

How do I go freelance? 22/07/2003 00:00

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"I'm an experienced copywriter from the UK and would like to set up a freelance business in the Netherlands. Is that allowed without a work permit? What should I do and where should I go?"

Good question! It seems that freelance work is getting more popular all the time. Starting your own little company has a romantic ring to it, but be prepared to comply with several Dutch rules and regulations along the way.

Nationals from European Union countries who want to reside and work in the Netherlands enjoy special privileges. This concerns nationals from Belgium, Denmark, Germany, Finland, France, Greece, Ireland, Italy, Luxembourg, Austria, Portugal, Spain, the United Kingdom, and Sweden.

For instance, their Dutch employers are exempt from obtaining a work permit and special five-year residence permits ('E-documenten') are issued to these European employees.

Self-employment however, is a whole different ballgame. EU nationals are allowed to set up their own businesses in the Netherlands but should qualify for a special residence permit based on self-employment. The procedure to obtain one is fairly complicated and Aliens Police may take a considerable amount of time to process an application.

One advantage is that an EU applicant is not required to substantiate that the Dutch economic interest will be served with the intended new economic activities. In general, substantiating this may turn out to be a genuine bottleneck. In the residence permit application, it's highly recommendable to emphasise aspects such as innovation and fair competition.

Background documentation (a business plan, sound financial prognosis showing sufficient source of income, balance sheets), and proof of the absolute necessity of the expatriate's presence for the new business, will help in convincing the Aliens Police with regard to the validity of the application and the intended economic activities in the Netherlands.

The freelancer will have to register the new business with the local Chamber of Commerce. He/she may register a sole proprietorship (or another form of legal entity), or register as service provider.

The foreign entrepreneur should register his/her business with the Dutch Tax Department (Belastingdienst), to receive a VAT number (BTW nummer). The Dutch Tax Department will usually issue a VAT number following some proof of the actual business activities. A registration extract from the Chamber of Commerce and some business references should help in satisfying this Department.

An individual tax identification number (SOFI nummer) is usually issued to the expatriate by the Dutch Tax Department, following the positive adjudication of his/her residence permit application. A SOFI number is needed for all kinds of official documents, such as tax returns and registrations.

This column is for informative purposes only, is general in nature, and is not intended to be a substitute for competent legal and professional advice. Dutch rules and regulations regarding aliens, work permits, benefits, visas and residence permits are continuously subject to change.

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