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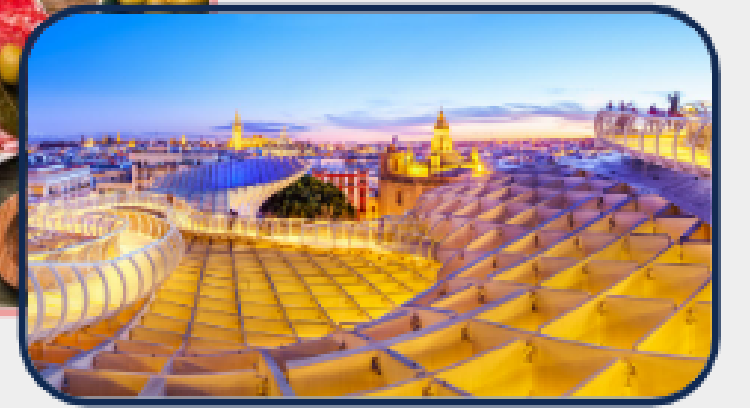
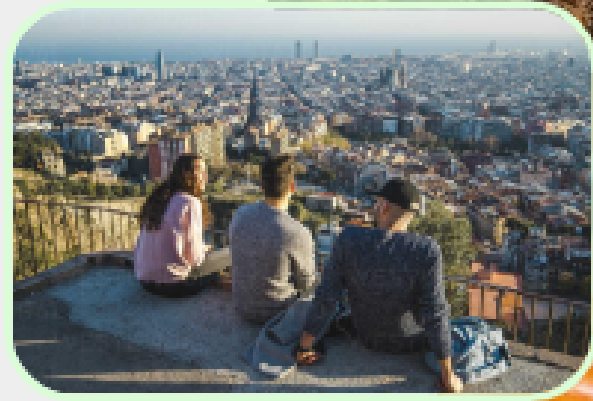


**Self-employed: How  
do I start my  
business?**

presented by



**FREELANCER  
OVERVIEW IN  
SPAIN**



**What things do you  
need to know before  
starting as a freelancer?**





**CHOOSE YOUR  
TYPE**

**REGISTER**

**KNOW YOUR  
RESPONSABILITIES**

**TAXATION &  
SOCIAL SECURITY**





















Which freelancer type  
are you?



**Individual  
Freelancer**

**Company**

**Self -  
employed  
Dependent  
(TRADE)**

	Self-employed	vs	S.L.
Minimum capital	0€		1€
Constitution costs	0€		 notary and registry S.L. Express: < 500€
Constitution period	 1 day		 S.L. Traditional: 20 days S.L. Express: 2 days
If your business is in debt...	 +  +  unlimited personal liability, responds with personal assets		 liability limited to the assets of the company
Formalisms	 more flexible and no formalist		 less flexible and more formalist
Formal and accounting obligations	-		+
Social Security contributions			
Taxes	profits can be taxed up to 49%		corporate income tax is 23%-25% (15% for the first 2 years of profits)
Entrance of new financial partners	⊗		
Partnership	 very diverse options		 governing rules according to the law
Denomination	 name and surname		 free name
Image	 personalist		 corporation
Appropriate when...	 you startup a business with low risks and small profits		 there are several shareholders and is a long-term project



# Self-employed vs S.L.

Minimum capital

0€

1€

Constitution costs

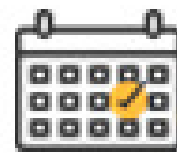
0€



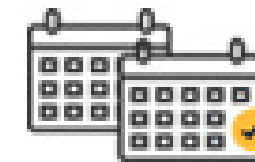
notary and registry

S.L. Express: < 500€

Constitution period



1 day



S.L. Traditional:  
20 days

S.L. Express: 2 days

If your business is in debt...



+



+



unlimited personal liability,  
responds with personal assets



liability limited  
to the assets  
of the company

Formalisms



more flexible  
and no formalist



less flexible  
and more formalist

Formal and accounting obligations

-

+

**Social Security contributions**



**Taxes**

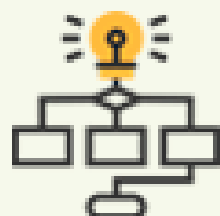
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(15% for the first 2 years of profits)

