

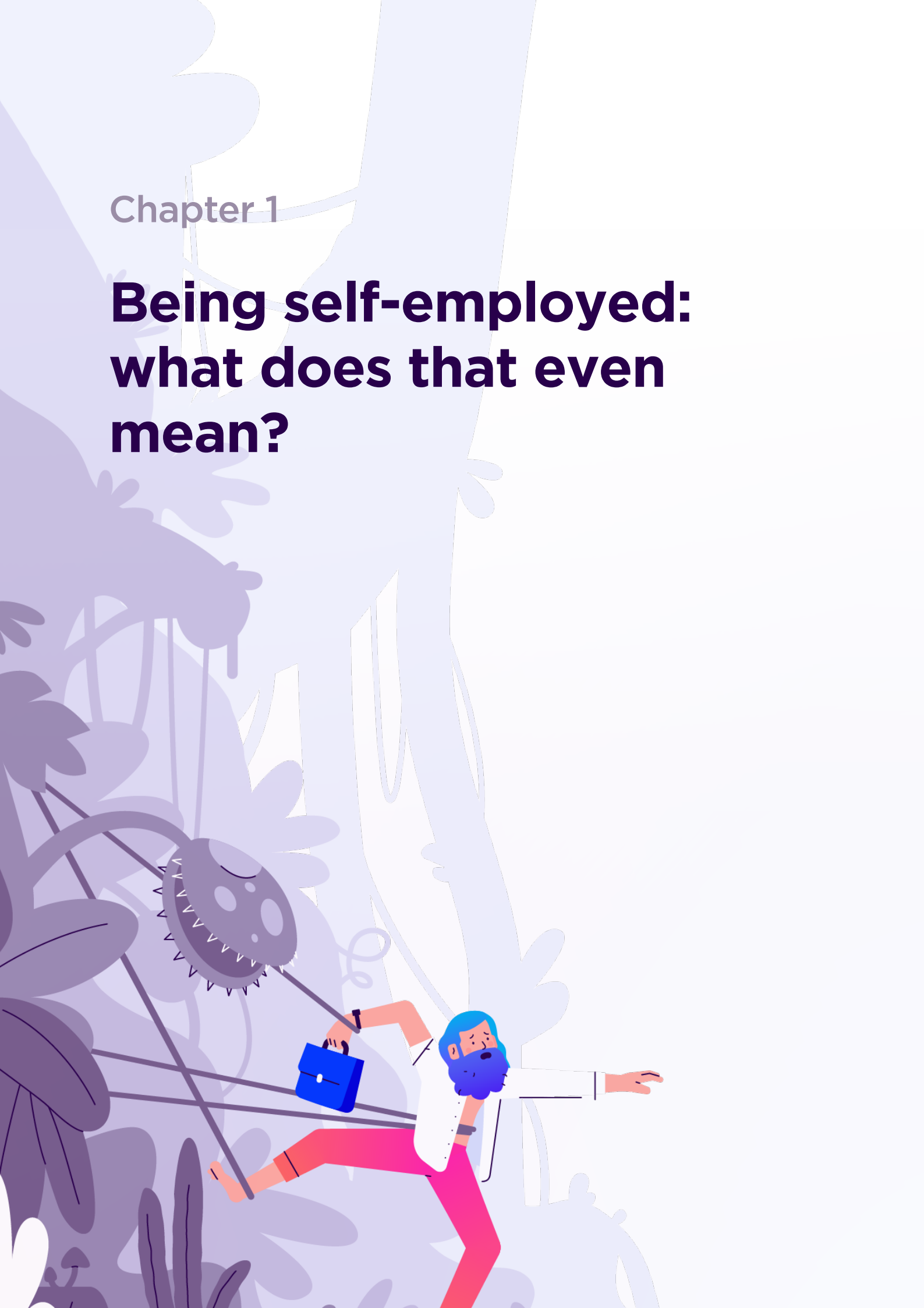
A guide to successfully starting as self-employed



**An answer to all your questions,
even the ones you never thought of
asking.**

Chapter 1

Being self-employed: what does that even mean?



