

Notaries in the Netherlands: legal professionals

Introduction

This site has been prepared by the Royal Netherlands Notarial Organization (KNB) to provide an introduction to the profession of notary (notaris) in the Netherlands. Notaries occupy a special place in the world of legal professionals in the Netherlands, alongside attorneys-at-law (advocaten), bailiffs (deurwaarders) and tax advisors (belastingconsulenten). This is apparent first and foremost from the way in which a notary is appointed and performs his duties. Like an attorney, a notary is a legal professional with clients who pay for his advice and services, but like a judge, a notary is appointed by the Crown for life (in other words until the age of retirement at 65). The permanence of the appointment is designed to safeguard the independence which a notary needs to perform his duties.

This brings us to a second important feature: a notary's independence and, more importantly, his impartiality. Unlike an attorney-at-law or other legal advisor, a notary does not act for just one party. Instead, in the Dutch legal system, he is required to weigh up and balance the interests of all the parties to a legal transaction. A notary is, as it were, above the parties. For example, when real property is conveyed a notary acts for both the seller and the buyer. He has a duty of secrecy in relation to his clients and has the right to withhold information in court, in the same way as an attorney-at-law or a doctor. In cases where a notary nonetheless acts as legal advisor to a particular party to a transaction, he should make this sufficiently clear to all concerned. Here too, however, the notary should not neglect the interests of third parties.

All notaries are law graduates. Not only are they experts in family law, succession law, corporate law and property law, but they must also stay abreast of certain aspects of tax legislation and case law in so far as they relate to these fields. If necessary, a Dutch notary may coordinate the activities of other legal professionals. However, a notary does not represent clients in court.

Apart from providing legal advice, a notary also records agreements, either because the law requires it or at the parties' request. The formal document drawn up by a notary, which is known as a notarial deed, constitutes definite proof that the date and the parties' signature are correct. A notary is required to retain the original instrument and to issue the parties with certified copies. A specially-endorsed copy, known as the execution copy, provides conclusive evidence of title in the same way as a court judgment. It follows that the holder of a notarial deed need not conduct legal proceedings to prove the authenticity of a deed. By contrast, a deed drawn up by an English solicitor is not treated as an authentic document and cannot therefore be executed as such in the Netherlands.

The new Notaries Act (Wet op het Notarisambt), which came into force on 1 October 1999 (156 years after the original Act), reinforces the official position of notaries, but also permits a freer market for the services they provide. The consolidation of the notary's official position is, for example, reflected in the way the requirements of impartiality and independence have been enshrined in law, in the many regulations a notary and junior notary (kandidaat-notaris) are required to observe, and also in the fact that a notary is not permitted to act as an attorney-at-law. The introduction of market forces is reflected in the greater scope for competition and for junior notaries to become a notary. However, the introduction of the new Notaries Act has left the system basically unchanged: the Dutch notary forms part of the Latin notarial profession. While he is granted authority to exercise official powers and the deeds drawn up by him have special evidential force in some respects, he is also an entrepreneur since he receives his fees not from the authorities but from his clients.

The new Act makes it easier for junior notaries wishing to set up a practice and allows notaries more freedom in the fees they are permitted to charge. The Act has provided for the establishment of an external committee of experts; if junior notaries can submit a sound business plan to this committee, they have more opportunity than before to set up their own practice. The greater freedom in the fees a notary is permitted to charge implies that the KNB no longer gives rules for fees or publishes recommended rates. Since 1 July 2003 notaries have been in principle free to set their own fees. Maximum fees fixed by the authorities now apply only to family law services in certain circumstances.

What legal services does a notary provide?

The law requires a notarial deed for a number of agreements and legal transactions. The most important are:

1. conveying real property in the Netherlands;
2. creating or cancelling mortgages;
3. Incorporating public or private limited liability companies (NVs and BVs) and altering their articles of association;
4. establishing foundations and associations (including cooperatives) or altering their constitution;
5. drawing up, altering and executing wills;
6. drawing up or altering marriage contracts (i.e. usually ante-nuptial settlements) and registered domestic partnership agreements;
7. transferring registered shares;
8. legalising signatures;
9. providing for gifts and donations in a notarial deed.

For practical reasons a notary often also performs other types of legal transaction and drafts other types of agreement, for example partnership agreements (commercial, civil and limited partnerships), agreements between cohabitants and provisions to protect private limited liability companies from third parties.

