

# in



The financial and business sector  
in the Amsterdam metropolitan area.

**I amsterdam.**



VICTORIA  
HOTEL

# introduction

The financial and business services sector is one of the largest economic sectors in the Netherlands, and the Amsterdam Metropolitan Area lies at its heart. It generates an estimated 20% of the region's GDP and 15% of its jobs.

In addition to the major Dutch financial institutions such as ABN AMRO, ING, Delta Lloyd and Rabobank, the region houses branches of approximately 50 foreign banks such as ICBC, Deutsche Bank, Royal Bank of Scotland, Bank of Tokyo-Mitsubishi UFJ, Citibank and many others, plus over 20 foreign insurance companies. The area is one of the world's largest market-making centres with firms like IMC, All Options and Optiver. It is also a major asset management centre, home to one of the world's largest pension funds, the APG.

The region has many international law and accountancy companies. Amsterdam hosts the global headquarters of accounting firm KPMG and a host of other professional business services, such as legal affairs, management, pensions and tax consultancy, all of which ensure that businesses are served effectively. In turn, the presence of financial and business service providers has helped accelerate the increase in international head offices and corporate treasuries in the Amsterdam Area.

# Facts & Figures about the Dutch Financial Industry

## The Netherlands provides access to

- 125 banks
- 270 life and non-life insurance companies
- 450 pension funds

## Assets under management

- Dutch banks: €2.5 trillion
- Dutch pension fund industry: €800 billion
- Dutch insurance companies: €350 billion
- Dutch investment funds: €500 billion
- Dutch private equity industry: €24.3 billion

Source: Holland Financial Centre 2012

## Financial Development Index 2012

Top 10 in overall index rankings 2012 vs. 2011 of world leading financial systems and capital markets

Country/ Economy	2012 rank	2011 rank	2012 score (1-7)	Change in score
Hong Kong SAR	1	1	5.31	+0.15
United States	2	2	5.27	+0.12
United Kingdom	3	3	5.21	+0.21
Singapore	4	4	5.10	+0.14
Australia	5	5	5.01	+0.08
Canada	6	6	5.00	+0.14
Japan	7	8	4.90	+0.19
Switzerland	8	9	4.78	+0.15
Netherlands	9	7	4.73	+0.02
Sweden	10	11	4.71	+0.20

Note: Year-on-year comparisons include post-release adjustments to 2010 rankings and scores.

Source: World Economic Forum, 2012

## Global Pension Index 2012

*Comparison of retirement income systems around the world: ratings based on their adequacy, sustainability and integrity.*

Country	Rank
Denmark	1
Netherlands	2
Australia	2
Sweden	4
Switzerland	5
Canada	6
United Kingdom	7
Chile	8
USA	9
Poland	10

Source: Mercer, 2012



# Why the Amsterdam Metropolitan Area?

Amsterdam has a long and illustrious heritage as a financial innovator. It spawned the world's first central bank, was the cradle of the world's first joint stock company, was the site of the world's first stock exchange and provided one of the earliest examples of a company pension scheme. The list of firsts continues through to recent times, with the recent creation of a pan-European pension plan vehicle.

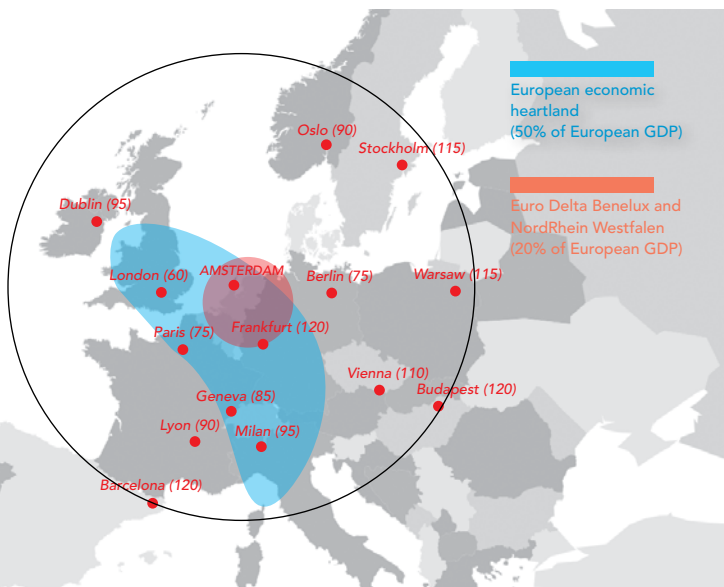
## Facts & figures about the financial and business services industry in the Amsterdam Metropolitan Area

- Largest cluster
- 20% of the regional economy (gross domestic product of the region)
- 40,000 national and international companies
- 50 branches of foreign banks
- 200,000 jobs
- 15% of the employment market

Source: CBS Statistics Netherlands and Amsterdam Chamber of Commerce 2012

## Connectivity

The Amsterdam Area is at the centre of Europe's purchasing power.