Being self-employed: the basics

Being your own boss. It might sound like music to your ears, but what does it mean to be self-employed and what do you need to keep in mind to avoid nasty surprises? In this chapter you will learn about the basic principles of being an independent worker and the different types of self-employment you can choose from.

The name “*self*-employed” reveals what this status is all about. As an independent worker, you (and only you) are in charge of the money you earn with your activity. Jij decide which client you accept and reject. Jij decide on the price you set and when you decide to increase it. In short: you are the boss.

Being self-employed: what does that even mean?

On the other hand, this means that you are in charge of the finances, taxes and overall health of your business.

This is also the biggest difference between being an entrepreneur and being an employee. Where an employee receives their net salary on their bank account each month, your revenue is your gross revenue. This means that you will still need to pay taxes, social contributions and sometimes even VAT on this amount.

It is therefore extremely important that you keep a close eye on these taxes. After all, if you know how much you will still have to pay later on, you will also know what your net revenue will be and how much you can safely spend on yourself.

The different types of self-employment

In Belgium, there are a couple of different self-employed statuses you can choose from. Which status is best for you, depends on your professional activity, how much you expect to earn and a couple of other factors.

Sole proprietor or natural person: also called eenmanszaak in Dutch or indépendant en personne physique in French. This status is most often chosen by people who start as self-employed. Legally speaking, when you are a sole proprietor, you and your business are the same entity. This means that you are taxed in the same way as a private individual on all of our taxable income. Benefits of this status include the low administrative burden and more flexibility. The downsides are the higher tax rate and the legal liability.

Company: also called bv in Dutch or SRL in French. In Belgium, you can either start a company by yourself or with other people. A company is always a separate legal entity than you as a person. This means that you (or any of the other shareholders) don't carry any of personal legal burden.

Tax-wise, you will be taxed on your taxable income at a flat-rate of 25%, but remember that when you pay yourself a salary, this will be taxed at personal income tax level.

Benefits of a company structure include the lack of personal legal liability and the lower tax rate. The downsides are the higher complexity and admin costs.

Chapter 1

Being self-employed: what does that even mean?

Student self-employed: the status of student self-employed was created for students who want to start their own business. As a student self-employed, you enjoy tax and social benefits, such as reduced social security contributions and the possibility of not paying taxes if you stay below a certain income threshold. However, you must meet a number of conditions. For instance, you must be under 26 and take at least 27 credits (or 17 teaching hours).



Wannes Grosemans
Accountant & chair of 2UG
Boekhouding Fiscaliteit

Tip from an accountant: what are freelancers?

Freelancers are not a separate enterprise form, but self-employed people offering services on a project basis. They are not tied to an employer. They usually opt for a sole proprietorship or private limited company.

Complementary self-employed: The status of complementary self-employed allows you to pursue a self-employed activity alongside your main occupation and allows you to start a business without too much financial risk. As complementary self-employed, you pay social contributions based on your complementary income, but these are often lower than those of a full time self-employed.

Small business exempt from VAT: also called “franchisé TVA” in French is technically not a type of self-employment, but a subcategory you can belong to if your revenue is below €25.000 per year. In this case, you can opt for a VAT exemption, which frees you from charging VAT and having to do VAT returns. The downside is that you cannot deduct the VAT from your expenses.

Choosing between sole proprietorship & starting a company

Choosing the right type of self-employment can help you get started on the right foot and avoid bad surprises later on. Here are a couple of things to keep in mind when making your decision:

- ✓ If you are not yet sure how much you will earn or are sure that amount is less than €60,000, then a sole proprietorship is usually the best choice.
- ✓ Large risks and personal liability are not an optimal combination. A company can provide a solution in this case.
- ✓ Is admin a hurdle for you? Having a sole proprietorship means a simplified and straightforward accounting system.