Conveying real property in the Netherlands

The transfer of real property (i.e. land, buildings etc.) can be broken into two stages:

a. Contract of sale

In a contract of sale, the seller and the buyer agree that the buyer will acquire the title to the property on certain conditions, at a certain price and on an agreed date. This contract becomes effective when they have agreed on all the conditions of the sale. The parties are bound by such a contract. If the parties are natural persons who are not acting in the course of their profession, occupation or business, the agreement must be concluded in writing. This rule was introduced on 1 September 2003. Since that date the buyer has the right to cancel the contract of sale within three days if a notary was not involved in the preparation of the contract, and it is possible to have the contract entered in the public registers.

A contract of sale does not need to be drawn up by a notary, but as it is binding on the parties it is wise to consult a notary at an early stage in order to obtain the necessary expert guidance and advice on legal details. Besides describing the property and recording the price, the contract of sale lists any other agreements between the parties. The involvement of a notary will therefore ensure that as far as possible neither party to the transaction finds himself saddled with obligations he cannot reasonably fulfil. This is why a contract of sale

may include conditions subsequent, for example a condition that the sale will not proceed if the buyer fails to obtain a municipal residence permit or a mortgage. Often the contract also includes a penalty clause that will apply if either party fails to fulfil its obligations.

The notary informs the parties of their obligations and explains how to comply with them.

The contract of sale often stipulates that the buyer should pay a deposit to a notary, as an independent third party. This deposit is subsequently deducted from the purchase price. Because notaries are impartial, it is in the buyer's interests to pay the deposit into the notary's client account rather than to the seller. Instead of a deposit, the buyer can also provide the notary with a bank guarantee.

b. Transfer

The property is conveyed, or the title transferred, by entering a certified copy of the deed of transfer in the registers of the Land and Public Registers Agency. The transfer must be drawn up by a notary and signed by the latter and both parties. Before the transfer is executed, the notary is required to search the public registers to confirm the seller's title to the property and power to dispose of it.

Unless agreed otherwise, the costs connected with buying real property are borne by the buyer. These include:

- transfer tax (6% of the purchase price of the property), which is paid via the notary;
- the notary's fees;
- the costs of registering a certified copy of the deed of transfer at the Land and Public Registers Agency

Other costs the buyer may be required to pay include any commission payable to an estate agent involved in the sale, and a proportion of the property tax which the seller is required to pay in the calendar year in which he sells the property.

A notary generally arranges the financial completion of the property transaction. The buyer does not become the legal owner of the property until the deed of transfer has been signed and the notary has ensured that a certified copy has been entered in the public registers. The purchase price is not paid to the seller until the notary has satisfied himself that the property is not encumbered with any mortgages or attachments other than those that were disclosed when the deed of transfer was signed. The buyer is responsible for insuring the property from the date on which the deed of transfer is signed.

Nowadays, more and more real property is being sold in the Netherlands at public auction. Such an auction is often arranged by a notary, who ensures that the rights of all interested parties are sufficiently safeguarded.

Creating and cancelling mortgages

If a buyer borrows money in order to purchase a property, the lender will often demand security in the form of a mortgage (recht van hypotheek). That is to say, the house becomes collateral for the borrower's repayment obligations. The mortgage deed necessary for this purpose must also be drawn up by a notary, who must then arrange for an extract of that deed to be entered in the public registers. After the loan has been repaid in full, the mortgage registration is struck out by means of a notarial deed of mortgage cancellation. Where property is sold, the notary will also arrange for repayment of any existing mortgage from the proceeds of sale and for cancellation of the entry in the mortgage register.

Incorporating public and private limited liability companies (NVs and BVs) and altering their articles of association

Business enterprises can be set up in different legal forms, i.e. with and without legal personality. In the case of enterprises without legal personality, there is no distinction between the capital of the enterprise and that of the entrepreneur. It follows that the entrepreneur remains personally liable for the debts of the enterprise. This is not the case for legal entities, as they are deemed to be separate and independent. If an enterprise has legal personality, the entrepreneur cannot, with some exceptions, be held liable for more than the sum he has contributed to the company's capital.

Sole traders, partnerships and limited partnerships are examples of business enterprises that are not legal entities.

The absence of legal personality is not necessarily a disadvantage for an enterprise. A notary can advise entrepreneurs and explain the legal and tax consequences of the various legal forms.

