BRIEFING | BUSINESS

JANSSENS LAW FIRM

The International Non-Profit Association *"AISBL" in Belgium*

Setting up your international organisation in Belgium?

European network, international federation, NGO, professional association: the international non-profit association (*association internationale sans but lucratif*, AISBL) is the Belgian legal form for organisations working across borders. It works like a Belgian non-profit association (ASBL), with two differences: **a very flexible internal organisation** and **recognition by royal decree**.

2
FOUNDERS
are enough to set up an AISBL

Why an AISBL?

1. **Your members are protected**: they are not liable for the association's debts.
2. **A tailor-made organisation**: the articles freely set the composition and powers of the bodies.
3. **Recognition by royal decree**: a mark of credibility for institutions and foreign partners.
4. **An international purpose**: the association must pursue an aim of international utility.

€0
No capital to contribute.

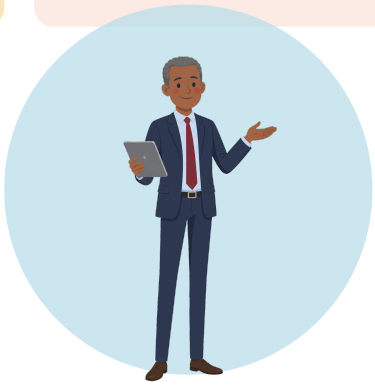
Notary
The deed of incorporation **must be notarised**.

30 days
To file the deed with the court registry, from the **royal decree**.

"Our network has members in twelve countries. Why Brussels?"

Kwame, secretary general of a music schools network.

The AISBL lets the network organise its bodies freely, with **official recognition** by Belgium.



WATCH OUT

The AISBL only exists from the **date of the royal decree** recognising it, and the law sets no deadline for issuing it. Allow for this time before signing contracts in its name.

Setting up your AISBL in 4 steps



1 Draft the articles of association

They set out, among other things:

- the **aim of international utility** and the activities;
- the admission, withdrawal and rights of members, and any categories of members;
- the powers of the general meeting and of the board;
- who represents the AISBL;
- which non-profit purpose its assets will go to if it is dissolved.

2 Sign before a notary

The deed of incorporation **must be a notarial deed**, failing which it is void. At least **two founders** are required.

3 Obtain the royal decree

The deed is sent to the **Minister of Justice** with the application for recognition. The King grants it if the aim is of international utility and lawful.

4 File and publish

Within **30 days** of the royal decree, the deed and the articles are filed with the court registry and published in the **Belgian Official Gazette**. The ultimate beneficial owners are entered in the **UBO register**.

Who decides?	General meeting	Board
Who?	The members	**Free composition**, set by the articles
Role	Approves the **accounts** and the **budget**, appoints the statutory auditor, and anything else the articles provide	Manages and represents the AISBL, within the powers given by the articles

Good to know: members in several countries

The board may allow members to take part in the general meeting **remotely**, by electronic means. Members may also take decisions **in writing, unanimously**, except to amend the articles.

FREQUENTLY ASKED

Can an ASBL become an AISBL?

Yes, and the other way round too. The general meeting decides **under the conditions required to change the purpose**, on the basis of a report by the board. The conversion is recorded before a notary.



Running your AISBL

What you decide yourselves, what goes before the notary, and what the King must approve.

1 Amending the articles

Only the rules on the **general meeting**, on amending the articles and on **dissolution** require a notarial deed. Other changes are decided as provided by the articles.

2 Changing the purpose

Any change to the aim or activities must be **approved by the King**, as on incorporation. Filing with the court registry then takes place within 30 days of that decree.

! Directors' liability

It is **capped**, from €125,000 to €12 million depending on the size of the AISBL. The cap does not apply in case of serious misconduct, fraud or repeated minor misconduct.

+ What if you stop?

The AISBL may be **dissolved at any time**, under the conditions of its articles. After liquidation, its assets go to the non-profit purpose set out in the articles, never to the members.

An example

Kwame's network wants to add teacher training to its aim. The general meeting votes the amendment, which is sent to the Minister of Justice. Until the **royal decree** is issued, the AISBL carries on under its former aim.

FREQUENTLY ASKED

Can our AISBL carry on commercial activities?

Yes, **if they serve its aim**: selling training courses, publishing, organising conferences. But no profit may be distributed, directly or indirectly, to its members or directors. If the commercial activity becomes its main activity, the AISBL becomes subject to corporate income tax.



! WATCH OUT

An AISBL set up to provide a **financial benefit** to its members or directors, even indirectly, may be **declared void** by the court.

Tax, donations and accounts

What the AISBL pays, what it receives, and what it must publish.

1 Income tax

In principle, the AISBL pays **legal entities income tax**: it is not taxed on its profits, but only on certain income (property, investments). If its main activity becomes commercial, it becomes subject to **corporate income tax**.

2 A small tax on assets

Every year, on the assets held on 1 January:

- **0%** up to €50,000;
- 0.15% from €50,000 to €250,000;
- 0.30% from €250,000 to €500,000;
- 0.45% above that.

3 Donations

If the AISBL is **approved by the Federal Public Service Finance**, its donors receive a 30% tax reduction for gifts of at least €40 a year. A gift of more than €100,000 (other than a manual gift) must be **authorised by the Minister of Justice**; without a reply within three months, it is deemed authorised.

4 The accounts

Every year, the general meeting approves the accounts and the budget within six months. A small AISBL (5 employees, €391,000 in receipts, €1,562,000 in assets or debts: no more than one of these thresholds exceeded) keeps simplified accounts, filed with the court registry. Above that, filing with the **National Bank of Belgium**; the largest also need a **statutory auditor**.

FREQUENTLY ASKED

How can donations become tax-deductible?

The AISBL applies for **approval from the Federal Public Service Finance**. Among other conditions, it must work in a field provided for by law (social welfare, culture, environment, research…) and devote its resources to it. Once approved, it issues certificates to its donors every year.





Setting up an AISBL in Belgium? Let's talk.

Articles of association, application for recognition, conversion of an ASBL, approval for tax-deductible gifts: we guide you.

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References: Code of Companies and Associations, arts. 1:4, 1:28, 2:5, 2:6, 2:10, 2:16, 2:57, 2:109, 3:47, 10:1 to 10:11, 14:46 to 14:49; Inheritance Tax Code, arts. 147 et seq. (annual compensatory tax); Income Tax Code 1992, art. 145/33.

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