Frequently asked questions

Am I obliged to get an accountant?

No, as a self-employed person, you are not obliged to work with an accountant. As long as you can present correct figures and the necessary supporting documents at any time, you will be in order.

Some self-employed people like to do that with an accountant by their side, while others do it completely on their own, for example using Accountable. So the choice is entirely up to you.

Are there requirements to become self-employed?

In most cases, you can start without needing a specific diploma or certificate. However, some professions, such as doctors, lawyers or psychologists, require an official diploma.

Are you starting out as self-employed in Wallonia? Then you need the diploma in business management (or similar) to get started.

How much does it cost to become self-employed?

To start as a self-employed person in Belgium, you do not need any start-up capital. Although you do need to have sufficient funds to pay your start-up costs.

The cost of your registration with the CBE is fixed by law and amounts to €105.50 in 2024. If you also want your enterprise counter to apply for your VAT number, it will usually cost you an additional €50.

I am currently unemployed. Can I also start working as a self-employed professional?

Definitely! Thanks to the Springboard to self-employment, you get the chance to start your own business without immediately losing your unemployment benefits.

Chapter 2

Registering as self-employed



Step 1: apply for an enterprise number

The first step in starting as self-employed is getting registered at the Crossroads Bank of Enterprises (CBE).

This is a necessary step to obtaining your enterprise number, which allows you to do business as a self-employed professional. In addition, you need an enterprise number in order to apply for a VAT number.

You can either apply for an enterprise number yourself with the CBE, or you can ask one of the Belgian enterprise counters to do so for you.

Do you live in Wallonia or Brussels?

In Brussels and Wallonia, you have to be able to demonstrate basic management knowledge with one of the diplomas listed in Article 7. For example, third-grade secondary education is sufficient, as is relevant professional experience.

Step 2: activate your VAT number

In principe moeten alle Belgische zelfstandigen een btw-nummer hebben, met uitzondering van zij die een activiteit uitoefenen die vrijgesteld is van btw (dokters, kinesisten, leerkrachten, etc.). Dit nummer zal hetzelfde zijn als je ondernemingsnummer, met BE ervoor. Generally speaking, every self-employed professional in Belgium needs a VAT number, with professions that are exempt of VAT (doctors, physical therapists, teachers, etc.) being the only exception. Your VAT number will be the same as your enterprise number, just with “BE” in front of it.

Even if you are exempt of charging VAT because your revenue is lower than €25.000 (franchisee), you need to activate your VAT number.

You can ask your enterprise counter to activate your VAT number (against a price) or do it yourself on the website of the government.



Hassan Ayed
Accountant,
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Tip from an accountant: when to start?

Even if you work only one week of that quarter, you always have to pay social contributions for an entire quarter. So, should you have the option to choose when you start, it is best to do so at the beginning of a new quarter.

Step 3: register with a social security fund

As a self-employed professional, you are obliged to join a social security fund. They are responsible for calculating and collecting social contributions from all self-employed professionals.

Although registering with a social security fund is obligatory, you are free to choose the one you like. Often, the social security fund you join is the same as the enterprise office where you applied for your enterprise number.


Make sure you are also affiliated to your health insurance company as a self-employed person so that you can benefit from the necessary social insurance if you need disability benefits, for example.

How to choose the right social security fund?

- First of all, make sure you choose one from the official list of social security funds
- Make sure you can easily reach out to them in case you have questions
- Take some time to go through their offers for people who are starting as self-employed

Before you start, consider the VAT exemption for small enterprises

As an independent with an annual turnover of less than €25,000, you are eligible for the VAT exemption scheme for small businesses.

 This is different from a VAT exemption due to the nature of your profession, for example, if you practise a liberal profession such as doctor or dentist.

There are advantages and disadvantages to a VAT exemption. So depending on your activity and status, it is best to consider carefully how everything weighs up.

