KPMG
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Tax & Legal

Budget Day 2026

Changes for payroll taxes

September 2026

On Budget Day, 15 September 2026, the government submitted the 2027 Tax Plan package to the Lower House of Parliament. In this memorandum, we address the most important proposed changes to payroll taxes included in the 2027 Tax Plan, the Other Tax Measures 2027 Bill, and the Tax Incentives for Start-ups and Scale-ups Bill. We also address changes included in the pending 2027 Tax Miscellaneous Act, the consultation version of the Self-Employed Persons Act, the already enacted Temporary Agency Work Admission Act, and the pending implementation bill for the Directive on Pay Transparency between Men and Women. The proposals are intended to enter into force on 1 January 2027, unless a different date is explicitly stated in this memorandum. Due to the parliamentary composition of a minority government, the further consideration of the tax bills in the Lower House of Parliament and the Upper House of Parliament is expected to play an important role in the final design of the measures, with amendments and notes of amendment potentially being introduced during the legislative process.

Content

1. Announced tax changes in the 2027 Tax Plan package

End of Specific Exemption for Discounts on Industry-Specific Products

The specific exemption for industry-specific products will be abolished. To continue providing employee discounts on a tax-free basis, they must be charged against the tax-free budget of the Work-Related Costs Scheme ("WCR"). If the tax-free budget is exceeded, the employer is liable for a final levy of 80%.

Currently, the WCR includes a specific exemption for industry-specific products. This exemption allows employers to provide employees with a tax-free discount or reimbursement for products from their own company or an affiliated company. The exemption applies only if (i) the products are industry-specific, (ii) the discount or reimbursement per product does not exceed 20% of the fair market value of that product, and (iii) the total discount or reimbursement per employee does not exceed € 500 per calendar year. To the extent these thresholds are exceeded, the excess constitutes taxable wages unless it is designated as final levy wages and charged against the WCR tax-free budget.

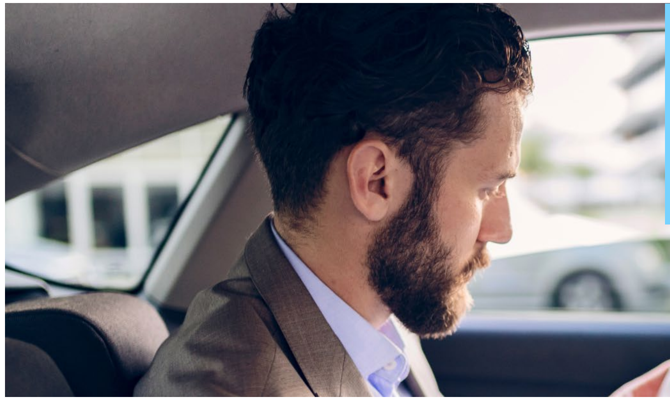
For companies where such a discount or reimbursement is part of the employment conditions package, we recommend assessing the (financial) impact and the available options to prevent employer costs from increasing (substantially). Modifying or withdrawing such a discount or reimbursement is not automatically permitted.

What does not change?
The valuation of industry-specific products continues to be based on their fair market value. In addition, a discount on industry-specific products for former employees will continue to qualify as final levy wages, which are already charged against the tax-free budget.

Structural increase in the tax-free travel allowance to € 0.25 per kilometre

The maximum tax-free mileage allowance has been increased retroactively as of 1 January 2026 from € 0.23 to € 0.25 per kilometre. This allowance falls under a specific exemption within the WCR and can therefore be reimbursed tax-free. This applies to both business travel and commuting.

Companies that have reimbursed more than € 0.23 per kilometre since 1 January 2026 can correct their payroll or WCR administration. The additional € 0.02 is then tax-free and does not reduce the tax-free allowance. Companies that reimbursed € 0.23 or less are not required to increase the travel allowance. If they do so, they may make use of the increase to € 0.25 retroactively. The above also applies where salary is exchanged for a tax-free travel allowance under a cafeteria scheme.



Employee discounts can still be provided, but be aware of the financial impact of abolishing the specific exemption

Freeze of the pension accrual cap

The maximum pensionable salary will not be indexed through 2032 and will remain at € 137,800. The government has announced that the cap for tax-facilitated pension accrual will be frozen for several years starting in 2027. As a result, the maximum salary on which tax-facilitated pension can be accrued will no longer increase in line with regular indexation.

