



# EMN Legislative Mapping Report BELGIUM



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This series of national factsheets provides a snapshot of the various legislative frameworks concerning the provision of microcredit in Europe by non-bank financial intermediaries.

The national factsheets cover the following thematic areas:

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## Regulation of Lending Activity

In Belgium, there is no specific regulatory framework for business microcredit provision. Any non-bank financial intermediary<sup>1</sup> is allowed to provide loans for professional purposes. However, personal loans fall under the framework of the Banking and Consumer laws.

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## Supervisory Framework for Non-Bank Lending

The lending activities of non-bank financial intermediaries are not supervised by any government institution; only banking financial intermediaries are supervised by the government financial agency – (FSMA – Financial Service and Management Authority).

In terms of data protection, non-banking financial institutions are not obliged to share client data with the credit bureau and don't have access to data from the credit bureau.

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## Products

All non-bank financial intermediaries are allowed to disburse business and personal microloans without limit. Regarding business microloans, there is no interest rate cap although there is a cap of about 18% per annum on personal microloans.

1. Non-bank financial services, cooperative/credit unions, NGO (including associations, foundations and religious bodies)

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## Incentives and Support

In Belgium, some national/regional level funds are dedicated to support microcredit provision through the use of guarantees and funds for on-lending (senior loans).

However, the current context offers no incentives in the form of tax deductions for individuals that provide financial support to microcredit providers in the country.

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## Development of the Existing Framework for Non-Bank Microcredit Provision

Initiatives are underway to ensure that non-bank financial intermediaries have access to the National Bank data.

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## Inclusive Entrepreneurship and Microenterprise Development

In the Belgian context, there are no simplified administrative procedures in place for entrepreneurs, and the government is not running any educational campaign to enhance inclusive entrepreneurship and microenterprise development.

In terms of public support, however, there is a welfare bridge to support unemployed people (up to 12 months) in the transition towards self-employment. Moreover, business development services are publicly subsidized and entrepreneurship education has been included in the secondary educational curriculum.



EUROPEAN  
MICROFINANCE  
NETWORK

European Microfinance Network (EMN) aisbl  
Rue de l'Industrie 10 - 1000 Brussels - Belgium  
Tel : +32(0)2/893.24.48  
emn@european-microfinance.org  
www.european-microfinance.org



European  
Commission

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