



New Belgian Code of Companies and Associations

New Belgian Code of Companies and Associations (CCA)

On **28 February 2019**, the Belgian legislator adopted the Act to introduce the new Code on Companies and Associations (the “**New CCA**”) replacing the current Companies Code, the the Act of 27 June 1921 on Associations and Foundations and the act of 1898 on professional associations (which will disappear completely).

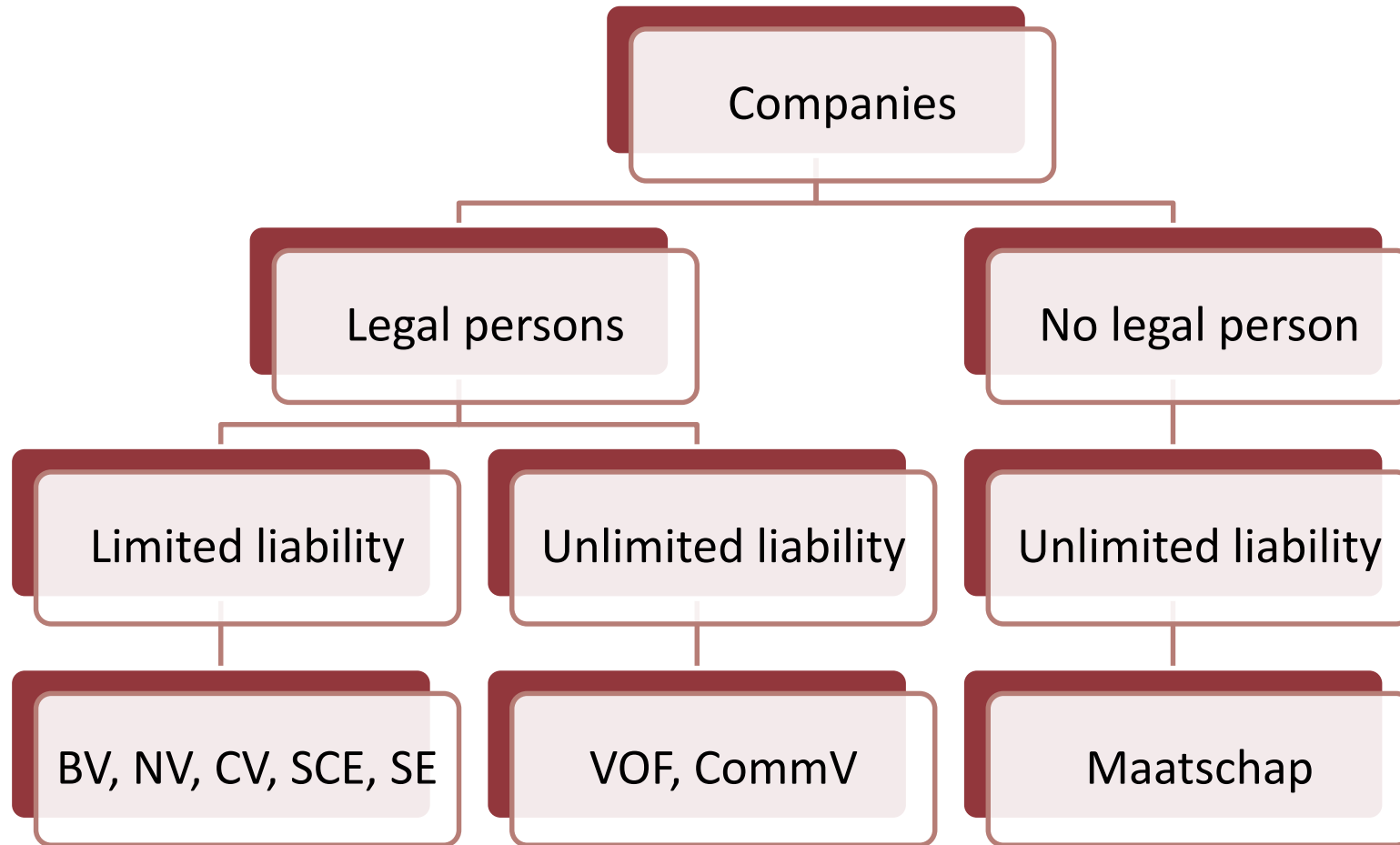
This ambitious reform will affect many businesses and is intended to render Belgian company law **more flexible and attractive to Belgian and foreign investors**. The reform will simplify and reduce the number of corporate forms and will also apply to Belgian non-profit associations and foundations.