**Entrance of new financial partners**



**Partnership**



very diverse options



governing rules according to the law

**Denomination**



name and surname



free name

**Image**



personalist

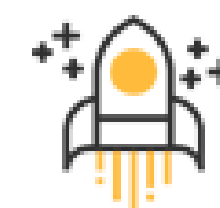


corporation

**Appropriate when...**



you startup a business with low risks and small profits



there are several shareholders and is a long-term project



**How do I register as a  
freelancer?**

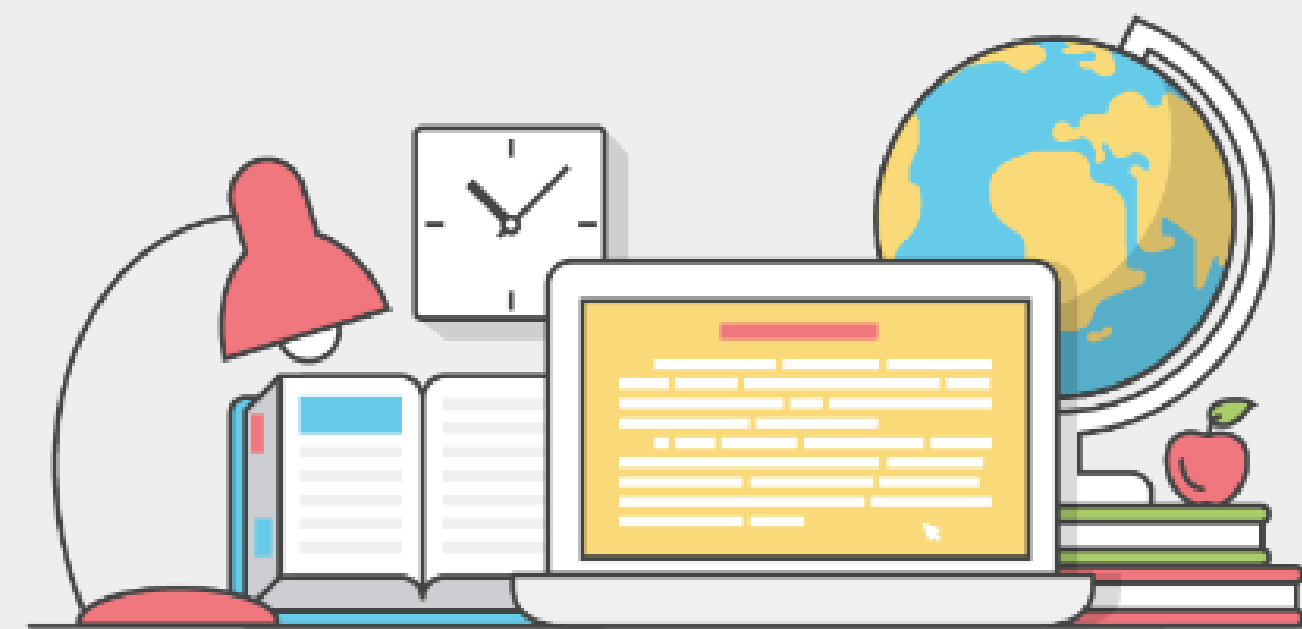
**STEP 01**  
Get a national  
identity number  
(NIE)

**STEP 02**  
Register as an  
"autónomo" with  
the Spanish Tax  
Authority

**STEP 03**  
Open a  
Spanish bank  
account

**STEP 04**  
Register with  
Social Security  
authority

**VISA -  
Work permit  
required**





**What are my responsibilities  
as a freelancer?**

## Taxes

- Register with the Tax Office
- Filling quarterly and annual tax forms:
  - Income tax
  - VAT
  - Withholding tax
  - Other (depending on the activity)

## Social security contributions

New "autónomo":  
80€ / 12 months

Monthly cost:

- Minimum = €297 (up to €1.300 monthly income)
- Maximum = €509 (as from €6.000 monthly income)

## Maintaining accounts and invoices

No formalities.

Books are kept in "excel" or spreadsheet

- Book of income and expenses
- Keep invoices and tickets and any other document

## Business licence

No license required.

This normally does not apply to freelancers, with exceptions (hospitals, pharmacies, etc)

**How do I calculate my taxes?**



$$\begin{aligned} & \text{(Revenue - VAT - Expenses)} \\ & \quad \times \\ & \quad \text{Tax Rate} \\ & \quad = \\ & \text{Personal Income Tax} \end{aligned}$$



## How do I calculate my VAT?

General VAT rate is 21%.  
Reduced rate 10% (restaurants)  
or 4% (bread, fruits and  
vegetables, books)

VAT exempt: medical services  
and education. Ex. English  
teacher.

VAT from your invoices  
-  
VAT from your expenses  
=  
VAT to be paid or refund

## Which expenses can I claim?

### Expenses must be:

- Linked to the activity
- Necessary to obtain income
- Justified by original invoice or equivalent
- Accounted for in the books of records
- Charged in the year when occurred

## Examples?

### CAN

- Social security
- Rental
- Office supplies
- Health insurance (500€ per year)
- Fees of independent professionals
- Travel expenses

You will not be able to deduct any amount from the VAT of the invoice (unless exceptions apply)

### CANNOT

- Personal expenses
- Expenses used for both personal and business activity.
- Penalties
- Donations



**NOW  
YOU  
ARE  
READY!**



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# Q&A