NVs and BVs are limited liability companies. Most legal entities are BVs (private limited liability companies), whereas NVs are usually large companies with a stock exchange listing. The law requires a notarial deed for the incorporation of a public or private company. Such a deed must contain the articles of association. The founders of a BV must pay up a minimum of EUR 18,000 of the share capital, whereas the founders of an NV must pay up EUR 45,000. The founders must be able to demonstrate that they have this sum at their disposal.

Under the new system, the notary is completely responsible for ensuring that articles of association are legally correct, and the supervisory function of the Ministry of Justice is restricted to inspecting the financial and criminal records of the company's decision-makers.

After the deed of incorporation has been executed, a certified copy must be filed in the Trade Register of the local Chamber of Commerce. This is done in order to give any interested party the opportunity to examine the company's articles of association and to establish which executive and non-executive directors may represent the company and the extent of their powers. The law stipulates that the company's directors are jointly and severally liable for the transactions undertaken before the company's particulars were filed in the Trade Register. In practice, however, as a notary arranges the first registration, the directors' liability is restricted to a minimum. The particulars in the Trade Register must always reflect the current situation. This means that any alterations to the articles or any change of directors or change in the powers of the persons authorised to represent the company must be filed in the Trade Register.

In principle, the law restricts a legal entity's liability to the amount of its paid-up capital. For this reason, any person doing business with an enterprise must be able to establish whether it is a legal entity. One way of making this possible is to provide for the compulsory filing of information in the Trade Register. Another statutory provision intended to prevent third parties from being misled is that any documents, printed matter or notices originating from a company – other than telegrams and advertising material – must clearly state the company's full name under the articles of association – and its business address and the location of the registered office. Letters and orders must also quote the Trade Register where the company is registered, and the registration number.

Establishing foundations and associations (including cooperatives) and altering their constitution

A foundation (*stichting*) is an independent legal entity, like a BV. The law lays down a number of requirements for foundations:

- a foundation may not have members;
- a foundation may not pay its founders, members of its executive board or any third persons (other than payments made to third parties for charitable or non-profit purposes).

This means that foundations are not the ideal legal form for a commercial enterprise, and are instead usually set up for social or charitable purposes. Nevertheless, foundations may be set up for commercial purposes, for instance in order to execute a trust. A foundation is established by a notarial deed and must be entered in the Trade Register kept by the local Chamber of Commerce.

The constitution of an association (*vereniging*) with full legal personality must be recorded in a notarial deed, as it would otherwise have no more than limited legal powers. Without such a deed, the association would be unable to own real property or inherit, and the members of its executive board would be personally liable to third parties and when entering into binding commitments on behalf of the association.

Associations with full legal personality must be registered in the Trade Register kept by the local Chamber of Commerce. This is usually arranged by the notary who executes the deed containing its constitution.

Drawing up, altering and executing wills

A notary plays an important role in drafting and executing wills. A will is needed in all cases in which a testator wishes to derogate from the statutory provisions on succession. Under the Dutch law of succession, children (and in some cases grandchildren) are entitled to a certain statutory share (*legitime*) of the estate. The right of children or grandchildren to this statutory share can never be excluded by will, and they may claim it without recourse to the courts. Since the introduction of new rules on the law of succession on 1 January 2003, the statutory share is always half of the amount that would have been inherited if there had been no will. Another new provision introduced on that date is that the statutory share may be claimed only in money and no longer in goods or property.

A will must be drawn up by a notary, who is required to inform the Central Register of Wills of the name of any person who instructs him to draw up and execute a will (there is no obligation to give notice of the contents of the will). It is therefore possible to establish after a death whether the deceased had made a will with a Dutch notary, and if so, which notary.

A non-Dutch national who wishes to draw up a will in the Netherlands, for instance because he lives and/or has capital or assets here, would also be well-advised to consult a notary. As problems of private international law often occur in such cases, a notary is well-placed to determine how best to protect the interests of the testator.

Probate proceedings are unknown in the Netherlands. After a death, a notary issues a 'certificate of succession' recording the names of the heirs and details of their entitlement. Once in possession of this certificate they can access the deceased's bank accounts. Since the introduction of new rules on succession on 1 January 2003, the certificate of succession must be issued in the form of a notarial deed.

Neither does the Dutch law of succession recognise the position of personal representative. From the moment of death the estate passes to the heirs directly and immediately by virtue of the principle of 'saisine'. One of the heirs is then usually authorised to wind up the estate on behalf of the others. He can, but is not required, to seek the assistance of a notary, but a notary must be used in order to settle and distribute any real property in the estate. A notary may also assist in completing the inheritance tax return.