- Modernize
- Making it more attractive: attracting foreign companies
- More alignment with EU legislation and that of neighboring countries
- Simplify a.o. legal forms

Remaining:

- ✓ Private Company (BV, SRL, LTD) becomes the norm: default rules that are adaptable (due to flexibility)
 - ✓ Public limited company (NV, SA, PLC)
 - ✓ General partnership (VOF, SNC, GP)
 - ✓ Limited partnership (CommV, Scomm, LP)
 - ✓ Cooperative Company (CV, SC, CC)
 - ✓ European Company (SE)
 - ✓ European cooperative company (SCE)
 - ✓ Non-profit associations and foundations
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- + recognitions



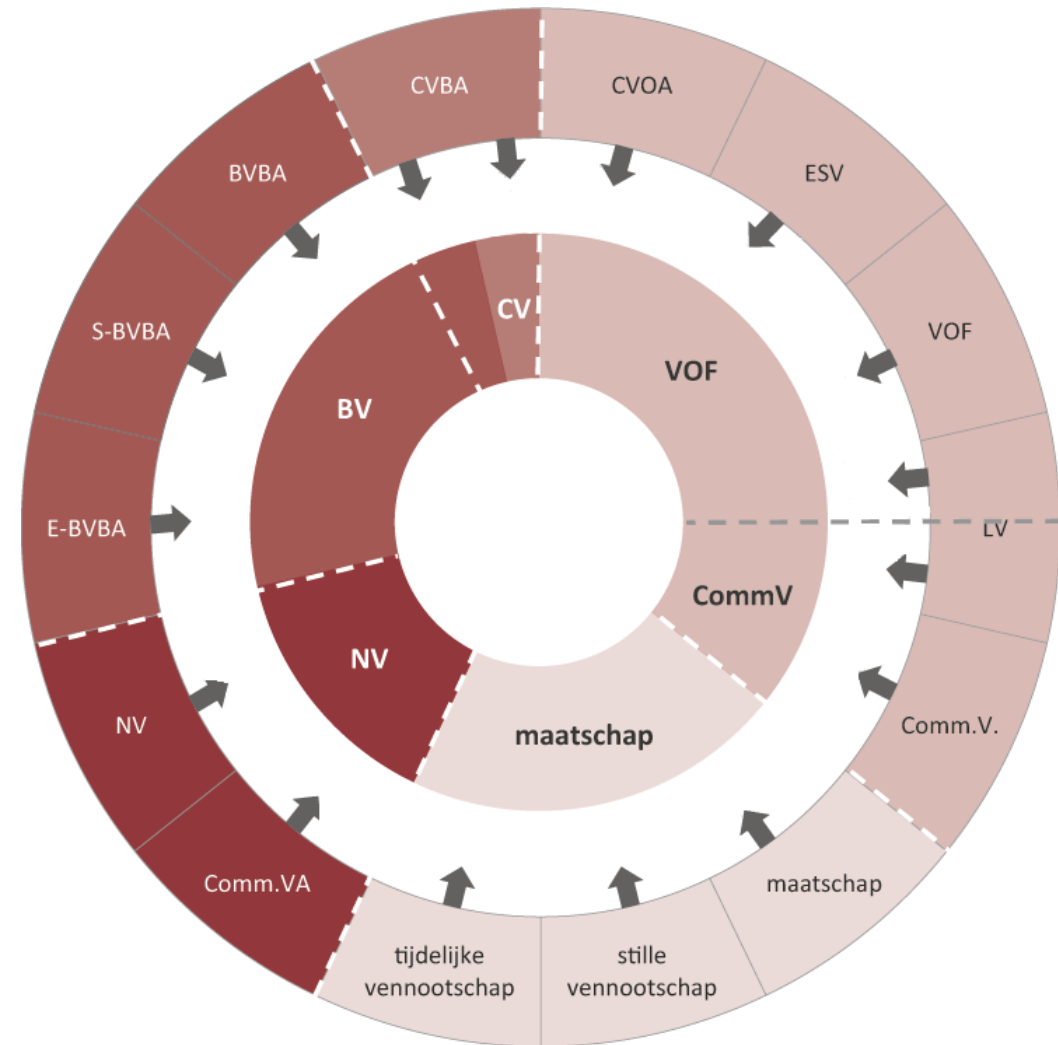


This figure shows the “old” legal forms (outer ring) with those of the new law (inner ring).