One of the advantages of the exemption is that your administrative burden will be less. After all, you do not have to file VAT returns.

Another advantage is particularly interesting if you have customers who cannot reclaim VAT. This is because for them, you are often 21% cheaper than competitors who do charge VAT.

The disadvantage of VAT exemption is that you have fewer opportunities for tax deductions, as you cannot reclaim VAT on professional expenses.

What if you cross the threshold of €25.000?

As soon as you go above 25,000, you are no longer exempt from VAT and must fulfil VAT obligations. So make sure to inform your VAT office of this change immediately!

Do you have to open a separate bank account?

As a self-employed person in Belgium, you are not legally required to have a separate business bank account, but it is highly recommended.

A separate bank account helps you keep your personal and business finances separate, making accounting simpler and more transparent. Also, in case of a tax audit, the tax auditor will have no reason to look into your private transactions.

If you plan to open a bank account for your business, be sure to do so before registering in the CBE, otherwise you will have to amend it later (for a fee)!



Check list registration

- ✓ Decide whether you want to go for the VAT exemption
- ✓ Apply for your enterprise and optionally VAT number with your enterprise counter
- ✓ Register with your social security fund of choice
- ✓ Inform your health insurance fund of your decision to become self-employed

Chapter 3

Your taxes as a self-employed professional



What taxes do you have to pay as a self-employed professional

In chapter 1, we explained how - as a self-employed professional - you are in charge of paying and submitting your own taxes. But what are the different taxes that you have to pay attention to? And how do you calculate them? In this chapter we explain everything you need to know.

Generally speaking, there are 3 different taxes you have to pay attention to as a self-employed: VAT, social contributions and income tax. Each of these taxes serves its own purposes as is calculated in a different way.

1. VAT

VAT stands for Value Added Tax, or in other words: the tax that the final consumer pays on almost all commercial transactions.


Als self-employed professional subject to VAT, you charge VAT to your clients and pay it back to the state at the end of the quarter. However, you can also deduct the VAT you pay on your professional purchases from the VAT you have to pay back to the state.

At the end of the quarter, you have to pay the VAT you owe back to the state and submit a VAT return. This is an overview of all the sales and purchases you did in a given quarter in addition to the VAT you owe or deduct on those transactions.

Chapter 3

Your taxes as a self-employed professional

If you are subject to VAT, it's very important that you set enough aside to pay back the VAT you owe the state at the end of the quarter. After all, you don't want to run into any nasty surprises when it's time to pay your VAT balance.

 Do you use Accountable for your accounting and taxes? Then you can always see how much you have to set aside for the end of quarter.

Exempt of VAT? Watch out for “reverse charge”!

If you opt for the VAT exemption, you don't have to charge VAT on your sales, but you also cannot deduct the VAT on your purchases. Sounds simple, right?

However, when you purchase something from another EU country and don't specify that you're exempt of VAT, your supplier might incorrectly apply the “intra-European reverse charge regime”. This is a complicated term that means that you, the buyer, are in charge of paying and submitting the VAT for this purchase (in your VAT return).

The best thing to do is to try to avoid these situations as much as possible and always mention that you are exempt of VAT. However, if it does happen to you, you will need to do a “special VAT return” and pay the VAT to the Belgian state.

2. Social contributions

As a self-employed professional, you are in charge of your own social security. In order to benefit from, for instance, a pension, unemployment benefits or parental leave, you have to pay social contributions to your social security fund on a quarterly basis.

Both full-time and part-time self-employed professionals pay 20.5% of their taxable income in social contributions. Each quarter, you pay 1/4th of this amount.

However, there is also a minimum amount you have to pay, even if you have €0 of revenue. For full-time independents that's €890.51 per quarter (2024) and for complementary self-employed professionals it's €98.52 (2024) per quarter.

With 20.5% of your net taxable income, social contributions make up quite a big chunk of your revenue. However, the good news is that social contributions are deductible from your taxable income, which means that they will lower your taxes in the end.