A globally-connected hub thanks to one of the largest airports in Europe, Schiphol Airport (Best Airport in Europe, Skytrax, 2012), the Port of Rotterdam and the Port of Amsterdam (1st and 4th largest ports of Europe) and its high-speed train connections.

The Amsterdam Internet Exchange (AMS-IX), the biggest internet exchange in the world in terms of members and second in terms of throughput, ensures excellent digital connections. Amsterdam also stands out with the highest average internet connection speed of Europe (Akamai 2012).

### Quality of life

The Amsterdam Area is a melting pot of people and cultures where virtually all nationalities (177) have made their home. This is reflected in the high level of amenities and facilities. There are hotels and restaurants to suit all tastes, and the cultural scene is rich and diverse. Amsterdam has a world-class concert building and orchestra, and many top quality museums such as Rijksmuseum, Van Gogh Museum, EYE Film Institute Netherlands. The many sporting facilities makes Amsterdam a sports paradise. Without exception, internationals find living in the city and its region an unforgettable and inspiring experience.

### Spatially-adjusted Quality of Life Index

City
Hong Kong
Amsterdam
Osaka
Paris
Sydney
Stockholm
Berlin
Toronto
Munich
Tokyo

## Why the Amsterdam Metropolitan Area?

### Skilled, international talent

#### Excellent skills

- Strong top 10 position among European cities in terms of recruiting qualified staff
- Competent senior managers
- 57% of labour force has higher education

#### Modern work force

- Fleible and productive
- Open-minded
- Highest gender equality in the world

### Highly skilled, multilingual staff

#### Languages

- Third country in the world, after Switzerland and Luxembourg, in terms of language skills (IMD, 2011)
- 87% of Dutch speak English, 70% German

#### International focus

- International experience of senior managers
- Attractive for foreign talent, large influx (12%)
- Low cost of living, 30% ruling for expats

For many reasons, the people of the Amsterdam Area are perhaps its most important asset. They are multilingual (more than 80% speak English), internationally-oriented and highly-qualified (more than 50% have a university degree or higher professional education). Few regions in Europe have such a multilingual pool of talent. The Netherlands has one of the most flexible labour markets in Europe. Part-time and temporary work is very common. Improved hiring and firing regulations allow businesses to scale up and down quickly. Costs are relatively low as demonstrated in the table below.

#### Labour cost comparison (x1,000 €/p.a.)

	Head of finance	Sales manager	Legal advisor	Secretary
<b>Amsterdam</b>	160 - 194	87 - 107	67 - 81	29 - 39
<b>Brussels</b>	205 - 250	107 - 143	54 - 66	31 - 38
<b>Düsseldorf</b>	185 - 225	110 - 130	59 - 66	34 - 42
<b>Frankfurt</b>	215 - 260	120 - 146	69 - 81	36 - 44
<b>London</b>	207 - 252	117 - 143	89 - 110	34 - 42
<b>Paris</b>	221 - 270	112 - 138	59 - 67	27 - 32

Source: Ernst & Young/ BCI, benchmark based on three-yearly salary surveys (2009)



## Cost-efficient

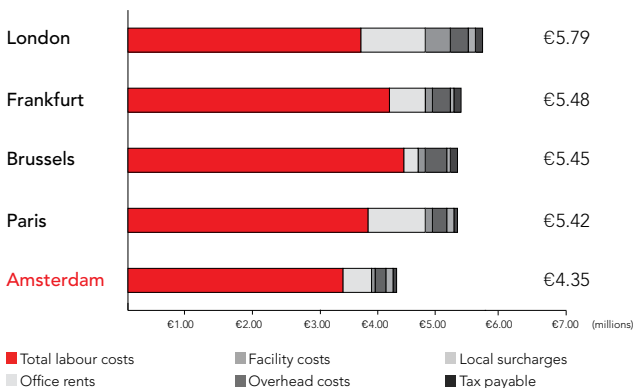
The average cost of living is relatively low compared to other capital cities.

