



EMN Legislative Mapping Report

BELGIUM

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This series of national factsheets provides a snapshot of the various legislative frameworks concerning the provision of microcredit in Europe by non-bank financial intermediaries. The national factsheets cover the following thematic areas:

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- 5 Development of existing framework for non-bank microcredit provision
- 6 Inclusive entrepreneurship and microenterprise development
- 7 Digital transformation

1

Regulation of Lending Activity

In Belgium, there is no specific regulatory framework for microcredit provision and non-bank lenders provide loans under the Banking and Consumer law. Belgian MFIs use different legal forms to offer microcredit, such as a social or credit cooperative. Thanks to the Companies and ASBL law, in effect since 2019, not-for-profit associations (ASBL) are also allowed to provide “commercial” services such as microcredit.

2

Supervisory Framework for Non-Bank Lending

Non-bank lenders providing personal loans must have an agreement with the Financial Service and Management Authority (FSMA). No supervision is foreseen for non-bank lenders offering business microloans.

In terms of data protection, non-bank lenders are not obliged to share client data with the credit bureau and do not have access to data from the credit bureau.

3

Products

Non-bank lenders are allowed to disburse business and personal microloans without limit. Regarding business microloans, there is no interest rate cap. Personal microloans have a cap of about 18% per annum.

4

Incentives and Support

In Belgium, some national/regional level funds support entrepreneurship (although there is no specific focus on micro-entrepreneurs) through the use of guarantees and funds for on-lending (senior loans). However, the current context offers no incentives in the form of tax deductions for individuals that provide financial support to microcredit providers in the country.

5

Development of the Existing Framework for Non-Bank Microcredit Provision

The sector would benefit from initiatives aimed at enhancing awareness, recognition, and the establishment of automatic and formalized linkages between MFIs and private or public sector actors involved in entrepreneurship support.

Potential measures include referring entrepreneurs who are denied loans by banks or public initiatives for business creation to MFIs. Additionally, access to public support is essential and could take various forms, such as guarantees, equity investments, affordable credit lines, and subsidies to facilitate the delivery of high-quality non-financial services.

6

Inclusive Entrepreneurship and Microenterprise Development

In the Belgian context, there are no simplified administrative procedures in place for entrepreneurs, and the government is not running any educational campaign to enhance inclusive entrepreneurship and microenterprise development.

In terms of public support, however, there is a welfare bridge to support unemployed people (up to 12 months) in the transition towards self-employment. Moreover, business development services are publicly subsidized, and entrepreneurship education has been included in the secondary educational curriculum.

7

Digital Transformation

When it comes online sales, marketing and subsequent data management (security and storage), Belgian MFIs are required, like other companies in Europe, to implement the GDPR regulation on data protection.

Compliance with the Belgian legislation transposing the Anti-Money Laundering directive is relevant to MFIs that want to shift towards the clients' distant identification and further automate the client assessment process (e.g., gathering data from multiple external sources).

Additionally, for client identification, MFIs can only work with providers that are compliant with the national and eIDAS regulation on electronic identification and trust services (e.g., digital signature).



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