For employees with income above this threshold, this means that a growing portion of their income will fall outside the tax-facilitated pension regime in case of a salary increase, employers may therefore increasingly face questions regarding alternative forms of supplementary retirement provision, such as net pension arrangements or individual wealth accumulation.

Tax incentives for start-ups and scale-ups bill: definition and new share option regime

The government seeks to strengthen the business establishment and growth climate for innovative companies in the Netherlands.

Under the current regime, share options are generally taxed when the shares acquired upon exercise become tradable. As a result, wage tax may become due at a time when the employee has not yet sold the shares and does not have sufficient liquidity to pay the tax.

Proposed share option regime
The Tax Incentives for Start-ups and Scale-ups Bill introduces a separate regime for share option rights granted to employees of qualifying start-ups and scale-ups.

Under the proposed regime, taxation generally takes place upon the disposal of shares acquired through exercise. The taxable wage is generally set at 65% of the benefit. The profit equals the sale minus the exercise price paid. Assuming a Box 1 tax rate of 49.5%, this results in an effective tax burden of 32.175%.

Qualification as a start-up or scale-up
A company may qualify as a start-up or scale-up if it is focused on rapid growth through a scalable and repeatable business model based on innovation.

A scalable and repeatable business model means that, through the use of technology, the company can rapidly increase revenue without requiring a corresponding pro rata increase in personnel, resources, or costs. The technology used must result in lower marginal costs and economies of scale.

Innovation means the development or improvement of products, services, processes, or technologies involving technical innovation or a significant functional improvement compared with the industry sector of the relevant start-up or scale-up.

Tax incentive for start-ups and scale-ups: lower tax burden on share options

In addition, the following conditions apply:

• The shares or profit-sharing certificates of the company are not traded on a regulated market.

• More than 25% of the shares or profit-sharing certificates may not be held directly or indirectly by an entity whose shares or profit-sharing certificates are traded in a regulated market.

• The company must have a decision issued by the Minister of Economic Affairs and Climate Policy, with the assessment carried out in practice by the Netherlands Company Agency (RVO).

Foreign companies may also submit an application to the RVO to be designated as a start-up or scale-up. To apply the regime, the relevant company must nevertheless be treated as a withholding agent within the scope of the Dutch Wage Tax Act 1964.

RVO Decision
According to the bill, the RVO decision is valid for a period of eight years from the date on which it is issued. Upon request, the decision may initially be extended by five years and subsequently by up to two additional five-year periods, provided the company continues to meet the requirements.

The loss or withdrawal of the decision has tax consequences for share options and shares that have not yet been taxed. The reduction of the tax base then applies only on a pro rata basis to the period during which the company held a valid decision.

Other elements
The main additional elements of the bill are:

• State aid: Compared with the consultation version of the bill, the scope of the regime has been further restricted by European state aid rules. In principle, the regime is available to companies with fewer than 250 employees and annual revenue of up to € 50 million or an annual balance sheet total of up to € 43 million. Companies that do not meet this SME (in Dutch: "kmo") definition may still qualify under certain conditions, provided that total state aid received does not exceed the de minimis threshold of € 300,000 over a three-year period. This threshold does not relate to the value of the granted options but to the benefit calculated for the company under state aid rules.

• Two-year condition: It must be agreed in writing that shares acquired through exercise may not be disposed of earlier than two years after the share option right is granted. This condition does not apply where the company is sold or listed on a stock exchange within that period.

• Parent company: The regime may also be applied to options on shares in a direct or indirect parent company holding more than 50% of the withholding agent. Both the withholding agent and the parent company must qualify as a start-up or scale-up and hold an RVO decision.

• To-the-extent approach: To the extent that the fair market value of the underlying shares at the time of granting exceeds the exercise price, the tax base reduction does not apply. This portion is fully taxed upon disposal. The facility is therefore not entirely lost but applies on a pro rata basis.

• Emigration: In the event of emigration before the regular taxation moment, a deemed disposal at fair market value is assumed and the benefit is included in a protective tax assessment, for which payment deferral generally applies.