### Price levels index

	Excl. Rent (New York = 100)	Incl. Rent (New York = 100)
Zurich	110.1	102.5
London	87.3	83.0
Frankfurt	86.4	77.2
Munich	84.6	75.1
Paris	83.9	77.5
Milan	79.6	72.1
Amsterdam	77.0	69.0
Dublin	76.2	69.7

Source: USB Prices and Earnings, 2012  
Relative prices of a weighted shopping basket of goods geared to western European consumer habits, containing 122 goods and services, compared to New York (in the second column, rents are taken into account). In order to come up with an index, all prices converted into a single currency ( weighted average of 1 year).

Not only are the costs low for private individuals, overall costs are low for businesses as well, as can be seen from the table below.



Aggregated cost comparison for a medium-sized headquarter (50 FTE, 20m<sup>2</sup> per employee, A-class office space) Source: E&Y, 2012

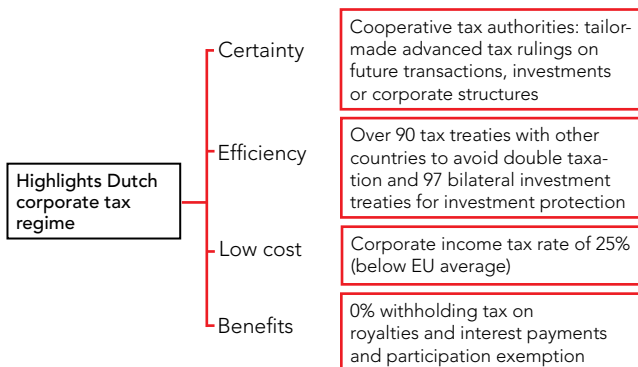
## Why the Amsterdam Metropolitan Area?

### A competitive tax regime

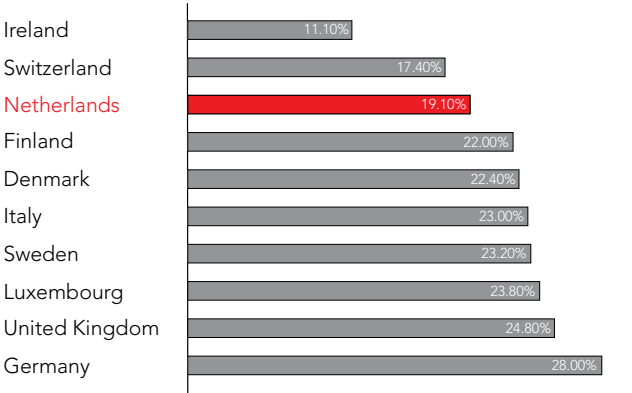
The Dutch tax climate is one of the reasons why numerous international companies choose to invest in or via the Netherlands. The Dutch corporate income tax rate of 25% (step-up rate of 20% above €200,000) is relatively low compared to other European countries and the effective tax rate may even be lower as a result of the applicability of numerous tax features like the participation exemption, the fiscal unity regime and tax incentives. In addition, the Dutch tax system provides for a variety of other tax planning opportunities (e.g. VAT, customs, employee and withholding tax).

The attractive fiscal incentives in the Dutch tax system in combination with an extensive network of double taxation treaties, resulting in the exemption or reduction of withholding taxes on dividends, interest and royalties, make an investment in or via the Netherlands more than worth considering. The Netherlands is a tax-treaty network leader with more than 90 tax treaties to avoid double taxation. Advanced tax ruling and advance pricing agreements can be agreed upon with the Dutch tax inspector, another great advantage. Finally, there is the 30% ruling, which is a tax-free reimbursement of 30% of the employee's salary, provided that the employee has been recruited or assigned from abroad and has specific expertise which is scarce in the Dutch labour market.

### Attractive tax regime



## Effective corporate tax rates



Source: Oxford University, Centre for Business Taxation, 2012



# Locations and Partners

## **Zuidas**

Although there are many top office locations in the Amsterdam Area such as the historical city centre, and many newer locations, the epicentre of the financial and business service industry is located on the Zuidas. This top location is an easily-accessible district, south of the Amsterdam city centre, with plenty of space for living, working and entertainment in a cosmopolitan and world-class setting. But there is more to come in the future; as development continues, the area is expected to reach its full potential around 2040. The Zuidas is just 6 minutes by train from Amsterdam Schiphol Airport and less than 10 minutes by tram and metro from the historic centre of Amsterdam.

