

# ACCESS

# Guide

## Starting your own business

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## Introduction

Independent enterprise is the backbone of the Dutch economy. There are thousands of small and medium-sized firms, the so-called “MKB-ers” (*Midden en Klein bedrijf*). In the European Union and in international organizations, such as the World Bank, the United Nations and the WTO they are called Small and Medium Enterprises (also SMEs, small and medium businesses, SMBs) The abbreviation SME occurs commonly.

The Netherlands recognises the contribution these entrepreneurs make to the economy and actively encourages them. The majority of new businesses are found in the Randstad area (Amsterdam, The Hague, Rotterdam).

The Royal Association MKB-Nederland (MKB-Nederland) is the largest employers’ organisation and tries to introduce new policies to a better socio-economic climate. The Ministry of Economic Affairs (*Ministerie van Economische Zaken*) initiated action in 1996 to help small and medium-sized businesses enter the export market. It is a positive environment for smaller businesses. However, there are regulations which have to be complied with and are outlined in this ACCESS guide. At the same time, you should be aware that while meeting the relevant regulations when establishing your business, the government also assists new businesses with finance, tax relief, subsidies and sometimes loans

## General requirements

To start at the beginning, you must have entered the country legally and have a valid residence permit. This is not applicable to European Union (EU) or European Economic Area (“EEA”) citizens.

### **Burgerservicenummer (BSN)**

Everyone who is registered at the gemeente in the GBA (*Gemeentelijke Basis Administratie*- municipal personal data base) has a *Burgerservice nummer*. It replaces the Sofi number. While the Sofi number was issued by the Tax Office, the BSN is issued by the gemeente. The BSN is used by all public organizations.

Registration with Chamber of Commerce: from July 1, 2008 every business has to be registered in the trade register of the Chamber of Commerce (*Kamer van Koophandel*). The Dutch Chamber of Commerce or Kamer van Koophandel has a very good web site with information in English about Starting your own business; [www.kvk.nl/english](http://www.kvk.nl/english) (The information in Dutch, however, is a little more comprehensive)

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## Orientation

You have an idea and you want to sell a product or service. This means that you need to do marketing research.

There are companies specialised in marketing research, but you can carry out your own research. Markt Onderzoek Associatie (Market Research Association) MOA is an association of companies and institutions, which engage in marketing research and marketing intelligence.

Website: [www.moaweb.nl/english](http://www.moaweb.nl/english)

What are you marketing? This means that you have to make a marketing plan.

The marketing plan is based on your marketing research:

- Analysis of potential clients, suppliers
- Research branch competition
- The location for your business
- Price of your product or service
- Promotion of your product

When you have decided to become an entrepreneur you have different options:

- You can decide to start as a full time entrepreneur
- You can decide to start as a part time entrepreneur. To reduce the risks you can decide to keep your (part time) job and start as a part time entrepreneur. Beware of any conflicts of interest that can occur with your employer.
- You can work freelance as a ZZP'er (Zelfstandige zonder personeel- self employed without any staff). Your client doesn't have to deduct social security premiums if you are a ZZP'er. To avoid any problems with the Tax office, it is advised to ask the Tax office for a *Verklaring Arbeids Relatie* (VAR). The VAR is a statement of labour relation.

### Websites:

- Platform Zelfstandige Ondernemers [www.pzo.nl](http://www.pzo.nl)
- Zelfstandige Bondgenoten [www.fnvzzp.nl](http://www.fnvzzp.nl)
- Vereniging van Zelfstandigen zonder Personeel [www.vzzp.nl](http://www.vzzp.nl)
- ZZP Nederland [www.zzp-nederland.nl](http://www.zzp-nederland.nl)
- You can start a whole new company or take over an existing one. The success rate for starting entrepreneurs who took over an existing business is higher than for those who had to set up a new business. Existing

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businesses also show a more rapid growth.

- You can also become part of a franchise chain.

**The advantages are:**

- Know-how and experience by franchise chain
- Consumer is already familiar with the product
- Most initial costs for marketing, product development, promotion are already paid for

**Some of the disadvantages:**

- Long term obligations
- Less independent
- You have to hand over part of your income

## Legal form

Choose a legal form for your company. The legal form determines the financial risks you will run in case of debts and the taxes you might have to pay. Most starting entrepreneurs choose a sole trader or VoF as their legal form. For sole traders, VoF and CV partnerships their profit is taxed as income tax.