• Exclusions: The regime does not apply if the share option or the share acquired through it qualifies as a lucrative interest. The regime also does not apply if the employee holds a substantial interest before or after the grant of the share options.

Transitional rules and entry into force
The regime may also apply, subject to conditions, to share option rights that:

• were granted on or after 17 April 2025;

• had not yet been taxed for wage tax purposes as of 31 December 2026;

• satisfy the requirements of proposed Article 10b of the Dutch Wage Tax Act 1964.

For these cases, the required RVO decision must be applied no later than 31 December 2027.

The government intends the share option regime to enter into force on 1 January 2027.

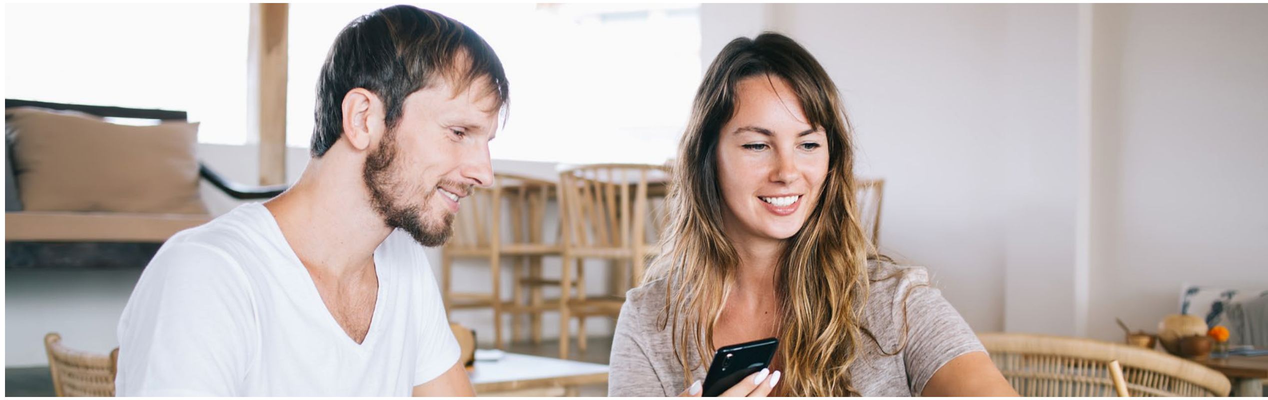
Box 3
The previously announced change to the Box 3 treatment of shares in start-ups and scale-ups is not included in the submitted bill. The consultation version envisaged that such shares would fall under a capital gains regime in the future system based on actual returns. The government has decided to take more time for decision-making regarding the future Box 3 regime.

Adjustments to the pseudo final levy on fossil-fuel company cars

Several amendments have been proposed to the previously adopted pseudo final levy on fossil-fuel company cars.

The adjustments are intended to address practical issues that have been identified.

As of 1 January 2027, employers will be subject to a pseudo final levy of 12% of the list price of fossil-fuel passenger cars that are also made available to employees for private use. Commuting is regarded as private use for this purpose. The levy is payable by the employer and applies in addition to any additional tax liability for the employee's private use. Transitional rules apply to passenger cars that were first made available before 1 January 2027. The objective of the measure remains unchanged: to encourage employers to accelerate the transition to fully zero-emission vehicles.



Adjustments
• Exception for replacement vehicles: if an employee temporarily uses a replacement non-zero-emission vehicle due to damage, maintenance, repair, or a tire change, no pseudo final levy applies to that replacement vehicle for a period of up to fourteen consecutive days. This prevents temporary replacement transport from unintentionally resulting in (double) taxation.

• Extension of the transitional rules: for non-zero-emission vehicles that were already made available by the same employer before 1 January 2027, the transitional period is extended from 17 September 2030 to 1 January 2031.

Government mitigates the pseudo final levy on fossil-fuel company cars to address practical bottlenecks

Ending the transitional period midway through a month during the calendar year would create additional administrative burdens.

- Temporary exemption for short-term use: once per calendar year, a fossil-fuel passenger car may be made available for up to seven consecutive days without the application of the pseudo final levy. This measure is intended primarily for the incidental use of rental or shared vehicles and will expire on 1 January 2031.
- Exemption for driving school vehicles: driving school vehicles with a manual transmission are exempt from the pseudo final levy. The government considers it undesirable for driving schools to be discouraged from using vehicles with manual gearboxes for instruction purposes.