[www.amsterdam.nl/zuidas/english](http://www.amsterdam.nl/zuidas/english)

## **Projects and relevant organisations**

Setting up and starting a venture in the financial sector is relatively complex. The supervision framework with its licence scheme and board approvals results in entry barriers unknown in other sectors. Entrepreneurs in the financial sector also face typical start-up challenges such as financing, housing and staff. When setting up your business

in the Amsterdam Metropolitan Area you need to know about the following organisations. We are more than willing to help with introductions:

### **Dutch Central Bank**

The Dutch Central Bank (DNB), located in Amsterdam, is responsible for safeguarding financial stability. Financial stability is about stable prices, a smoothly-operating payment system and sound financial institutions. The DNB supervises financial institutions such as banks, insurance companies, pension funds and security firms.

[www.dnb.nl](http://www.dnb.nl)

### **Netherlands Authority for Financial Markets**

Besides the DNB, there is a second financial supervisor, The Netherlands Authority for Financial Markets (AFM). The AFM supervises the way financial institutions deal with their customers. For example, institutions are not allowed to provide misleading information to consumers.

The AFM supervises the conduct of the entire Dutch financial market sector, including savings, investment, insurance and loans.

[www.afm.nl](http://www.afm.nl)



### **Dutch Banking Association**

The Dutch Banking Association (NVB) consults with the regulatory authorities, the Dutch Government and many social organisations and interest groups to represent the interests of the Dutch banking community. Collective bargaining on behalf of the banking sector is also part of NVB's portfolio. To represent the banks' interest on a European level, NVB is a member of the Banking Federation of the European Union. Virtually

all banks operating in the Netherlands, including foreign bank branches, have NVB membership.

[www.nvb.nl/home-english](http://www.nvb.nl/home-english)

### **Foreign Bankers' Association**

The goal of the Foreign Bankers' Association (FBA) is to protect and promote the interests of foreign banks operating in the Netherlands. The Foreign Bankers' Association is part of the Dutch Banking Association.

[www.foreignbankers.nl](http://www.foreignbankers.nl)

## Locations and Partners

### **Dutch Association of Insurers**

The Dutch Association of Insurers represents the interests of private insurance companies operating in the Netherlands. The association is an independent organisation managed and financed by its members.

[www.verzekeraars.nl/english](http://www.verzekeraars.nl/english)

### **Higher educational institutes in the Amsterdam Area**

The area has three universities (VU, UVA and Nyenrode Business University). These institutes offer a wide range of economics, business and legal courses at bachelor, master and postgraduate level. More information at

[www.vu.nl](http://www.vu.nl); [www.english.uva.nl](http://www.english.uva.nl); and [www.nijenrode.nl](http://www.nijenrode.nl)

Alongside the universities, two prominent international institutes are active in the Amsterdam Area:

### **Duisenberg School of Finance**

The financial sector and the universities in the Netherlands have jointly established a number of high-profile finance programmes at MSc, MPhil, and PhD level. Duisenberg School of Finance provides top education and research in the different areas of finance to a group of talented and motivated students and professionals. The programmes are internationally competitive and challenge students to profit from their exposure to international experts and to cooperate with a select group of motivated fellow students to



promote their future career and network.

[www.duisenbergsschooloffinance.nl](http://www.duisenbergsschooloffinance.nl)

### **Amsterdam Institute of Finance**

Amsterdam Institute of Finance (AIF) is specialised in providing high-level executive education for finance professionals from around the globe. The AIF not only offers open enrolment programmes at its own premises in Amsterdam, but also in other major cities in the world, in partnership with the CFA Institute. In addition to open enrolment programmes, AIF makes its in-company programmes available worldwide and has organised training for clients in Asia, the Middle East, South America and throughout Europe. AIF

employs leading experts in the field. These professionals are associated with renowned business schools and institutions such as Columbia, NYU Stern and INSEAD. In addition to open enrolment and in-company programmes, AIF also provides training in partnership with a number of Dutch and international associations including the international CFA Institute, NYU Stern School of Business, PRMIA, the Professional Risk Managers' International Association Hawkamah, the Institute of Corporate Governance located in Dubai, and the Netherlands Finance Development Company (FMO). [www.aif.nl](http://www.aif.nl)