As a sole trader or VoF, you are liable with all your property for any debts. If you have a partner you can divide your property through a marriage contract or a living together contract

LEGAL FORM	LIABILITY	TAXES
<b><i>Eenmanszaak</i></b> <b>Sole trader</b> One man business one owner	Not a corporate body Owner is fully liable	Income Tax <b>BTW</b> (VAT)
<b><i>Vennootschap onder Firma VoF</i></b> General partnership with several owners	Not a corporate body Each owner is fully liable	Income Tax <b>BTW</b> (VAT)
<b><i>Vereniging or Stichting</i></b> Association, Society or Foundation	Corporate body <i>Vereniging</i> or foundation is liable for obligations	Corporate tax ( <i>Vennootschaps belasting</i> ) <b>BTW</b> (VAT)

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<p><b>Commanditaire Vennootschap CV</b>          Limited partnership, similar to VoF          Two types of partners:          - managing or acting partner          - silent partner</p>	<p>Not a corporate body          managing or acting partners are liable for debts          silent partners are only liable for invested capital</p>	<p>Income Tax          managing or acting partners are taxed on profit          silent partners are taxed on remuneration  <b>BTW</b> (VAT)</p>
<p><b>Besloten Vennootschap BV</b>          Limited Liability Company          One or more shareholders with a minimum capital of € 18,000 own shares for their invested capital          Shares are not transferable</p>	<p>Corporate body          BV is liable for debts; risk for shareholders is limited to their shares</p>	<p>Corporate tax (<i>Vennootschaps belasting</i>)          Capital tax  <b>BTW</b> (VAT)</p>
<p><b>Naamloze Vennootschap NV</b>          Public company, similar to BV, however shares can be traded and the minimum working capital of 45,000.</p>	<p>Corporate body, similar to BV, but more suitable legal form for larger companies.</p>	<p>Corporate tax (<i>Vennootschaps belasting</i>)          Capital tax  <b>BTW</b> (VAT)</p>
<p><b>Maatschap</b> partnership          Cooperation between two or more persons with the same or similar profession. Often used by medical practitioners, accountants, lawyers.</p>	<p>Not a corporate body.          Each partner is liable for debts in the cooperation.</p>	<p>Income Tax  <b>BWT</b> (VAT)</p>

## Your business plan

Preparation of a business plan is the most important task to be undertaken. The component elements of your business plan should include the following points:

- Make a profile of yourself and your situation: explain why you want to become an entrepreneur, what your skills are and how you think to develop your skills as an entrepreneur.
- What is the purpose of your business? Explain in your own words what kind of business you intend to set up. Is there a need for your product? Why do you think you will succeed?
- Marketing: lay down your plans and expectations. The marketing plan is also part of your business plan. Based on your marketing plan you can make a calculation of your turnover. This might prove difficult, but it is of the utmost importance to establish how much you end up with after deduction of all the costs.
- The organisation of your business:
  - Administration: will you employ your own accountant or make use of an accountancy firm. You are obliged to keep your financial records for at least 7 years.
  - General terms and conditions on delivery and payments: this is not compulsory, but very useful. It avoids misunderstandings with clients and suppliers and you don't have to negotiate conditions every time.
  - Insurance: business insurance and personal insurance See web site: [www.kvk.nl/english](http://www.kvk.nl/english)
  - Permits and legal requirements:

You need to register your business with the Kamer van Koophandel (Chamber of Commerce) within a week before you start till one week after you started your business. You can register at any office of the KvK. It is best to make an appointment before you go. You need a valid ID and in some cases you have to show your rental contract for the premises of your business or a franchise contract.

For sole traders, VOF's, CV's or partnerships the KvK can register their business at the *Belastingdienst* (tax office) at the same time the register at the KvK. They receive their KvK registration number as well as their BTW identification number.

Once you have registered, you are given a unique eight-figure registration number. You must print this number on all your outgoing post. Ask for a printout straight away to

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prove that you have registered. The tax authorities, bank and suppliers will regularly ask for this number.

Registered entrepreneurs pay a contribution to the Chamber of Commerce every year. The level of the contribution will mainly depend on the legal form of your

business. Ask your local Chamber Commerce for the exact amount charged in your region. Once you have registered, it is your responsibility to ensure the information is up to date and correct.