The testator may also have appointed an executor to carry out these duties. The executor, who should be appointed by will, may (and, in certain circumstances, must) be assisted by a notary. The statutory function of the executor is to administer the assets of the estate and pay any debts. Under the will, the testator may limit or extend these duties. During his administration, the executor represents the heirs in law and otherwise.

Drawing up and altering marriage contracts and registered domestic partnership agreements

Under Dutch law, spouses have a general 'community of property' automatically (i.e. by operation of law). This means that from the date of the marriage, the assets and liabilities of both spouses become a single whole. This includes not only assets acquired or debts contracted during the marriage, but also those which the spouses already had before the marriage.

It is possible to avoid a statutory community of property by entering into a marriage contract. This kind of contract is executed before a notary in a notarial deed. There are many kinds of marriage contract, and a notary has an important advisory task in this respect. After the marriage contract has been drawn up, the notary arranges for it to be entered in the register of matrimonial property kept by the court. As it is public, anyone may inspect its contents. It is advisable - and cheaper - to enter into a marriage contract before the marriage is solemnised (i.e. an ante-nuptial agreement), but such a contract may also be drawn up or amended in the course of the marriage (post-nuptial agreement). It is also wise for foreigners who move to or who have capital or assets in the Netherlands to seek the assistance of a notary, because the Dutch concept of community of property may also apply to them in certain circumstances.

Under Dutch law, two persons of the same sex or different sexes may have their relationship recorded in the civil registers. As matrimonial property law also applies to registered domestic partnerships, it is also possible for registered partners to derogate from the community of property system by notarial deed. These are known as registered partnership agreements.

Since 1 April 2001 it has been possible for people of the same sex to marry. What has been said above in relation to marriage also applies in full to same-sex marriages.

Issuing and transferring shares

Shares must be issued in order to incorporate a company, and a notarial deed is necessary in order to issue shares in a BV. When a BV is incorporated its shares are issued in the deed of incorporation. However, if the company already exists, the issuance or transfer of registered shares requires a separate notarial deed. This also applies to the transfer of restricted rights to a share, such as a usufruct or pledge. The involvement of a notary in the issuance and transfer of shares gives both parties greater legal safeguards, as the notary ensures that the relevant deed includes all the information required by law and investigates the title. It is not until the company has acknowledged the transfer of shares or until notice of the transfer has been served on the company that the new shareholder or the

holder of a title can exercise the rights attached to the share, such as voting rights, the right to attend meetings and the right to receive dividend. It should be noted that a BV may only have registered shares. By contrast, an NV may issue registered shares and/or bearer shares.

Providing for gifts and donations in a notarial deed

In our affluent society we make gifts almost daily, usually of things that are handed over in person such as money or tangible objects. A gift that is to take effect only after the death of the donor should be recorded in a notarial deed. However, a notarial deed is also advisable for other gifts, since it provides proof for the tax authorities or third parties that the gift has indeed been made.

Legalising signatures

Sometimes it is necessary to obtain a legalised signature on an official document, such as a power of attorney required for an international transaction. When a signature is legalised, the official (e.g. a notary) endorses the document with a signed statement to the effect that he has satisfied himself as to the identity of the person who signed the document. It should be noted that the legalisation of a signature provides no guarantee whatsoever of the authenticity of the document itself.

To establish whether the notary who legalises a signature is authorised to do so, it is also possible to request that his signature too be legalised. Sometimes this is done by a consulate and sometimes by the clerk of a court in the Netherlands. This kind of legalisation, which is called an 'apostille', in certain cases, gives a better guarantee than legalisation since it confirms not only the authenticity of the signature but also the capacity of the official legalising the document and, if applicable, the authenticity of the stamps or seals.

A selection of specialisations

Electronic transactions

Dutch notaries are taking an increasing interest in information technology (IT) and a special association was set up to cater to this need in the spring of 1999. The association offers KNB members the opportunity to specialise in notarial IT services, develop new products and explore new markets. It provides two kinds of service: namely trusted third party services (e.g. arranging the kind of legalisation necessary for electronic legal transactions) and depositing source codes for software programs (escrow).

Mediation

Legal conflicts often arise between individuals, within families (for instance regarding the distribution of an estate or access to children after a divorce) or between business partners, who must continue doing business together even if tensions have escalated to the point where this has virtually become impossible. Some notaries have been specially trained to conduct mediation processes. If mediation is successful, the parties sign a legally binding document recording their agreements. As this requires both impartiality and the ability to avert legal disputes, mediation is a service ideally suited for notaries.