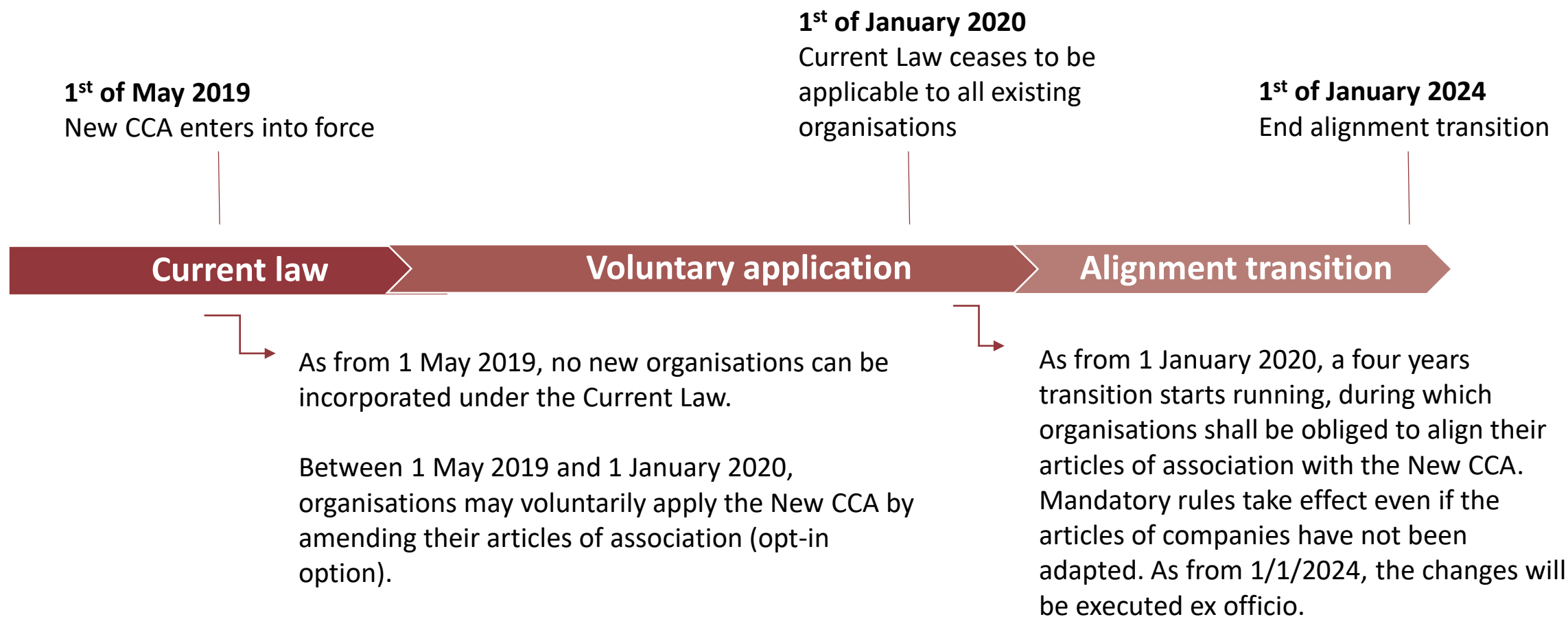
(excluding the European companies, non-profit associations and the foundations)

If nothing is done, the "old" legal form follows the dark arrow starting 1/1/2024.

In some cases, a conversion to another form may be more appropriate .



Roadmap



New opportunities

A few examples

BV/SRL

- Flexibel, default rules but adaptable
- It will become possible to incorporate a private company **without any capital** requirement.
- Multiple voting rights/share
- Input of industrie
- flexible profit distribution
- 1 Shareholder
- 1 Administrator
- Limited director's liability
- ...

Limited director's liability

Depending on the company's turnover and balance sheet total, director's liability will be capped at a fixed amount (ranging from EUR 125k to EUR 12m). Except in the event of recurring negligence or fraudulent intent.

Governance NV/SA

3 management systems will be possible:

1. a one-tier : resembles the current board of directors.
2. a one-tier system with a **sole director** with possibly of the appointment of a statutory successor.
3. a two-tier management system: Management with 2 bodies, namely a board of directors, responsible for operational matters, and a supervisory board, responsible for taking strategic decisions.

...

Modular appointment conditions

Flexible dismissal schemes for directors.

Decisions

- The CCA allows the board of directors to take decisions in writing, without restriction and without having to call a meeting and deliberate in person.
- Daily management is defined broadly to include important decisions which are so urgent that it is not advisable to hold a board meeting.

Multiple voting rights

Both in the private company as in the limited company it will be possible to create multiple voting shares. There is no limitation to the number of voting rights attached to a share(except for the listed companies).

Statutory seat theory

Belgium will adopt the statutory seat theory (now real seat theory). This change is intended to increase the attractiveness of Belgian company law to foreign entrepreneurs. Also a procedure for the international transfer of registered seats is introduced.