# Examples of Financial and Business Services Companies

## **Banks and insurance companies**

ABN AMRO  
BinckBank  
BNP Paribas  
Credit Europe Bank  
Delta Lloyd  
Deutsche Bank  
GarantiBank  
Handelsbanken  
ING  
Lloyds TSB Bank  
Mizuho Bank  
Rabobank  
Royal Bank of Scotland  
TD Bank

## **Market makers**

All Options  
IMC  
Optiver

## **Pension funds**

APG

## **Stock exchange**

NYSE Euronext Amsterdam

## **Other financial and business service providers**

Baker & McKenzie  
Boekel de Nerée  
Boston Consulting Group  
Clifford Chance  
De Brauw Blackstone Westbroek  
Deloitte  
Ernst & Young  
KPMG  
Loyens & Loeff  
McKinsey & Company  
PriceWaterhouseCoopers  
TMF  
Intertrust



# Ranking the Netherlands

- #1 DHL Global Connectedness Index 2012
- #1 Transparency International's Bribe Payers Index 2011
- #2 Melbourne Mercer's Global Pension Index 2011
- #2 Bloomberg's Best Countries for Business 2012
- #2 for Amsterdam in Lonely Planet hottest destinations to visit in 2013
- #3 UN's Human Development Report of best countries to live in 2011
- #4 Heidrick & Struggles' Global Talent Index 2012
- #4 Akamai's ranking of countries with fastest internet connections Q4 2011
- #5 WEF's Global Competitiveness Report 2012-2013 (from #7)
- #5 World Bank's Logistics Performance Index 2012
- #6 INSEAD's Global Innovation Index 2012 (from #9)
- #11 IMD's World Competitiveness Scoreboard 2012 (from #14)
- #12 Dutch institutions in top 200 Times Higher Education World University

Rankings 2011-2012



## about us

**amsterdam inbusiness is the official foreign investment agency of the Amsterdam Metropolitan Area (Amsterdam, Almere, Amstelveen and Haarlemmermeer).**

- Offering customised solutions.
- Market intelligence: providing specific data on markets, industries and sectors.
- Investment climate: providing information about the Dutch tax climate, incentives, legal & regulatory framework and labour market. Developing independent benchmark reports on salary levels, office rental, cost of living etc. for your European location study and/or supply chain study.
- Fact-finding trips: tailor-made fact-finding programmes offering information about the fiscal climate, the market, availability of talent, business climate, quality of service providers and office locations.
- Legal & tax advice: organising free introductory meetings with internationally-oriented business service suppliers to map out the legal and fiscal structures that meet your current and long-term needs.
- Talent: tapping into the labour market through introduction to recruiters and/or networks & communities of professionals.
- Business & partner networks: introductions to strategic partners, business networks/associations, knowledge institutions, tax authorities, governmental agencies.
- Relocation support: assistance in the search and selection of temporarily, flexible and permanent office space, including site visits.
- Support for international staff: apartment search for expats (short stay/long stay), introductions to international schools, expat clubs and referrals to doctors, dentists, accountants, etc.

**We work together with the Netherlands Foreign Investment Agency (NFIA), an operational unit of the Dutch Ministry of Economic Affairs.**

**Services are free, confidential and without obligation.**



ERVENHOF

Heineken

velex

# information

## For further information

Contact Reiniera van Pallandt,  
Head financial and business services cluster

**T** +31 623 23 27 94  
**E** [pallandt@ez.amsterdam.nl](mailto:pallandt@ez.amsterdam.nl)  
**W** [www.amsterdaminbusiness.com](http://www.amsterdaminbusiness.com)

## Expatcenter

A one-stop shop service for international companies to facilitate relocation of employees and their families, supplying information on resident and working permits, local formalities and other expat-related issues.

The expatcenter can also help with the 30% tax reimbursement ruling for expats.

**T** +31 20 254 7999  
**E** [welcome@expatcenter.iamsterdam.com](mailto:welcome@expatcenter.iamsterdam.com)  
**W** [www.iamsterdam.com/expatcenter](http://www.iamsterdam.com/expatcenter)

**amsterdam**  
**business**