Anti-cumulation provision
To prevent double taxation, a statutory anti-cumulation provision will be introduced. This concerns situations in which both the pseudo final levy on fossil-fuel company cars and the pseudo final levy on excessive severance payments would apply. Without such an anti-cumulation provision, double taxation could arise in certain cases for the same (legal) person on the same tax base.

Increase of the Fixed Wage Amount for the R&D remittance reduction (WBSO)

As of 1 January 2027, the fixed hourly wage for the Research and Development (R&D) remittance reduction (WBSO) will be increased from € 29 to € 33.

The WBSO is a tax incentive regime through which the government promotes innovation. Businesses engaged in research and development (R&D), such as the development of new products, processes or software, or the conduct of technical and scientific research, may, subject to certain conditions, receive compensation for part of the related labour costs and other R&D expenses. For employers, this takes the form of a reduction of payroll taxes, while self-employed entrepreneurs may qualify for an additional deduction in personal income tax.

The fixed hourly wage is applied to withholding agents that do not have historical data because they did not perform R&D activities in previous years. In those cases, the payroll tax credit is calculated based on a statutory fixed hourly wage. This amount has not been increased since 2008. It is now being increased by € 4 in order to bring the regime more in line with rising labour costs.

Gradual increase of the age threshold for the Youngtimer Regime

For company cars with a minimum age of 16 years (“youngtimers”), a taxable benefit of 35% of the fair market value applies instead of 22% of the list price. Whereas it was previously envisaged that the age threshold would increase directly to 25 years as of 1 January 2027, the threshold will now be increased gradually to 20 years.

The age threshold will be raised to 17 years as of 1 January 2027 and subsequently to 20 years as of 1 January 2028. This implements the motion adopted by the Lower House of Parliament on 31 March 2026.

Transitional rules
Cars that were already made available to an employee or entrepreneur no later than 31 December 2025 may continue to benefit from the youngtimer regime for a longer period:

- In 2026, the youngtimer regime will continue to apply to cars that reached the age of 15 years in 2025. This had already been approved by policy decree.
- In 2027, the youngtimer regime will continue to apply to cars that reach the age of 17 years in 2027.
- As of 1 January 2028, an age threshold of 20 years will apply to all cars and the transitional rules will therefore cease to apply.

Technical repair
With retroactive effect to 1 January 2026, an omission in the amended youngtimer regime will be corrected. Under the previous legislative amendment, the age threshold for the valuation basis was inadvertently not increased from 15 to 16 years. This will now be corrected.

Rates

Tax rates[1]

The rates for employees who will not yet have reached the State Pension Age (AOW) in 2027 (67 years in 2027) will be as follows:

Taxable income exceeding	But not exceeding	Income tax rate	National insurance contributions	Combined rate
-	€ 39.247	8,58%	27,65%	36,23%
€ 39.247	€ 78.426	38,16%		38,16%
€ 78.426	-	49,50%		49,50%

General tax credit

The general tax credit will be increased from € 3,115 to € 3,154. The amount of the general tax credit depends on total taxable income, which consists of the combined income from Boxes 1, 2 and 3. The maximum tax credit is reached at an income of € 30,910.[2] Above this income level, the general tax credit is reduced by 6.638% until it reaches zero. As a result, the general tax credit is zero from an income of € 78,426.[2]

Employment tax credit

The maximum employment tax credit will increase from € 5,685 to € 5,929 as of 1 January 2027. The amount of the employment tax credit depends on income from current employment. The employment tax credit increases up to an employment income of € 47,834.[2] Above that amount, the credit is reduced by 6.51% until it reaches zero. As a result, the employment tax credit is zero from an income of € 138,909. [2]

Increase of the maximum wage base for employee insurance contributions

The maximum wage base for employee insurance contributions for 2027 is € 82,547 (2026: € 79,412). This means that no employee insurance contributions are payable by the employer on income exceeding this threshold. In addition, the contribution rates for part of the employee insurance regimes will increase. The government proposes an increase in the contribution to the Disability Fund (Arbeidsongeschiktheidsfonds) as financing for the freedom contribution. The percentages will be established later this year by ministerial regulation.[3]

Income-Related Contribution under the Health Insurance Act

The income-related contribution under the Health Insurance Act payable by the employer will, as of 1 January 2027, be increased from 6.10% to 6.27%. For the Health Insurance Act, this results in an additional employer cost of approximately € 332 per employee with wages exceeding the maximum wage base.