Diploma's: you don't need a diploma for most businesses, but for some you do need one. (Catering, e.g.) Here are some useful websites:

[www.horeca.org](http://www.horeca.org),

[www.iso-advies.nl](http://www.iso-advies.nl),

[www.kvk.nl/branchinformatie](http://www.kvk.nl/branchinformatie) (only in Dutch)

- Financial plan

It is very important to make a financial plan as part of your business plan. You need to plan different budgets:

- Investment budget: these include costs for computers, printers, company car, office equipment as well as costs to set up stock, costs for research and initial expenses for registration etc.
- liquidity budget: monthly or three monthly summary of your bank balance
- working budget: with your working budget you can estimate your turn over
- finance budget. When describing how to finance your investments, a distinction is made between owner's capital and borrowed capital".
- Owners capital: money which you introduce yourself/ such as savings, capital resources, contributions or subordinated loans
- Borrowed capital:

Bank loan: banks require a sound business plan and in most cases brought-in own capital. They also need some form of collateral. Some banks offer special loans and services to starters. If you can't give the bank sufficient guarantees, the bank can apply to the government through the Guarantee MKB (*Borgstelling MKB*) and the government will give the guarantee. The Guarantee MKB is intended for business with a maximum of 250 employees. In 2009 the government introduced a special program Microfinance (*Microfinanciering*) for the starting entrepreneurs of small businesses who have problems getting a bank loan.

*Microfinanciering* consists of a loan with a maximum of €35,00.

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- The “Durfkapitaalregeling” scheme. Formerly “Aunt Agatha” This is money from relatives or friends. Private persons who lend money to starting entrepreneurs can get tax deductions.
- Social Services (*Sociale Dienst*) If you start your own business while you receive social welfare assistance/ benefits or unemployment benefits you can get income support through the Welfare assistance support (*Besluit Bijstandverlening Zelfstandigen BbZ*)
- Venture capital is money from their parties who take more risk than usual by putting their money your business. They want something in exchange for this risk like a share in the company or a share in the profit.
- Lease
  - Financial lease: you are the owner of the leased object. You pay the lease company loan payments and interest while you may get tax deductions.
  - Operational lease: the lease company remains the owner.
- Factoring: if you turn over the risk that someone isn’t going to pay you to a third party (factor). This person finances in advance part of the invoice.
- Supplier’s credit: you can make arrangements with
- Supplier’s credit: you can make arrangements with your suppliers to pay in instalments.
- Your suppliers to pay in instalments.

You will need to have a comprehensive list of your financial requirements to start your business. You will be able to get advice on how to raise the necessary money from the Chamber of Commerce. At a later stage you will need an accountant. However, you are advised to appoint one at the start to assist you and to advise you on procedure, especially at Tax Office (*Belastingdienst*).

- You might come across some permits and regulations with your business”:
  - Building permit: if you are planning to build new premises or extend your existing premises you need a permit from the local authorities.
  - Zoning plan: e.g. if you want to start a business in your own house you need permission from the local authorities, because your house is a residential space.
  - Environmental permit: depending on the kind of business you want to start, if it can be a burden on the environment you need permission.

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- Recruitment of staff:  
If you plan to recruit staff, you should consider the following in your business plan:
  - The contracts to hire your employees; is there a CAO (*Collectieve Arbeids Overeenkomst*, Collective Labour Agreement) applicable.?
  - Their scope of work
  - Your obligations and liabilities as an employer

### Taxes and administration

You have a legal obligation to set up and keep a systematic administration. Tax related books and documents have to be kept for seven years. Sole traders, (limited) partnerships or partnership under common firm can register for the Tax office/Inland Revenue and the trade register at the same time at the Chamber of Commerce. Any other legal form of business has to register directly at the Tax office.

[www.belastingdienst.nl/english](http://www.belastingdienst.nl/english) offers information in English.

What kinds of taxes do you have to deal with?

Businesses have to deal with four kinds of taxes:

- Value Added Tax (VAT) — it is almost always compulsory for businesses to charge clients VAT/BTW.
- Income Tax — if the Tax office (*Belastingdienst*) considers you an entrepreneur, you can benefit from a number of tax allowances and will then pay less income tax.
- Wages and Salary Tax — if you employ staff, you will be liable to pay wage tax.