Estate planning

The purpose of estate planning, which is a subject that originated in the United States, is to provide legal and tax assistance with the transmission and preservation of assets and to ensure that assets such as family estates are not broken up. To achieve this provision should be made for the estate to be transferred on the most advantageous terms as possible. This can be accomplished by minimising the future estate and thus restricting the total amount of inheritance tax due. When doing so, the parties can encounter problems relating to gifts, the

law of succession, matrimonial property law and tax law. These are all fields in which a notary has expertise as an all-round legal adviser. A notary's ability to combine legal and tax advice can make an invaluable contribution.

Agricultural businesses

The Netherlands has traditionally had many agricultural businesses. Nowadays these businesses are increasingly confronted by complex legislation, including of course environmental legislation. However, there are also many other rules specifically governing the actions of these businesses. In carrying on their businesses farmers are well advised to obtain the assistance of a specialist. In the Netherlands there are sufficient notaries with expertise in this field. A specialised notary of this kind can, for example, assist in the transfer of agricultural land, which often involves the transfer of milk and fertiliser quotas.

List of terms

Association (vereniging)

An association is a legal entity (see: legal entity) in which two or more persons join together for a common object, for example establishing a sports club. Associations may not be set up for the purpose of distributing profits amongst the members. Dutch law distinguishes between associations with and without legal powers, which may be full or partial. An association with full legal powers can have the same rights and obligations as an adult citizen. In order to have full legal powers, an association's constitution must be recorded in a notarial deed. An association without full legal powers has limited rights, which means that it cannot, for example, acquire real property (see: Real Property) and that, in addition to the association itself, the members of its executive are personally liable for its debts.

Authentic deed (authentieke akte)

This is a signed and dated document drawn up by a publicly-appointed official, usually a notary, recording facts, acts, events or statements. Such a deed serves as evidence of the matters it describes and has the same legal effect as a judgment rendered in a court of law.

Central Register of Wills (Centraal Testamenten Register)

This is a register recording all wills drawn up in the Netherlands. It does not record the contents of the will itself, merely the fact that a person has drawn up a will. In this way, it is possible to establish whether a deceased has made a will and which notary is keeping it.

Civil partnership (maatschap)

This is a form of collaboration between two or more persons (partners), each of whom contributes his or her labour, assets or property and who join together for a certain common object. The individual partners are not required to contribute equally to the partnership. Civil partnerships are often set up by professionals such as doctors and attorneys.

Deed of cancellation (royementsakte)

A mortgage (see: Mortgage Deed) is cancelled after the mortgage has been paid off entirely, after which the notary deletes or cancels the registration in the public registers (see: Land and Public Registry Agency). This is done by means of a notarial deed (a deed of cancellation). The mortgage lender must give its permission for this.

Deed of transfer (leveringsakte)

The title to real property (see: Real property) is transferred from the seller to the buyer when a certified copy of the notarial deed of transfer is registered at the Land and Public Registry Agency (see: Land and Public Registry Agency). The deed of transfer must be drafted by a notary and signed by the notary, seller and buyer. The contents of the deed of transfer must correspond with the contract of sale previously concluded by the parties.

Inheritance tax (successierechten)

This is a tax that is levied on the assets received by a beneficiary from a deceased's estate. The rate of tax payable depends on the degree of kinship and the value of the property inherited from the deceased's estate.

Investigation of title (titelrecherche)

When real property is sold the notary checks the records of the property in the public registers (see: Public registers) to establish how and when the seller acquired title to it (see: real property).

Junior notary (kandidaat-notaris)

This is a law graduate who has specialised in notarial law and provides notarial services under the responsibility of a notary. Once a junior notary has complied with a number of conditions, including practical experience at a notary's office, he or she is eligible to be appointed as a notary.

Land and Public Registers Agency (Kadaster)

This is the public register kept by a government agency, the Land and Public Registers Agency, recording all real property (see: real property), and all property transactions. It also contains information about restricted rights to property, for example mortgages on the property.

Legal entity (rechtspersoon)

Like a natural person, a legal entity can have independent rights and obligations. It follows that if a person does business through a legal entity, only the legal entity can be held liable for debts arising from that business.

Limited partnership (commanditaire vennootschap)

A limited partnership is a special kind of partnership (see: partnerships), the main difference being the fact that a limited partnership has two kinds of partner: general and limited (or sleeping) partners. A general partner is jointly and severally liable for the firm's debts, in the same way as a partner in an ordinary partnership, but this does not apply to limited partners.