As someone who is just starting out as self-employed, it's important that you set enough aside for social contributions, because often you will pay the minimum amount, even if it doesn't reflect the reality.

If it turns out that you earned more than the minimum contributions, you will have to pay the difference 1 or 2 years later. Make sure that you always keep track of the right amount and set enough aside for later corrections.

3. (Personal) income tax

Personal income tax is the tax you pay on your yearly taxable income, which is what remains of your turnover after deducting professional expenses and social contributions.

Making professional expenses is an essential part of being self-employed, because with every professional expense, you lower your taxable income and (as a result) your taxes. In the tax chapter, we will dive deeper into this topic.

As a self-employed professional in Belgium, you submit your revenue in your personal income tax return (Aangifte Personenbelasting/Déclaration à l'impôt des personnes physiques). If you also have revenue as an employee, they are also included in this return.

The Belgian income tax system works with progressive tax brackets, which means that the more you earn, the higher the taxes you pay.

The deadline for your income tax return usually falls in June or July of the year following the year for which you are submitting your taxes. Your final tax bill usually arrives more than a year later.

Just like with the other taxes, always make sure you set enough aside for your income tax. If you use Accountable, you will always be able to keep track of this in your app.

Yearly client listing & intracom listing

Apart from your VAT return, your social contributions and your income tax there are 2 more tax obligations that you need to keep in mind: the yearly client listing and the intracom listing. Neither of these are payments you have to make, but rather files you need to submit to the government.

The **yearly client listing** is an overview of all the Belgian businesses you invoiced to for at least €250 (excl. VAT) in the previous year. Every independent subject to VAT has to submit this file before the 31st of March. If you are exempt of VAT, you also have to adhere to this deadline, unless you did not have any clients that fit the conditions.

The **intracom listing** is a list of all your sales to professional clients within the European Economic Area (but outside Belgium). You only need to submit this file if you did any intra-European sales within a given quarter. You submit it together with your VAT return.

How do you calculate your taxes correctly?

To develop a good understand of whether you are earning enough to sustain your lifestyle as a self-employed, you have to accurately infer your net revenue from your gross revenue revenue. But how do you even start doing that?

We start with your turnover. As an independent, all of your sales make up your turnover. Generally speaking, this is the sum of all your sales invoices or direct sales to customers.

Beware: the VAT you charge on your sales is not part of your turnover, because you have to pay it back to the state at the end of the quarter.

After calculating your turnover, you can deduct the total sum of your professional expenses.

Whether it's good purchased for resale, the purchase of a new car, a new laptop or the electricity you use for your home office - the expenses you make to run your business are deductible. By doing this, you decrease your net taxable income and - as a result - your taxes.

What remains is your net taxable revenue. As mentioned before, 20.5% of this amount will go to social contributions, which you can again deduct as a professional expense.

What remains is the final amount your taxes will be based upon. Depending on what this amount is, you will pay between 25-50% in taxes.

What remains after paying your taxes is your net income. This is what you can safely spend on yourself.



When are the deadlines?

- ✓ **VAT:** usually on the 20th day of the month following the end of a quarter
- ✓ **Social contributions:** before the last day of the quarter
- ✓ **Income tax:** usually in July following the year you are submitting for
- ✓ **Client listing:** 31st of March following the year you are submitting for
- ✓ **Intra-EU listing:** at the end of the quarter, together with your VAT return

Chapter 4

Deducting expenses



How do professional expenses work?

In the previous chapter, we already explained how, as a self-employed professional, you pay taxes on your taxable income, meaning your turnover minus your professional expenses (including social contributions). That means that you can lower your taxes by making professional expenses. But what even is a professional expense? And what rules should it adhere to?

The tax office expects you to invest a part of your revenue into your professional activity, so it can keep growing. That's why you are allowed to deduct those so called "professional expenses" from your taxes.

