



HOW TO BECOME A SELF-EMPLOYED IT PROFESSIONAL?

A useful guide on the first steps
of becoming a freelancer



STEP BY STEP

Have you decided to start up your own business? When becoming a freelancer, it's important **to know all about the legal and practical formalities that are required**. From applying for a VAT number to drawing up your first contract. No worries! The beginning of this process seems overwhelming to everyone. That's why Brainbridge is at your service **to guide you through the maze of becoming a self-employed freelancer**.

In this guide we will walk you through the **most important first steps of becoming a freelancer**. Still have more questions after reading this? We're here to help. Our founder, **Peter Wens**, looks forward to welcoming you for a chat over a cup of coffee.

- STEP 1** Business plan
- STEP 2** Pick a company form
- STEP 3** Register officially
- STEP 4** Arrange your tax formalities
- STEP 5** Consider insurance & social welfare
- STEP 6** Write down terms and conditions





STEP 1

BUSINESS PLAN

Start by **outlining your business** plan, detailing the services you will offer, your target market, and your pricing strategy.

OUR RECOMMENDATION?

We recommend that you seek professional advice, particularly from an accountant, for expert guidance.





STEP 2

PICK A COMPANY FORM

First things first: decide on the most appropriate legal status for your new business. There are **two main options**: either set up as a self-employed individual (sole proprietorship), or set up as a company (with or without legal personality).

Each formula has its own legal and fiscal implications, so **make sure you're well informed**. Choosing either of these options definitely requires some **careful thought**.

On the following page we outline some of the **main differences** between setting up a **sole proprietorship** and **incorporating a company**.





OVERVIEW

Advantages

Disadvantages

Sole proprietorship

*Dutch: éénmanszaak
French: entreprise individuelle*

- Few start-up costs
- No minimum starting capital required
- Simplified accounting
- Make quick decisions yourself

- Unlimited liability (financial risk)
- Personal income tax and social security contributions based on your entire profit

Company

*Dutch: vennootschap
French: société*

- Other partners can invest
- You can safeguard your private assets
- Optimization of your tax contribution on your wages
- Lower corporation tax
- Only pay social contribution on your wages

- More regulatory obligations
- More expensive and complex set-up
- Some forms require start-up capital or sufficient initial capital

OUR RECOMMENDATION?

We recommend opting for establishing a company rather than a sole proprietorship. Consulting a professional, such as an accountant, can provide personalised advice based on your unique situation.





STEP 3

OFFICIAL REGISTRATION



You've researched the legal forms and made a decision. Congratulations! In order to proceed with the official registration, the following **essential steps** must be taken.

Company number/ VAT registration

Obtain a company number from the Crossroads Bank for Enterprises for official recognition. The VAT office will add 'BE', creating your new VAT number.

Social security contribution

Fullfil social security obligations by registering with a social secretariat, to ensure coverage for health, pension, maternity, child benefits, and more.

Professional bank account

Open **a dedicated business bank account** to keep personal finances separate.

OUR RECOMMENDATION?

To ensure compliance with all legal requirements, we strongly recommend that you seek professional advice, particularly from an accountant who can assist you in choosing a social secretariat.





STEP 4

ARRANGE YOUR TAX FORMALITIES

Once you've successfully registered your business and obtained your company number and optional VAT number, it's time to get on with your **tax formalities**.

It's crucial to take your bookkeeping **seriously** and **consistently** fulfil tax obligations, including filing returns, paying income tax, and potentially sales tax.

OUR RECOMMENDATION?

We strongly recommend that you consult with an accountant who can advise you on your tax obligations. A knowledgeable accountant will be at your side to provide you with the best possible advice, tailored to your specific case.





STEP 5

CONSIDER INSURANCE & SOCIAL WELFARE

As a self-employed individual, there are several types of insurance you can take out to protect yourself and your business.

Here are some insurances that are worth considering:

Liability insurance

As an individual, but also as a self-employed person, you are **responsible** for your actions. Therefore, it is important to have the **right insurance** in case of injury or damage. A professional liability insurance compensates unintentional damage caused by contractual or professional error.

Disability insurance

This insurance **provides an income if you are unable to work due to illness, accident, or disability**. It ensures that you have a replacement income to cover your living expenses and business expenses.





Health insurance

As a self-employed person, you are usually **responsible for your own health insurance**. It's important to have appropriate health insurance that covers medical expenses, including hospitalisation, medication, and other healthcare costs.

Additional insurances

Depending on your specific activities and needs, you may also want to consider **additional insurances** such as **business property insurance** (to protect your business equipment), **transport insurance** (for goods you transport), **legal expenses insurance** (for legal support in disputes), etc.

Pension plan

As a self-employed person, you're strongly advised to take out a **voluntary pension plan (VAPZ)**, as you'll be responsible for your own supplementary pension. The VAPZ is specifically designed for self-employed entrepreneurs and **offers you the opportunity to build up your retirement savings in a tax-efficient manner**.



OUR RECOMMENDATION?

We recommend reaching out to an advisor for assistance in identifying the most appropriate insurances and plans, tailored to your specific situation and business activities.



STEP 6

WRITE DOWN TERMS AND CONDITIONS

Set **clear terms and conditions for your services or products**. Make sure you have solid contracts in place when you work with clients or customers. Good terms and conditions are important for a number of reasons:

Legal protection

Clear and well-defined terms and conditions help to **protect your business legally**. They clearly outline the rights and responsibilities of both parties (you and your customers). This can help avoid misunderstandings, disputes, and potential legal issues.

Contracts also **mitigate risks associated with your operations**. They can address issues such as liability, intellectual property rights, data protection, confidentiality, and compliance with applicable laws and regulations.

Clarity and communication

Terms and conditions provide your customers clarity about how your business operates, including pricing, payment terms, delivery methods, return policies, warranties, and any other relevant information. This helps set **clear expectations** and promotes effective communication between you and your customers.

OUR RECOMMENDATION?

Drafting documents such as terms and conditions requires careful consideration. Hence, we recommend the assistance of a legal professional well-versed in Belgian laws and regulations. This way they meet your business's specific needs and comply with all applicable legal requirements.





EMPOWER YOUR IT FREELANCING JOURNEY

with Brainbridge IT Staffing

Ready to start your IT freelance journey? If you could use some guidance in shaping your career path, find out how Brainbridge can help you become an IT freelancer and secure your first assignment.

With over 25 years of staffing experience, Brainbridge understands the unique needs of IT freelancers. We provide personalised solutions designed specifically for your skills, ambitions, and aspirations. Count on Brainbridge as your reliable partner, dedicated to nurturing your success and facilitating growth in the competitive IT landscape.

Let us support you in unleashing your full potential as an IT freelancer. We'll connect you with exciting projects and empower you to reach new heights in your career.

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STILL FANCY THAT CUP OF COFFEE?

Peter would be delighted to welcome you to our Brainbridge offices for an informal chat.



Feel free to reach out to us.



+32 3 546 01 20



info@brainbridge.be