Corporation Tax — if you have a private company with limited liability, you will be liable to pay corporation tax.

### Business and liabilities

You have to deal with liabilities and insurances. Drawing up general conditions or standard contracts will prevent you from making new arrangements with each new client. You have to do some research before choosing a name for your business. It must not be in conflict with any existing business.

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Choosing a name:

- The business name must not be confusing or misleading. This means you cannot choose a name already in use by someone else or something similar.
- You may not represent yourself as anything other than what you really are. For example, you cannot use “BV” in your business name if your business is not a BV (private limited company).
- Your business name or trade name may not conflict with existing trademarks.

As an entrepreneur you will be dealing with two kinds of insurances:

- Personal insurances (such as health insurance, pension insurance, disability and unemployment insurance and accident insurance) You pay a premium for your standard package health insurance plus any additional health insurance. On top of that you have to pay an income-related contribution to the tax authorities. You also have to pay this income-related contribution for your employees.

Business insurances:

- Liability insurance: to cover for any damage or injury caused by product or service delivered.
- Legal assistance insurance
- Credit insurance: to cover the risks if your client doesn't pay for goods delivered.
- Insurance of your business assets: office, furniture, stock etc.
- Goods in transit insurance: to cover any damage of products during transportation.

## Other important issues

### Pension

You need to make arrangements what your income will be after retiring. In some branches of enterprise you are obliged to take part in their pension scheme. In some cases you can join voluntarily. But in most cases you have to plan your own pension scheme.

Everybody who lives in The Netherlands from age 15 till 65 “builds up” their AOW (old age pension). For each year that you live outside The Netherlands, you get 2% less. The AOW is just a minimum pension income and not sufficient. Therefore an additional pension is needed. Insurance companies offer different options. Depending on the legal form of your business you can also choose to put part of your profits into a form of

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pension reserve fund (FOR- *Fiscale OudedagsReserve*). Your pension is a very complex and important issue. You should consult your accountant and discuss the best options.

Protecting your product and ideas: some unique aspects of products and services are protected by law through:

- Copyright
- Patent

### Contracts

When you get an order or assignment it is advised to put all conditions, rights and duties in a written contract. A contract defines the product or service and the price and in general also the following:

- term of contract
- term of cancellation
- agreement for delivering
- term of payments
- guarantee
- maintenance
- arbitration

## Useful websites

### General

[www.kvk.nl/english](http://www.kvk.nl/english) Kamer van Koophandel (Chamber of Commerce)

[www.belastingdienst.nl/english/](http://www.belastingdienst.nl/english/) Tax office (*Belastingdienst*) Web site in English

[www.mkb.nl](http://www.mkb.nl) Koninklijke Vereniging voor het Midden- en KleinBedrijf (Royal Netherlands Society SME)

[www.imk.nl](http://www.imk.nl) IMK Institute for Small and Medium Businesses provides high quality consultancy services.

### Ministry of Economic Affairs and links

<http://english.ez.nl> Ministry of Economic Affairs Website in English

[www.rijksoverheid.nl](http://www.rijksoverheid.nl) Web site of the government, also in English

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[www.evd.nl](http://www.evd.nl) The EVD is an organisation that supports the Dutch entrepreneur with information about permits, laws and subsidies from the Dutch, on export and investing in foreign markets, on establishing contacts with foreign business partners, and Holland promotion. Agenc also works closely with Syntens GB, the national innovation network for entrepreneurs. Some information in English

[www.answersforbusiness.nl](http://www.answersforbusiness.nl) This is a very useful website, also in English. It is an initiative by the government and is linked to all ministries, provincial and local governments. Answer is the starting point for companies from the government for entrepreneurs. You see at a glance the rules, permits and taxes which you must deal with. And the grants you may be entitled to have.

