

Setting up as self-employed

When setting up as self-employed - whether as a sole trader or a partner in a partnership - there are a few things you:

- have to do
- might have to do - they depend on your circumstances
- don't have to do - but doing them might help you run your business more effectively

Things you have to do

Tick them off as you do each one.

- ☐ Register for Self Assessment (including Class 2 National Insurance contributions) with HM Revenue & Customs.
- ☐ Set up a record-keeping system. This includes retaining invoices for sales and purchases, receipts for business expenses and bank records.

Things you might have to do

Tick them off as you do each one.

- ☐ If your business is a partnership, register it with HMRC for Self Assessment. (As well as their own tax return, one of the partners must also submit a Self Assessment tax return for the partnership itself.) **You do not need to do this if the business is a limited partnership or limited liability partnership.**
- ☐ If you expect to have a turnover of more than the VAT threshold, register with HMRC for VAT.
- ☐ If you work in the construction industry, register with HMRC under the Construction Industry Scheme.
- ☐ If you are going to employ someone, register with HMRC as an employer, and choose and set up a payroll system.

Things to do that might help you run your business more effectively

Tick them off as you do each one.

- ☐ Arrange to pay your Class 2 National Insurance contributions to HMRC using Direct Debit.
- ☐ Use HMRC's self-employed ready reckoner to help you budget for your first self-employed tax bill.