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Dutch bill on management and supervision of legal entities back on track

Following a two-year pause, the Dutch government has submitted an amended bill on the management and supervision of legal entities. The original bill included uniform rules on conflict of interest and director liability in the event of a bankruptcy. Recognising the differences between the various legal entities, the amended bill now legislates these issues for each type of entity including foundations, associations, cooperatives and mutual insurance companies.

The original bill contained provisions on liability of board members at non-commercial foundations and at informal and non-commercial associations in the event of a bankruptcy; those provisions have been removed from the bill. Another key proposal is to make a one-tier board structure possible at these entities. Where the original bill required all legal entities to fill director positions when a vacancy occurs or a director is unable to act, the amended bill limits this requirement to BVs and NVs. The amended bill does include more possibilities to structure legal entities' governance. The duties and responsibilities of board members at these entities have also been clarified.