[www.nfia.nl](http://www.nfia.nl) The Netherlands Foreign Investment Agency – (*Commissariaat voor Buitenlandse Investerings in Nederland*) assists and advises international companies on locating and staffing their operations in the Netherlands. Website in English

[www.wfia.nl](http://www.wfia.nl) The West Holland Foreign Investment Agency (WFIA) assists and

### Major Banks

[www.abnamro.nl/nl/zakelijk/starters/direct\\_starten](http://www.abnamro.nl/nl/zakelijk/starters/direct_starten)

[www.rabobank.nl/bedrijven/](http://www.rabobank.nl/bedrijven/)

[www.ing.nl/zakelijk](http://www.ing.nl/zakelijk)

### Marketing

[www.moaweb.nl/english](http://www.moaweb.nl/english) Website in English

### Freelancers/ ZZZP-er

[www.pzo.nl](http://www.pzo.nl) Platform Zelfstandige Ondernemers

[www.fnvzzp.nl](http://www.fnvzzp.nl) Zelfstandige Bondgenoten

[www.vzzp.nl](http://www.vzzp.nl) Vereniging van Zelfstandigen xzonder Personeel

[Www.zzp-nederland.nl](http://Www.zzp-nederland.nl) ZZP Nederland

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[www.eigenbaaswijzer.nl](http://www.eigenbaaswijzer.nl) Website linked to FNV

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[www.inzakengaan.nl/](http://www.inzakengaan.nl/)

[www.startbedrijf.nl](http://www.startbedrijf.nl)

[www.bedrijopzetten.nl/eigen-bedrijf-beginnen](http://www.bedrijopzetten.nl/eigen-bedrijf-beginnen)

[www.uwv.nl](http://www.uwv.nl) UWV is an independent administrative body that performs on behalf of the Ministry of Social Affairs and Employment. Their mission is to ensure that as many people continue to work.

[www.eim.nl](http://www.eim.nl) EIM Business & Policy Research (EIM BV) is an independent research and consultancy organisation (part of Panteia)  
Website in English

[www.entrepreneurship-sme.eu](http://www.entrepreneurship-sme.eu) This is EIM's Public Knowledge Web on SMEs and Entrepreneurship.

### Branche information

[www.horeca.org](http://www.horeca.org)

[www.iso-advies.nl](http://www.iso-advies.nl)

[www.kvk.nl/brancheinformatie](http://www.kvk.nl/brancheinformatie)

[www.mkb servicedesk.nl/309/waar-vind-brancheorganisaties.htm](http://www.mkb servicedesk.nl/309/waar-vind-brancheorganisaties.htm)

### Other useful websites

[www.notaris.nl](http://www.notaris.nl) Royal Notarial Professions Organization (KNM) or  
(*Koninklijke Notariele Beroepsorganisatie*)

[www.syntens.nl](http://www.syntens.nl) Syntens is part of the Innovation Relay Center and was formed by the merger of Innovation Centers Network Netherlands ("ICNN) and IMK. With 15 regional offices in the Netherlands, Syntens introduces entrepreneurs to companies and institutes who can assist them with their business plans and ideas.

[www.iamexpat.nl/articles/starting-a-business-in-the-netherlands.html](http://www.iamexpat.nl/articles/starting-a-business-in-the-netherlands.html)  
Website with information from an expat with experience in the Netherlands

[www.nivra.nl](http://www.nivra.nl) Organization for registered accountants. Website in English

[www.connectingwomen.nl](http://www.connectingwomen.nl) The Hague Connecting Women

[www.aabc.nl](http://www.aabc.nl) Amsterdam American Business Club

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[www.fireflycoaching.com](http://www.fireflycoaching.com) You are able to find here useful report how to attract more customers and get other helpful advice, such as reaching your business goals faster and easier

[www.womensbusinessinitiative.net](http://www.womensbusinessinitiative.net) English speaking support and network group. Members have extra advantages. Men are welcome as guests.

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ACCESS guides available for downloading, free of charge, from the ACCESS website:

- Banking
- Childcare and playgroups
- Food from home
- Health care
- Housing and accommodation
- Inheritance and wills
- International primary and secondary education
- Learning the Dutch language
- Marriage , registered partnership, cohabitation and ending a relationship
- Obtaining a driving license in the Netherlands
- Post Office
- Public Transport
- Social Security
- Starting your own business
- Studying in the Netherlands
- Telephone, internet and television
- What to do when leaving the Netherlands
- Working in the Netherlands
- Having a baby in the Netherlands

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This ACCESS guide is intended to provide comprehensive and general information.

ACCESS did everything possible to ensure correct and up-to-date information. ACCESS cannot accept responsibility for any information that may have changed. If you need more information about this subject, please contact the organisations listed or look at the websites mentioned.