[1] *The rates and amounts stated are subject to the adoption of the 2027 Tax Plan.*

[2] *Provisional amount: the phase-out threshold for the general tax credit and the employee tax credit is linked to the statutory minimum wage and will only be finalized once the statutory minimum wage has been set in November 2026.*

[3] *The proposed contribution rates for 2027 are set out in Parliamentary Papers II 2026–2027, 37 020 XV, No. 2, p. 171.*

2. Previously adopted tax changes with effect from 2027

Further restriction of the expat scheme

The expat scheme will be further restricted as of 1 January 2027. The maximum tax-free allowance will be reduced from 30% to 27%. In addition, the salary norm will be increased annually from 2027 onwards, in addition to the annual indexation based on the price level.

The expat scheme allows employers, subject to certain conditions, the possibility to provide employees with specific expertise who have been recruited from abroad a tax-free allowance for extraterritorial costs. This allowance can be provided for a maximum period of five years and requires a decision from the Dutch Tax Authorities.

Transitional law for the expat scheme
For employees who are already making use of the expat scheme, transitional rules apply. The consequences of the restriction therefore depend on the moment the expat ruling was first applied. Schematically, the transitional law is as follows:

Application of expat scheme	2025 and 2026	2027 onwards
No later than 31-12-2023	30% and current salary norm	30% and current salary norm
From 2024	30% and current salary norm	27% and current salary norm
From 01-01-2025	30% and current salary norm	27% and new salary norm

The transitional rules do not apply to inbound employees who used the expat regime before 2024 and who have an interruption of employment in the Netherlands after 31 December 2023, unless this interruption lasts no longer than three months. In this respect, the rules for changing employers are followed.

Transitional law for partial foreign taxpayer status
In addition, the transitional rules for the so called partial foreign taxpayer status will end on 1 January 2027. Employees who, based on these transitional rules, could still be treated as non-resident taxpayers for box 2 and box 3 purposes will no longer be able to make this election from 2027 onwards.

Increase in pseudo-final levy for Early Retirement Schemes (RVU)

For "RVU" benefits above the threshold exemption, the pseudo-final levy will be gradually increased from 57.7% in 2026 to 64% in 2027 and to 65% as of 2028. As a result, early retirement schemes exceeding the RVU threshold exemption will become significantly more expensive for employers.

Employers offering employees the opportunity to retire early may be confronted with the pseudo-final levy for an RVU. To the extent that payments or benefits under a scheme qualify as an RVU and the statutory threshold exemption is exceeded, the employer is liable for a final pseudo-levy.

End of tax benefit for electric company cars

The reduction in the taxable benefit-in-kind rate for the private use of zero-emission company cars will be phased out. The taxable benefit-in-kind rate for zero-emission cars will increase from 18% in 2026 to 20% in 2027 for the first € 30,000 of the list price. This cap of € 30,000 does not apply to zero-emission cars with a hydrogen-powered engine and cars with integrated solar panels. From 2028 onwards, the taxable benefit-in-kind rate will be aligned with the regular rate of 22%. If a zero-emission car is purchased in 2027, the 20% rate will continue to apply for sixty months.

Lower tax-free allowance for expats from 2027

Rise of the tax-free budget in the first bracket under the WCR

The tax-free budget over the first € 400,000 of the taxable payroll will be increased from 2% to 2.16%. For the part of the payroll exceeding € 400,000, the percentage of 1.18% will remain applicable.

The work-related cost scheme ("WCR") gives employers the possibility to give certain allowances and benefits to employees tax-free. This can be done within the tax-free budget, which is calculated based on the employer's total taxable payroll. If the tax-free budget is exceeded, the employer is liable to pay a final levy of 80% on the excess.

