

## 1 May 2019: Are you ready for the new Belgian Company Code



What is the new Belgian Company Code and how did this reform come about? The objective is clear: to modernize Belgian company and association law by simplifying it, making it more flexible and adjusting it to the progress of European law. By introducing this reform, the Belgian legislator intends to make Belgium more competitive and attractive for (foreign) investors.

The new Code enters into force on 1 May 2019. After this date, all new companies, associations or foundations must conform to the new regime.

One of the key pillars of the modernization of Belgian law is the revision of the Belgian enterprise law. Introduced by Minister of Justice Koen Geens and approved by the Belgian Council of Ministers in the summer of 2017, this proposal is part of the reform of:

- insolvency law, as implemented in the new book XX of the Code of Economic law;
- enterprise law, as implemented by the act of 15 April 2018; and
- company and association law, by introducing a brand new Company Code.

Following the approval of the Council of Ministers on 25 May 2018, the draft bill on the new Belgian Company Code was submitted to the Parliament on 4 June 2018. Finally, the new Belgian Company Code was adopted by the Belgian Parliament on 28 February 2019.

The reform aims to modernize Belgian company and association law by simplifying it, making it more flexible and adjusting it to the progress of European law. By introducing this reform, the Belgian legislator intends to make Belgium more competitive and attractive for (foreign) investors.

To understand what concretely will change and how this will impact the operations of your organization check out [this analysis](#).

### Transitional period

The new Company Code will enter into force on 1 May 2019. After this date, all new companies, associations or foundations must conform to the new regime.

For existing companies, associations and foundations, the new code would only apply as from 1 January 2020. Such entities can however decide to “opt-in” and apply the new rules as from 1 May 2019. As from 1 January 2020, existing companies, associations and foundations will have to modify

their articles of association to the new Company Code at the occasion of the first modification of their articles of association and, in any case, by 1 January 2024.

Furthermore, as from 1 January 2020 (or the date by which modifications to the articles of association were introduced before this date), certain mandatory provisions of the new code will apply to existing companies. Additional requirements will also apply as of this date, unless the articles of association deviate from these supplementary requirements.

In the event that associations or foundations carry out commercial activities, they will be expected to modify their purpose. Failure to do so, will mean remaining subject to the limitations of the current Articles 1 and 46 of the act of 27 June 1921 on associations and foundations until 1 January 2029.

Until the moment of conversion, the current Company Code will remain applicable to the company forms which will later be abolished, with the exception of certain mandatory provisions of the new Company Code. If these companies have not been converted into another company form, these companies will by law be converted into a company form determined by the legislator.

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