



EMN Legislative Mapping Report

THE NETHERLANDS

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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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- 2 Supervisory framework for non-bank lending
- 3 Products
- 4 Incentives and support
- 5 Development of existing framework for non-bank microcredit provision
- 6 Inclusive entrepreneurship and microenterprise development

1

Regulation of Lending Activity

There is currently no specific regulation for microcredit activities in the Netherlands. After registering with the Chamber of Commerce, non-bank lenders such as NBFIs (private and limited companies, cooperatives), associations and foundations, credit unions are allowed to directly lend money for business and personal purposes. The disbursement of personal loans is dependent upon authorisation from the financial authorities. As long as they do not raise money from the general public (no savings mobilization) to lend for business loans, non-bank lenders can operate without supervision.

2

Supervisory Framework for Non-Bank Lending

Two authorities supervise financial institutions in the Netherlands: the Dutch National Bank (DNB) and the Authority for Financial Markets (AFM). The DNB supervises national banks whereas the AFM supervises other financial intermediaries and the provision of consumer loans, investment funds and crowdfunding activities. In this context, there is no supervision for organisations providing business loans; those offering consumer loans are supervised by the AFM. However, voluntary self-control is implemented by NBFIs in the form of annual auditing by accountants and supervisory boards as well as voluntary reporting to the Ministry of Economic Affairs.

In terms of data protection, NBFIs and cooperative/credit unions can access data from the credit bureau. This is only possible if NBFIs and cooperative/credit unions become members of the credit bureau registry. If this condition is met, these institutions are obliged to register their own customers but may also access data from the credit bureau upon payment.

3

Products

Non-bank lenders can disburse both personal and business microloans (along with operating leases and working capital). In the Netherlands, there is no maximum loan amount or interest rate cap applicable to business microloans.

However, the authorisation for non-bank lenders to disburse personal loans (including maximum loan amounts) is dependent upon the permit received from the AFM. The interest rate cap for personal loans is set at 14% for non-bank lenders. Although the disbursement of personal loans is possible in principle, no Dutch MFI currently offers this product.

4

Incentives and Support

The Netherlands does not have dedicated support for microcredit provision and there are no tax incentives for individuals that offer financial support for microlending activities.

5

Development of the Existing Framework for Non-Bank Microcredit Provision

Major initiatives to improve the regulatory framework are not currently available.

6

Inclusive Entrepreneurship and Microenterprise Development

There is a simplified administrative procedure for microenterprises and other forms of fiscal arrangements such as tax breaks for entrepreneurs, self-employed and for business investments. In addition, there is a welfare bridge in place for individuals that want to start a business. Entrepreneurs can retain up to six months of their social welfare benefits when starting a business. However, business income cannot exceed the welfare benefits received since the benefits serve as a social safety net.

Entrepreneurial education has been included in the secondary school curriculum in addition to publicly subsidized business development services (BDS) for entrepreneurs. Finally, there are some local government programs and national government subsidies that are actively sensitising individuals to inclusive entrepreneurship and business development.



EUROPEAN
MICROFINANCE
NETWORK

European Microfinance Network (EMN) aisbl
Avenue des Arts 7-8, 1210 Brussels - Belgium
emn@european-microfinance.org
www.european-microfinance.org



European
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