Matrimonial property law (huwelijksvermogensrecht)

These are the statutory provisions governing the financial consequences of marriage. Under Dutch law, if the spouses do not enter into an ante-nuptial settlement, their marriage will create a general community of property. In other words, their respective assets will be held by them in joint ownership.

Mortgage deed (hypotheekakte)

The purchase of real property (see: real property) is often dependent on the ability of the buyer to obtain financing. Prospective buyers generally turn to a bank, insurance company or pension fund for this. A loan for real property is usually secured by a mortgage, which means that the property serves as collateral for the lender to ensure that it will recover the sum it has loaned. A mortgage is created in a notarial deed known as a mortgage deed.

Notary (notaris)

A notary (or Latin notary) is a publicly appointed official charged by law with drawing up authentic deeds (see: authentic deed) and other duties such as winding up estates, presiding over auctions and legalising documents (i.e. issuing a seal of authenticity).

Notary-client privilege (verschoningsrecht)

A notary has a duty to observe confidentiality. Like some other professionals, the notary also has a corresponding right in court: he may, for example, refuse to give evidence or refuse to answer certain questions about information that has come to his attention in his capacity of notary.

Partnership (vennootschap onder firma)

A general partnership is a form of collaboration between two or more persons (i.e. partners) who jointly carry on a business and act as a firm. In other words, they do business under a joint name. This type of collaboration is arranged in a partnership contract between the founders.

Pledge deed (pandakte)

Under Dutch law a pledge is a limited right of security which may be created in respect of non-registered property in order to create a preferential right for the creditor concerned. The deed of pledge may be executed before a notary. Where shares in a private company are pledged, the pledge must be executed in a notarial deed.

Preventative supervision (preventief toezicht)

These are the 'policing' duties carried out by the Ministry of Justice before public or private limited liability companies (see: public limited liability companies and private limited liability companies) are incorporated in order to establish whether any of the company's decision-makers have a financially dubious past or a criminal record.

Private limited liability company (besloten vennootschap - BV)

A private limited liability company is a legal entity (see: legal entity) which is incorporated for a certain commercial object. Its capital is divided into shares held by shareholders. The extent of each shareholder's participation in the company corresponds to the proportion of shares held by him or her. A private limited liability company is a form of collaboration between shareholders and is characterised above all by its private nature. Such a company may only issue registered shares, which cannot be freely transferred, and may not issue share certificates (aandeelbewijzen).

Property taxes (zakelijke belastingen)

These are taxes levied on property (see: real property), for example by local government. An example is municipal property tax (onroerendezaakbelasting), which is levied by the municipality where the property is located and must be paid by both the user and the owner of the relevant property.

Public limited liability company (naamloze vennootschap - N.V.)

A public limited liability company is the ideal legal form for a large company which requires a large amount of outside capital. In addition to registered shares, a public limited liability company can issue bearer shares, which can be bought and sold on the stock exchange. As shares in a public limited liability company are, in principle, freely transferable, they can be bought and sold at will.

Public registers (de openbare registers)

In this site any reference to public registers is a reference to the registers kept by the Land and Public Registry Agency (see: Land And Public Registry Agency).

Real property (onroerende zaak)

Also known as immovable property this is land and anything permanently affixed to land such as buildings.

Registered domestic partnership (geregistreerd partnerschap)

Since 1 January 1998 Dutch law has allowed two persons of the same sex or different sexes to have their relationship registered in the civil registers in the same way as a marriage. The provisions of matrimonial property law are applicable to registered partnerships. (See: matrimonial property law).

Residence permit (woonvergunning)

A person who buys a home in the Netherlands does not automatically acquire the right to live in it as some municipalities stipulate that a resident must have a residence permit if the value of the property is below a certain limit.

Trade Register (Handelsregister)

This is a public register kept by the Chamber of Commerce in which the particulars of companies and other legal entities are entered. It also provides evidence of the person or persons authorised to sign on the company's behalf.

Transfer tax (overdrachtsbelasting)

Transfer tax, which is presently 6% and is usually payable by the buyer, is levied on the purchase price of a property (or on its value if this is higher - see: real property). The notary is responsible for remitting this tax to the tax authorities.

Usufruct (vruchtgebruik)

This is the right to use someone else's property and to enjoy its 'fruits', for example the interest or profits. Usufruct ends upon the death of the usufructuary, or earlier, if the parties have agreed on this.