Revision of the Lump Sum Payment Act

The entry into force of the Revision of the Lump Sum Pension Payment Act has been postponed until 1 January 2029. This Act provides members in a pension scheme with the option, upon retirement, to withdraw up to 10% of their accrued old-age pension in one lump sum. The measure is intended to offer greater flexibility in the use of pension assets, for example to repay debts or fund a significant expenditure.

Pension scheme members should be aware that opting for a lump sum payment may lead to higher taxation, a lower lifelong pension and potential consequences for income-dependent benefits.

Obligation for opting-in replaced by retention obligation

The notification obligation for opting-in will be replaced by a retention obligation. The joint declaration will no longer need to be submitted to the Dutch Tax Authorities but must instead be retained in the payroll administration. The method of recording is, in principle, unrestricted, although secondary legislation will determine the minimum data requirements. The Dutch Tax Authorities will provide a model form for this purpose.

The opting-in scheme makes it possible to treat an employment relationship that would normally fall outside the scope of wage tax as a (fictional) employment relationship for wage tax purposes. Currently, the employer and employee must jointly submit a declaration to the Dutch Tax Authorities before the activities commence. The employer thereby becomes the withholding agent, and all rules (and facilities) under the Wage Tax Act become applicable.

Government increases tax-free budget of the first WCR bracket

Abolition of the first-day reporting

The first-day report ("EDM") will be abolished as of 1 January 2027. Between 1 July 2006 and 31 December 2008, all employers were required to notify the Dutch Tax Authorities of new employees no later than the day before their first working day. This was known as the first-day report. As of 1 January 2009, only companies designated by the inspector were obliged to do so. Because the EDM is rarely, if ever, applied in practice, the statutory regulation will be abolished.

Amendment of the aggregation rule for the employee tax credit in respect of social security benefits

With effect from 1 January 2027, the so-called aggregation rule for wage tax purposes will be amended. As a result, certain social security benefits[4] will no longer qualify as employment income from current employment for purposes of the employee tax credit. This amendment follows a 2024 Supreme Court judgment concerning the difference in treatment between employees who receive a social security benefit through their employer and employees who receive the same benefit directly from the Employee Insurance Agency ("UWV"). The Supreme Court ruled that this difference in treatment could not be objectively justified.

Under the current legislation, the employee tax credit can be applied to social security benefits paid through the employer, whereas it cannot be applied to the same benefit if it is received directly from UWV. As of 1 January 2027, employers will therefore no longer be permitted to apply the employee tax credit to benefits under, among others, the WIA, WGA, WAO and Wajong.

Employers who pay for disability or other UWV benefits through their payroll administration should assess in good time which employees will be affected by this amendment.

Expansion of the definition of a "delivery van"

The legislation contains specific rules for delivery vans that are also made available for private use.

The definition of a delivery van will be harmonized for various taxes as of 1 January 2027 by aligning it with the vehicle registration register. This will result in a limited number of passenger cars qualifying as delivery vans.

4 This concerns benefits under the WAO, WAZ, Wajong, WIA (IVA and WGA), the Sickness Benefits Act, Wamil, BNO and WVT, as well as benefits under the Supplementary Benefits Act.

3. Other Developments in the Area of Employment and Remuneration

Self-Employed Persons Act and legal presumption

The measures announced on Budget Day do not contain any further clarification of the rules governing the engagement of self-employed individuals. However, this area has been subject to significant developments in recent years. In addition, the Dutch Tax Authorities have resumed enforcement as of 1 January 2025, meaning that additional wage tax assessments may be imposed if an employment relationship is reclassified as a (deemed) employment relationship. We have addressed the most recent developments below.

Self-Employed Persons Act
The Self-Employed Persons Act was introduced as a private member's bill alongside the legislative proposal for the Assessment of Employment Relationships and Legal Suspicion Act ("VBAR"). The Self-Employed Persons Act has completed an initial consultation round and is expected to be submitted for a second consultation round by the end of September 2026. It is expected to be considered as a legislative proposal by the Lower House of Parliament and the Upper House of Parliament in 2027, with an intended effective date of 1 January 2028.

Based on the consultation document and the parliamentary letter dated 10 September 2026, the core of the proposal is as follows. A new assessment framework has been introduced to determine whether an individual qualifies as self-employed and therefore does not qualify as an employee. The framework consists of two tests:

1. Self-Employment Test:

- working for one's own account and risk;
- maintaining proper records;
- operating as an independent entrepreneur in the market;
- having adequate provisions for the risk of incapacity for work;
- contributing proportionately to retirement provisions.

