

## Chapter 5.

### Entrepreneurial laws, rules, regulations and tax

#### Formal Step-by-step plan: Start your own business

*How to formally start your own business?; Where do you start? And what rules, laws and regulations you have to take into account? It's the question that many starting entrepreneurs ask themselves. With this step-by-step plan we will make you legally and officially ready for the start of your company in the below mentioned countries (United Kingdom, the Netherlands, Romania, Italy, Turkey).*

#### 5.1 Step by Step

##### 5.1.1. Step 1: Choose legal form

When starting a business, you must choose a legal form. For example, a sole proprietorship or private limited company. This differs per country. Choose a legal form that best suits your situation. For example, look at how you want to arrange liability, what the future looks like and what is fiscally beneficial for you. Below we have made a description for the legal forms in each country: United Kingdom ([paragraph 5.2](#)); The Netherlands ([paragraph 5.3](#)); Italy ([paragraph 5.4](#)); Romania ([paragraph 5.5](#)); and Turkey ([paragraph 5.6](#)) have each their own Step by Step paragraph in this chapter.

##### 5.1.2. Step 2: Officially Register your Company

When You have prepared well to start your business. Your company must meet the requirements to start. You must register your company with appropriate institution, which is usually the Chamber of Commerce, to officially and properly organize your administration.

##### 5.1.3. Step 3: Fiscal regulation and Accountancy (VAT identification number and sales tax number)

Taxes and contributions owed by companies and individuals are codified into the National Fiscal Code. In each country paragraph the fiscal regime for companies and self-employed will be defined, e.g. corporate tax (taxable profit), dividend tax (dividend payments made by the company to associates or share-holders), Value Added Tax (VAT, payable by all final consumers, with sometimes the option for legal forms and or startups to be exempt). Additionally, employees will also pay two taxes on their salary, e.g. income tax (payable on taxable income, differs from gross income primarily by being calculated as the income after paying the mandatory social and medical insurance contributions).

The contributions to social (and medical) insurance (25%+10%+2.25% - the last one being paid by the employer)

#### **5.1.4. Step 4: Write a business plan**

Starters sometimes dread writing a business plan. But if you are serious about this, you should first read [chapter 4: How to set up a Business](#) ! : It can bring you a lot of benefit:

- You map your business opportunities
- You get a good picture of your risks
- You know who your potential customers are
- You are aware of relevant market developments
- You make more impression on potential investors
- See also [Tips and Tricks Chapter 6](#)

In most cases, you will not need a degree or a professional qualification to start a business, however, in some cases, certain professions require degrees or professional qualifications.

#### **5.1.5. Step 5: Opening a Business Account (Loans and Grants)**

Opening a business account is often the next logical step. Business banking is a good way to keep an overview of your income and expenditure. This also prevents your business and private administration from getting mixed up hopelessly (in each paragraph a national scheme will be mentioned with special entrepreneurial schemes).

#### **5.1.6. Step 6: Environmental Protection Laws and Rules and Applying for Permits (e.g. building permit, etc.)**

As an entrepreneur you sometimes have to take into account applying for permits. Think of a building permit if you want to renovate a commercial property. The procedures are different in each EU country. In each country paragraph the appropriate institutions and/or municipalities will be mentioned.

Environmental protection

In terms of a business, establishing a physical location plays a big role. A zoning plan needs to be considered in order to progress with your business. If you plan to establish your business at a particular location. In addition, entrepreneurs often have to deal with environmental regulations in the field of noise, energy and waste. The rules that apply to you may be different per region, field and type of company.

### **5.1.7. Step 7: Privacy / Personal Data Protection and Making a business website**

Nowadays, a company can not do without a business website, which you can then promote on the well-known social media. You have to comply to national laws as regards to privacy, personal data protection and cookies.

You can have the website designed by a professional agency or - if you are a bit handy - make a (slightly simpler) variant yourself. It depends on your specific wishes and budget whether this is a desirable alternative.

#### *SEO-proof website*

Make sure that the content (texts, images, etc.) comply with current SEO trends, so that the website appears in Google with the first search results. You can also hire a specialized copywriter for this.

### **5.1.8. Step 8: Insurance**

An accident - whether it is a physical or psychological problem - is in a small corner. Where as an employee you could still count on the support of your employer, as an entrepreneur you are responsible for the (financial) consequences of illness and accidents.

### **5.1.9. Step 9: Management of human resources**

The management of human resources fully focuses on Employee taxes.

### **5.1.10. Step 10: Patents and Brands**

Intellectual property is something unique that you physically create. Copyright, patents, designs and trademarks are all types of intellectual property protection. It's a right that entitles you to be the only party that can reap the benefits of an intellectual accomplishment. Public information about your IP may be a source of inspiration for others when developing products of their own