

Atradius Dutch State Business

Calculation method for establishing National Content

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To determine the National Content in a Dutch export contract (i.e., a contract between a contractor established in the Netherlands and a foreign client), it is necessary to break down the contract price. The contract price consists of the following items:

1. **Direct labour hours**
2. **Overhead**
3. **Depreciation**
4. **Financing costs**
5. **Supplies from third parties**
6. **Profit**

Ad. 1. Direct Labour Hours

These are labour hours that can be directly attributed to the execution of the export contract. Examples include assembly work, engineering, contract & project management, and the crew of a vessel. This item qualifies as part of the National Content if, and to the extent that, the labour hours concern personnel which is formally registered on the Dutch payroll.

Ad 2. Overhead

This refers to indirect costs included in the contract price calculation, such as IT, human resources, and the finance department. Indirect costs allocated to the export contract may be included in the National Content, provided they are incurred in the Netherlands (i.e., by the Dutch branch of the exporter). The exporter must use an “arm’s length” allocation or transfer pricing system in the calculation.





Ad 3. Depreciation

This concerns depreciation on assets used in the execution of the export contract (e.g., a vessel, machine, or company building). In order to be included in the National Content, The relevant asset must be located in the Netherlands or owned by an asset-owning entity established in the Netherlands.

Ad 4. Financing Costs

These are financing costs included by the exporter in the contract price calculation, such as interest on working capital required to execute the contract. These costs can be allocated to the National Content if they are charged by a Dutch financial institution.

Ad 5. Supplies from Third Parties

This includes raw materials, construction materials, semi-finished products, and components purchased by the Dutch exporter from third parties, as well as services (e.g., project management, consultancy, transport) acquired for the export contract. If the supplier/service provider is established in the Netherlands and is also subject to Dutch corporate income tax, these supplies may be included in the National Content. The supplies must fit within the supplier's normal business operations. If the supplier acts solely as an intermediary for goods imported from abroad, such supplies cannot be counted as a Dutch Content.

Ad 6. Profit

Profit refers to the pre-calculated profit included in the contract price. This profit can be fully included in the National Content if it is accounted for in a company which is subject to Dutch corporate income tax.