2. Working Relationship Test:

- freedom to organize the work;
- freedom to organize working hours;
- absence of hierarchical control;
- the parties' intention not to enter into an employment contract.

To ensure that no employment relationship exists, all criteria under both tests must be met. If this is not the case, the assessment reverts to the criteria established in the Deliveroo Supreme Court judgment. The previously proposed assessment committee and sector-specific legal presumptions are no longer part of the Self-Employed Persons Act.

Rebuttable legal presumption in the event of a low hourly rate
The legal presumption was originally part of the VBAR legislative proposal. After the clarification section on when a person qualifies as self-employed or as an employee was removed, the legal presumption was continued and adopted as a separate measure.

With effect from 31 December 2026, a rebuttable legal presumption will apply to workers receiving remuneration at or below the statutory hourly rate threshold. The law specifies a base amount of € 36 per hour, which will be indexed before the law enters into force. If the worker invokes the legal presumption, the client must rebut the presumption by demonstrating that no employment contract exists. This therefore does not mean that an employment contract automatically exists.

Act Implementing the Pay Transparency Directive for men and women

On 20 May 2026, the legislative proposal Act Implementing the Pay Transparency Directive for men and women was submitted to the Lower House of Parliament. The proposal contains measures aimed at increasing the transparency of pay differences between men and women and strengthening the enforcement of equal pay for equal or equivalent work. The proposal implements the European Pay Transparency Directive. The proposed effective date is 1 January 2027. The proposal must still be adopted by both the Lower House of Parliament and the Upper House of Parliament.

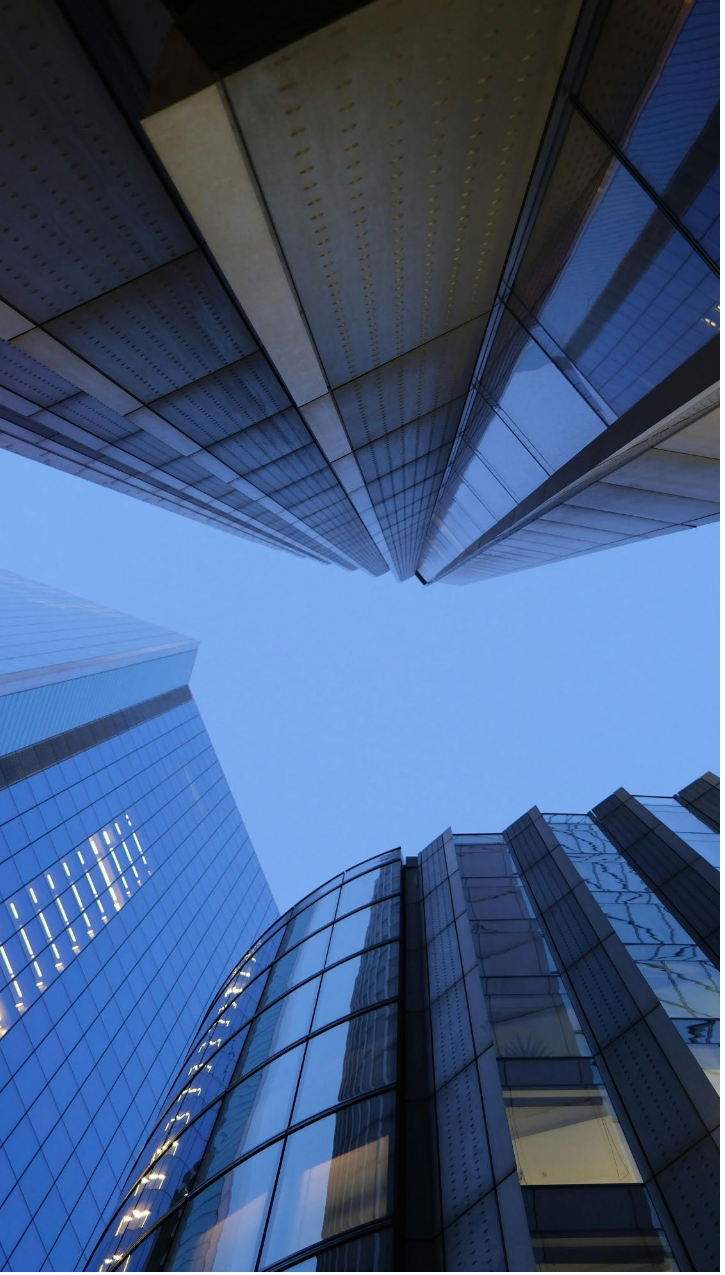
Key Obligations
Employers must implement an objective and gender-neutral job evaluation and classification system. Applicants must receive prior information on the starting salary or salary range. Employers will no longer be permitted to ask applicants about their salary history. In addition, employees will be entitled to information about their own pay and the average pay of employees performing equal or equivalent work, with the information broken down by gender.

