

Holding Companies

Table of Contents

0. Documentation

- 0.1. References
 - 0.1.1. Law and decrees
 - 0.1.2. Regulations
 - 0.1.3. Case law
- 0.2. Bibliography
- 0.3. Abbreviations and terms

1. Introduction

- 1.1. Definition
 - 1.1.1. General
 - 1.1.2. Specific legal forms for holding companies
 - 1.1.3. Major legal forms available for holding companies
- 1.2. Typology of use
 - 1.2.1. Organization and control of a group of companies
 - 1.2.2. Acquisition of a target company and leverage
 - 1.2.3. Financing of a group
 - 1.2.4. Joint-venture and cooperation agreements
 - 1.2.5. Estate planning
 - 1.2.6. International tax planning and conduit structures
 - 1.2.6.1. For individuals
 - 1.2.6.2. For companies

2. Company Law

- 2.1. Formation
 - 2.1.1. General
 - 2.1.2. Shareholders
 - 2.1.2.1. Conditions and characteristics
 - 2.1.2.2. Number (minimum/maximum)
 - 2.1.3. Articles of association
 - 2.1.4. Formal requirements
 - 2.1.5. Capital requirements
 - 2.1.6. Duties and fees
- 2.2. Management
 - 2.2.1. Managers and directors
 - 2.2.1.1. General (*type of organization*)
 - 2.2.1.2. Nomination
 - 2.2.1.3. Powers
 - 2.2.1.4. Organization and functioning
 - 2.2.1.5. Dismissal
 - 2.2.1.6. Liability
 - 2.2.2. General assemblies
 - 2.2.2.1. Ordinary (*decision, quorum, majority*)
 - 2.2.2.2. Extraordinary (*decision, quorum, majority*)
 - 2.2.2.3. Shareholders agreement
 - 2.2.2.4. Possibility to modify voting rights (*double, limitations, etc.*)
 - 2.2.2.5. Protection of minority shareholders
- 2.3. Transfer of shares
 - 2.3.1. Control of transfer of shares
 - 2.3.1.1. Prior authorization
 - 2.3.1.2. Pre-emptive rights
 - 2.3.1.3. Prohibitions
 - 2.3.1.4. Compulsory transfer

- 2.3.2. Registration
- 2.3.3. Duties and fees
- 2.4. Records
 - 2.4.1. Duty to keep records
 - 2.4.2. Disclosure to shareholders
 - 2.4.3. Disclosure to third parties
- 2.5. Liability of shareholders
- 2.6. Division
 - 2.6.1. Conditions
 - 2.6.2. Procedure
 - 2.6.3. Consequences
- 2.7. Merger
 - 2.7.1. Conditions
 - 2.7.2. Procedure
 - 2.7.3. Consequences
- 2.8. Liquidation/dissolution
 - 2.8.1. Conditions
 - 2.8.2. Procedure
 - 2.8.3. Consequences

3. Tax Aspects of the Formation of a Holding Company

- 3.1. Creation by contribution of shares
 - 3.1.1. Contribution of domestic shares by a resident (*individual or company*)
 - 3.1.1.1. To a domestic holding company
 - 3.1.1.2. To a foreign holding company
 - 3.1.2. Contribution of foreign shares by a resident (*individual or company*)
 - 3.1.2.1. To a domestic holding company
 - 3.1.2.2. To a foreign holding company
 - 3.1.3. Contribution of domestic shares by a non-resident (*individual or company*)
 - 3.1.3.1. To a domestic holding company
 - 3.1.3.2. To a foreign holding company
- 3.2. Creation by sale of shares to a holding company
 - 3.2.1. Sale of domestic shares by a resident
 - 3.2.1.1. To a domestic holding company
 - 3.2.1.2. To a foreign holding company
 - 3.2.2. Sale of foreign shares by a resident
 - 3.2.2.1. To a domestic holding company
 - 3.2.2.2. To a foreign holding company
 - 3.2.3. Sale of domestic shares by a non-resident
 - 3.2.3.1. To a domestic holding company
 - 3.2.3.2. To a foreign holding company
- 3.3. Creation by contribution of assets (other than shares)
 - 3.3.1. General
 - 3.3.2. Capital gains
 - 3.3.2.1. Domestic assets
 - 3.3.2.2. Foreign assets
 - 3.3.3. Registration duties
 - 3.3.3.1. Domestic assets
 - 3.3.3.2. Foreign assets
- 3.4. Financing the acquisition of shares by a holding company (*leverage*)
 - 3.4.1. General
 - 3.4.2. Limitations to the deduction of financing charges
 - 3.4.2.1. Legal limitations
 - 3.4.2.2. Abuse of law concept
 - 3.4.2.3. Thin capitalization rules
 - 3.4.2.4. Other limitations
 - 3.4.3. Planning opportunities
 - 3.4.3.1. Fiscal consolidation/group treatment