What is a professional expense?

You can recognise a professional expense based on these 3 conditions:

- ✓ The expense is directly related to your self-employed activity
- ✓ The expense helps grow or maintain your business
- ✓ The expense is made in the same year as when it's deducted
- ✓ The expense can be proven with a receipt or an invoice

Some professional expenses are easy to recognise. For example: a software you would only use for work, or a piece of equipment you need to do your job. These are things you would never purchase if you weren't self-employed. Therefore, they are 100% deductible, including VAT (if applicable).

Other expenses are a bit harder to recognise. For example: some expenses might be "mixed use", meaning they are not used professionally 100% of the time. This of your phone or your bike, which you also use for your private life. These expenses are deductible based on "professional use", meaning the percentage of time the expense is used for your business compared to your private life.

If you have a home office for which you pay gas, electricity or water, these are also mixed expenses. However, these you don't deduct based on professional use, but based on the surface of your home office compared to your total living space (with a maximum of 15%).

Apart from mixed use expenses, there are also other types of expenses that are not 100% deductible. Restaurant expenses, for example, are only 69% deductible for income tax and 0% for VAT. Car expenses are often partly deductible too, depending on the make and model of your car.

Curious about the deductibility of the expenses you make? Take a look at deductibles.be!

How do you prove an expense?

In order to prove your professional expenses, you need an invoice or a receipt. An invoice is an official document that describes the details of the transaction. It needs to include the word “invoice”, and an invoice number. In addition, it needs to include both your professional details and the details of the seller. If you want to deduct the VAT, you need an invoice.

A receipt or a ticket is a less detailed document that simply proves a purchase was made. Usually only the details of the seller are included on the receipt, which means you cannot claim back the VAT.

In other words: if you can manage to get an invoice, it's always more interesting tax-wise.

Avoid unnecessary expenses

It's important to avoid unnecessary expenses. After all, you want to maximise your profit and minimise your your taxes. By only making expenses that are necessary and justified, you make sure you don't spend more than necessary.




Christophe Meesters
Accountant & founder of
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Tip from an accountant: beware of fake invoices

As a newly self-employed, you often receive post, also from companies trying to profit off of you. Sometimes you receive letters that look like official invoices, but really aren't. Always make sure to check whether it's really an invoice or just a smart marketing trick.

Making professional expenses before you start

Let's say you start working as a self-employed in September and you already want to invest in equipment you need for your business in August. Can you? Yes you can!

 The tax office allows you to deduct expenses up to 3 months before your start-date.

The most important thing is that you can justify the connection between the purchase and your professional activity. For example: if you buy a camera because you're going on holiday to Spain, it might be hard to justify.

Chapter 5

Create invoices



What is a sales invoice?

A sales invoice is a legal document that you, as an independent subject to VAT, have to create when you sell a good or service to another professional client. It's a proof of purchase that includes information about you, your client, the goods or services that were delivered, the price, the VAT amount and the total amount.

Creating an invoice is mandatory when you sell something to another self-employed individual or when you sell certain specific goods or services such as real-estate works.

You have to send out your invoice on the 15th of the month following the month in which you provided the good or service, at the latest.

What has to be included on the invoice?

An invoice is a legal document that has to include the following things to be correct:

- ✓ An invoice number
- ✓ Your name, address & VAT or enterprise number
- ✓ Your client's name, address & VAT or enterprise number
- ✓ The invoice date
- ✓ A description of the good or service
- ✓ The amount excl. VAT
- ✓ The VAT percentage and - in case of 0% VAT - the reason why
- ✓ The total amount including VAT

We also advise to include the due date, your professional bank account (IBAN + BIC) and your email address. You can also include include your general conditions.

If your invoice is incomplete, you risk a fine. Moreover, you open up the door for clients to dispute the invoice, because it's not accurate. It would be a shame to take this risk, after working so hard.

Chapter 6

All your taxes? Done.