Employers with 100 or more employees must report periodically on pay differences. Employers with 150 or more employees must submit their first report no later than 7 June 2028, covering the 2027 calendar year. Employers with 100 to 150 employees must submit their first report no later than 7 June 2031, covering the 2030 calendar year. Where there is an unjustified pay gap of more than 5% that has not been remedied within six months, a joint pay assessment must, under certain conditions, be carried out in cooperation with employee representatives.

Further Regulations
The Decree Implementing the Pay Transparency Directive for men and women and the Regulation Implementing the Pay Transparency Directive (both currently in draft form) contain additional rules elaborating on various elements of the directive. These include, among other things, the definitions of pay used, the method for calculating the gender pay gap, the reporting obligations, and the implementation of employees' right to information.

Wtta and Simplification of recipients' liability

With the Admission of Workers Act ("Wtta"), the government aims to combat illegitimate practices by temporary work agencies and other suppliers of labour. The Wtta amends the Placement of Workers by Intermediaries Act ("Waadi") and has now been adopted by both the Lower House of Parliament and the Upper House of Parliament.



As a result, from 1 January 2028, it will be prohibited to make workers available in the Netherlands without obtaining admission to a public register. Admission to this register requires an inspection report demonstrating that the company complies with the statutory standards.[5] From 1 January 2027, labour suppliers may apply for admission. From 2028 onwards, hirers will be required to verify whether the labour supplier is included in the register. The Dutch Labour Inspectorate will supervise compliance and may impose fines on both hirers and labour suppliers in the event of violations.

The admission requirement applies not only to temporary work agencies but also to other undertakings that make workers available. There are several exceptions, including the supply of workers within an affiliated group.[6] For intra-group secondments, it is therefore important to assess whether an exception applies.

Admission to the public register is granted for four years and must be renewed as long as the undertaking continues to make workers available. Provisional admission for newly established labour suppliers is valid for six months.

Simplification of recipients' liability
In conjunction with the introduction of the Wtta, fiscal recipients' liability will also be simplified. The amount of liability debt is presumed to be 35% of the invoice amount. In doing so, account is taken of any amounts that the hirer has paid into the supplier's or intermediary supplier's blocked account ("G-account"). In addition, an undertaking admitted to the public register is presumed to qualify as a labour supplier for purposes of fiscal recipients' liability. Both presumptions may be rebutted.

Blocked Account (G-account)
The government has also announced its intention to make the G-account mandatory for admitted temporary work agencies in the future. The exact implementation and effective date have not yet been determined. Based on an exploratory study, improvements to the G-account system have been proposed. These include a proposed exemption for foreign parties that are unable to obtain a blocked account. These changes are not expected to enter into force before 2029.

Amendment to the Financial Supervision Act (Wft)

In the Netherlands, employees of financial institutions are generally subject to a bonus cap of 20% of their fixed remuneration. This rule will be limited to employees whose activities materially affect the risk profile of the financial institution, the so-called identified staff. As a result, not every employee of a financial institution will remain subject to the bonus cap. The 20% cap remains unchanged.

The legislative proposal has already been adopted by both the Lower House of Parliament and the Upper House of Parliament. The date of entry into force is not yet known and will still have to be determined by Royal Decree.

5 Under transitional law, a one-off application for admission may be made using the SNA quality mark instead of an inspection report.

6 Articles 24a and 24b of Book 2 of the Civil Code.

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