- 3.4.3.2. Post-acquisition merger of target company into the holding company
- 3.4.3.3. Bottom-up constructions

4. Taxation of Dividends

- 4.1. Dividends received by a holding company from its subsidiaries
 - 4.1.1. Domestic subsidiaries
 - 4.1.2. Qualifying EU subsidiaries
 - 4.1.3. Other foreign subsidiaries
- 4.2. Dividends paid by a holding company to its shareholders
 - 4.2.1. Resident shareholders
 - 4.2.1.1. Withholding tax
 - 4.2.1.2. Transfer/refund of tax credits (*avoir fiscal/ACT...*)
 - 4.2.2. Non-resident individual shareholders
 - 4.2.2.1. Withholding tax
 - 4.2.2.2. Transfer/refund of tax credits
 - 4.2.3. Non-resident corporate shareholders
 - 4.2.3.1. Qualifying EU corporate shareholders
 - A. Conditions for withholding tax relief
 - B. Transfer/refund of tax credits
 - 4.2.3.2. Other non-resident corporate shareholders
 - A. Withholding tax
 - B. Transfer/refund of tax credits
 - 4.2.4. Treaty chart
- 4.3. Dividends received by domestic shareholders from a holding company
 - 4.3.1. From domestic holding companies
 - 4.3.1.1. Individuals
 - 4.3.1.2. Companies
 - 4.3.2. From EU holding companies
 - 4.3.2.1. Individuals
 - 4.3.2.2. Companies
 - 4.3.3. From foreign (non-EU) holding companies
 - 4.3.3.1. Individuals
 - 4.3.3.2. Companies

5. Taxation of Capital Gains

- 5.1. Capital gains realized by a holding company on the disposal of shares in its subsidiaries
 - 5.1.1. Domestic subsidiaries
 - 5.1.2. Foreign subsidiaries
- 5.2. Capital losses
 - 5.2.1. Provisions/reserves for depreciation of the shares
 - 5.2.2. Recognition of capital losses for tax purposes
- 5.3. Waivers of (debt) claims
- 5.4. Capital gains realized by shareholders on the disposal of shares in a holding company
 - 5.4.1. Individuals
 - 5.4.2. Companies

6. Tax Aspects of Restructuring Operations Involving Holding Companies

- 6.1. Liquidation of a holding company
 - 6.1.1. Corporation tax and related issues
 - 6.1.2. Taxation at source of foreign shareholders (WHT)
 - 6.1.3. Registration duties
- 6.2. Merger of a holding company
 - 6.2.1. Merger into another domestic holding company
 - 6.2.2. Merger into a foreign holding company
 - 6.2.2.1. Within the European Union
 - 6.2.2.2. Outside the European Union

7. Anti-Avoidance Measures/Restrictions on Holding Shares in Tax Haven Subsidiaries

- 7.1. Overview of CFC or similar legislation (if any)
 - 7.1.1. Definition of a tax heaven company
 - 7.1.2. Conditions of application
 - 7.1.3. Consequences of the application of the CFC legislation
 - 7.1.4. Compatibility with treaties
 - 7.1.4.1. Double taxation agreements
 - 7.1.4.2. Other treaties
- 7.2. Other domestic measures
- 7.3. Bilateral measures

8. Miscellaneous

- 8.1. VAT
- 8.2. Payroll-based taxes
- 8.3. Wealth tax
 - 8.3.1. At the level of the holding company
 - 8.3.2. At the level of the shareholders of the holding company
- 8.4. Rulings and prior approval procedures