The importance of a good set-up

For many people starting out, it is difficult to keep an overview of all the obligations you suddenly face as a self-employed professional. "When was that VAT deadline supposed to be again?", "How should I prepare an invoice?". It's not surprising if you sometimes can't see the forest for the trees.

This is precisely why it is important to organise your administration properly from the moment you become self-employed. After all, those who organise their documents properly will have a better grip on their figures and will never be in for a nasty surprise.

In this chapter, we show you how Accountable helps you manage your bookkeeping and taxes with complete peace of mind.

Is it mandatory to have an accountant as a self-employed professional?

The short answer: no.

As a self-employed professional in a sole proprietorship, whether it is your main or secondary occupation, you are responsible for managing your own administration, bookkeeping and tax obligations. There is no legal requirement to hire an accountant for your bookkeeping or tax returns.

For instance, you can keep your own accounts in an Excel file and prepare the returns yourself, or you can get help from software, such as Accountable.

Whether you choose to work with an accountant depends mostly on your needs, your budget and your contacts.

How does Accountable work?

At the heart of Accountable is a software, in the form of an app and a web version, that allows you to manage your accounting and taxes in total peace of mind.

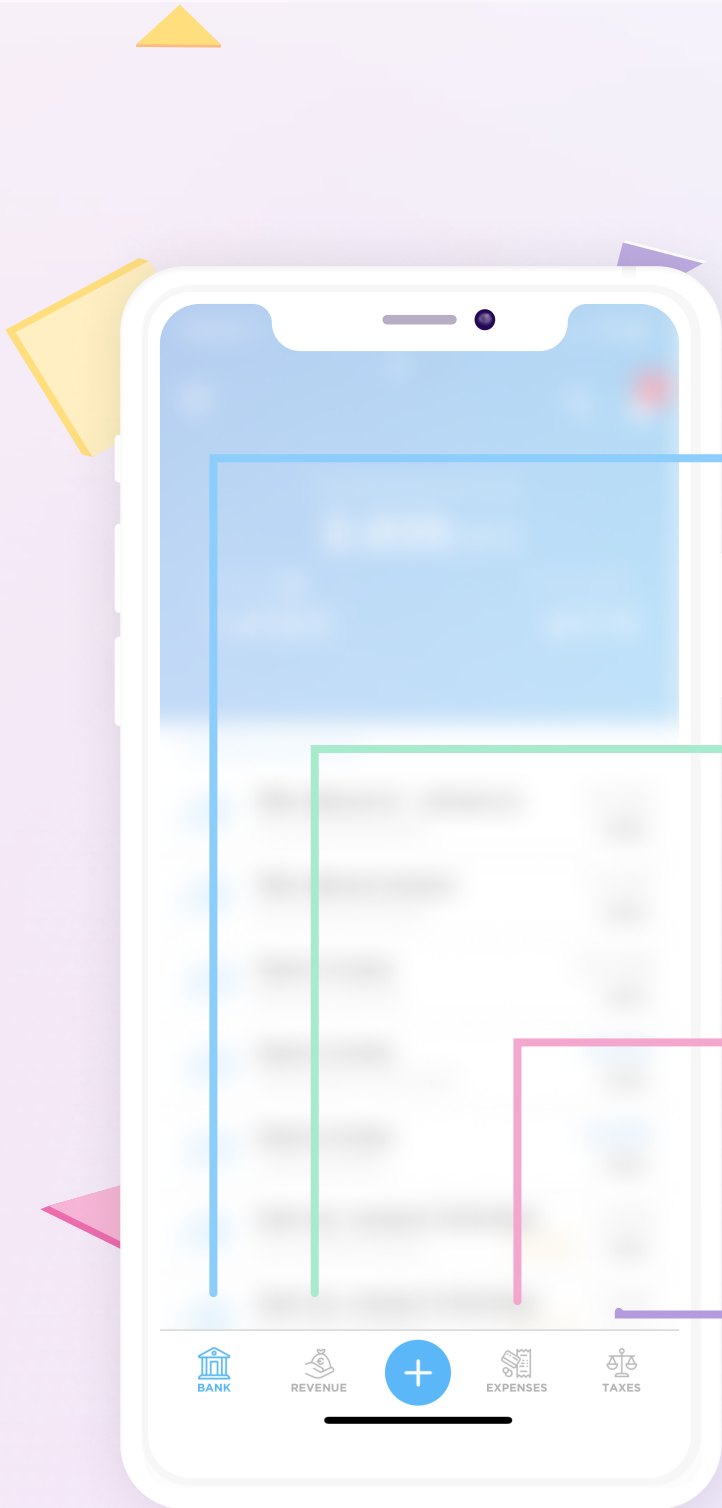
Simply add your business expenses and invoices and the app will give you tax tips, tell you how much profit you have left after taxes and prepare those taxes for you, ready to submit.

