

## Netherlands - Information on residency for tax purposes

### Section I – Criteria for Individuals to be considered a tax resident

According to Article 2.1 of the Income Tax Act 2001 a natural person is considered subject to income taxation when he is resident in the Netherlands. Article 4 of the Dutch General Tax Act states that the place of tax residency of a natural person is based on facts and circumstances.

According to Dutch law a natural person is tax resident in the Netherlands if his or hers permanent residence or whereabouts is in the Netherlands.

The main facts and circumstances that determine tax residence are:

- you spend most of your time at a Dutch address;
- your partner and/or family lives in the Netherlands;
- you work in the Netherlands;
- you have insurance in the Netherlands;
- your (family) physician is resident in the Netherlands;
- you are a member of one or more clubs / societies in the Netherlands;
- your kids receive an education in the Netherlands.

### Section II – Criteria for Entities to be considered a tax resident

According to Article 2, paragraph 1 of the Corporate Income Tax Act 1969, an entity is subject to Dutch Corporate income tax if it is resident in the Netherlands. Article 4 of the Dutch General Tax Act states that the place of tax residency of an entity is based on facts and circumstances.

An entity is tax resident in the Netherlands if its place of effective management is in the Netherlands. The main facts and circumstances that determine whether the place of effective management is in the Netherlands are:

- the place where the important business decisions are made, AND;
  - the place where the directors work and meet, AND;
  - the place where the business records are kept and the financial statements are prepared.
- The following circumstances can also be indications of the place of effective management:
- the place where the shareholders live and meet;
  - the place where the entity is registered;
  - the place of incorporation or organization.

Article 4, paragraph 4 of the General Tax Act states that an undertaking for collective investment in transferable securities (UCITS) as meant in Article 1 of the European Directive of 13 July 2009, nr. 2009/65/EU, is deemed to be resident in the Member State or State of which the Competent Authority has authorized the undertaking in accordance with [Article 5 of that Directive](#).

### Section III – Entity types that are as a rule not considered tax residents

The following entities organised under Netherlands law are considered fiscally transparent in the Netherlands:

- ‘Besloten fonds voor gemene rekening’ (closed fund for mutual account);
- ‘Maatschap’ (partnership);
- ‘Vennootschap onder firma’ (partnership);
- ‘Besloten commanditaire vennootschap’ (closed limited partnership).

#### **Section IV – Contact point for further information**

Contact point on tax residency:

You can also contact the Client Service of the Dutch Tax and Customs Administration by phone number +31.55.538.53.85

(Open: Monday - Thursday 08:00-20:00 – Friday 08:00-17:00)

Address:

Dutch Tax and Customs Administration/Limburg/ Foreign Office

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