, electronic banking is as good as universal in the Netherlands. Moreover, competition between local and international cash management banks means that companies are very well served with electronic banking solutions that offer near real-time, multi-bank visibility across accounts as well as highly automated payments initiation and collections capabilities. However, unlike neighbors in Belgium and Germany, Dutch banks have never adopted a common technology platform for electronic banking. Although electronic banking solutions are currently proprietary, Dutch banks offer SWIFTNet access to corporate clients (SWIFT for Corporates) as a bank-neutral means of company-bank communication.

The SEPA-compliant iDEAL online application, offered by the country's leading commercial banks, allows for secure purchases over the internet via credit transfer. iDEAL is used for more than half of all the country's online purchases (56% in both 2016 and 2017). Approximately 378.2 million transactions were processed via iDEAL in 2017. Bills can also be opened and paid online using the Standard Digital Invoice (Standaard Digitale Nota), an electronic invoicing standard.

Secure digital direct debit mandates (e-Mandates) have been available to every participant banks since May 2016. The e-Mandate service allows for companies to offer direct debit payments via their websites. There are two types of e-Mandates: standard e-Mandates, which are targeted at individuals, and business e-Mandates for B2B transactions. Approximately 280,00 e-Mandates were issued in 2017, an increase of 33% on 2016. Equens is responsible for processing e-Mandates.

In 2017, 84% of bank account holders in the Netherlands used internet banking services and 57% used mobile banking apps. iDEAL is available in all mobile banking apps; a quarter of all iDEAL payments are done via mobile phone or tablet.

External Financing

Long-term Funding

Bank Lines of Credit/Loans

Medium- and long-term financing is available in the form of bank loans. Depending on the nature of the borrower's requirements, funding can be available as a bilateral facility or in the form of a syndicated loan. Bank loans can be arranged by both domestic and foreign-based companies in both domestic and foreign currency.

Bank loans denominated in domestic currency are usually arranged at a margin to Euribor (euro interbank offered rate). The precise margin is dependent on general market conditions, the creditworthiness of the borrower and the nature of any guarantees and other credit enhancements in place.

Bonds

Bond and medium-term note issuance is available in euros and major foreign currencies, although these funding options are typically sourced by larger companies that can afford credit ratings and arrangement fees.

All types of bond are available, including convertible bonds, paying fixed and floating interest.

Government (Agency) Investment Incentive Schemes / Special Programs or Structures

The EU's structural funds are available to finance infrastructural development. However, with the growth in size of the EU, the funds available for such investment have to be distributed among more countries. Funds are also available through the European Investment Bank and the European Investment Fund.

Useful Contacts

National Treasurers' Association

Dutch Association of Corporate Treasurers (DACT) — www.dact.nl

National Investment Promotion Agency

Netherlands Foreign Investment Agency — www.nfia.nl

East Netherlands Development Agency — www.oostnv.com

Holland Trade — www.hollandtrade.com

Central Bank

De Nederlandsche Bank — www.dnb.nl

Supervisory Authorities

De Nederlandsche Bank — www.dnb.nl

Authority for the Financial Markets — www.afm.nl

Payment System Operator

EquensWorldline — www.equensworldline.com

Currence — www.currence.nl

iDeal — www.ideal.nl

Dutch Payments Association — www.betalvereniging.nl

European Clearing Cooperative — www.euroclearingcooperative.com

Banks

ING Bank — www.ing.com

Coöperatieve Rabobank — www.rabobank.nl

ABN AMRO Bank — www.abnamro.com

Bank Nederlandse Gemeenten — www.bngbank.nl

Stock Exchange

Euronext — www.euronext.com

Ministry of Finance

Ministry of Finance — <http://english.minfin.nl>

Ministry of Treasury

Dutch State Treasury Agency – www.dsta.nl

Ministry of Economy

Ministry of Economic Affairs – <http://english.minInv.nl>

Chamber of Commerce

Dutch Chamber of Commerce – www.kvk.nl

Bankers' Association

Dutch Banking Association – www.nvb.nl