But Accountable is more than just a software. Alongside our app is a team of tax coaches always ready to answer your questions about accounting, taxes or your self-employed status. So you are - literally - never alone.

Let's see how Accountable's different screens work:

Chapter 6

All your taxes? Done.



Easy & complete

The app consists of 4 screens with which you can manage all your tax obligations in Belgium.

Bank

This is where you will find all your bank transactions. Accountable automatically links them to your income and expenses. For example, you get a notification if you forgot to deduct something.

Revenue

In this screen, you can create or upload your invoices and credit notes. You can personalise your invoices with your own colours and logo. Your taxes are calculated automatically.

Expenses

Here you can scan and upload all your receipts and purchase invoices. The app will automatically calculate how much you can deduct.

Taxes

Here you will find all your old and future tax obligations. All deadlines, amounts and returns, ready to file.

Connect your bank account

Connect your professional bank account to Accountable and all your transactions, everything you spend, earn and owe, will appear in the app in real-time.

This way, you can easily enter your expenditures as professional expenses and link your income to your invoices. That way, you'll never forget to enter a document again.

In addition, Accountable always tells you how much you can safely spend from the money in your bank account, taking into account your future taxes. That way, you will never be in for a nasty surprise.

Manage your revenue

Create invoices with your signature style in no time. Send them from the app and get notified as soon as you get paid.

One of your customers doesn't pay on time? Then you will see this and be able to send a reminder in one click.

You don't work with invoices because your customers are private individuals? You can also add your daily receipts in Accountable at lightning speed.

All your income - and any VAT charged on it - is automatically included in your taxes. So you never have to worry about that again.

Deduct your expenses

Just received a receipt for a professional expense? Scan it and the app instantly recognises all the important information. Received an invoice via email? Mail it to expenses@accountable.eu and the professional expense is automatically booked in.

As you can see, managing your professional expenses with Accountable is effortless. Moreover, the app immediately shows you the impact of your professional expenses on your VAT & personal income tax. So you can immediately see what you are saving.

Finally, for every expense you add, you get a tax tip for your next expense. That's how you optimise your taxes to-the-max!

Submit your taxes

The taxes screen is perhaps the most important screen of the app. Here you can find all your taxes, neatly arranged by quarter.

Wondering how much VAT you need to set aside for the end of the quarter? Or would you like to know how much profit you have already made this year? You can do all of this in the 'taxes' screen.

And when an important deadline approaches, we simply send you a notification so you can download and submit your tax return to the government on time. It's that easy!



Closing remarks

This booklet taught you everything you need to know before you start off as self-employed. From the registration process to your first invoice.

Remember that entrepreneurship is a journey full of challenges, but also growth and satisfaction. Stay curious, learn from experiences and dare to innovate. Your determination is the key to the success of your venture.

Also remember that you are not alone; Accountable is ready to help you every step of the way.

We wish you good luck on your entrepreneurial journey!

The Accountable team

accountable