

HOW TO BECOME AN IT FREELANCER

1. If You Leave Employment

If you are employed and **you are giving notice** because of your own business, ask for the **proof of income and paid tax advances** before you leave. You will need it for tax return purposes.

2. Trade Licence Activities

To be able to perform work of an IT freelancer, you need to register the right activity in the trade licence.

We recommend the following **free trade** activities:

- Computer services;
- Services related to computer data processing;
- Advertising and marketing services; and
- Intermediation activities in the area of services.

Put down on a paper a **list of all trades** (business activities), which you would like to do. The Trade Licence Office will register all trades in the trade licence certificate (formerly trade certificate). A fee has to be paid for each trade (see the following steps).

3. Business Name

Decide on the business name for your firm. There is a rule for business names of natural persons (self-employed) that the business name has to start with your name and surname (degrees may be included Ing., Mgr., etc.). It may (does not have to) be followed by the business name. If your name was Ján Novák, your business name might look like this:

- Ján Novák (only your name); or
- Ján Novák Freelancer (name and business name).

4. Trade Licence Office

Go to **Trade Licence Office** and get all **forms** necessary to register a trade license. Do not forget your ID card and the necessary cash. Fill in the forms and hand them in while paying the administrative fee. Each free trade licence **costs 5 EUR**. Duty stamps are no longer necessary. The fee can be also paid in cash.



It is also possible to request your trade licence online via www.slovensko.sk e-government portal, but this can only be done by those who own the biometric ID cards and the special BOK code has been assigned to them.

Trade Licence Offices function as single points of contact. They will facilitate your registration of a trade licence by arranging some formalities for you automatically:

- The Trade Licence Office will request criminal record for you.
- The Trade Licence office will register you as a self-employed person in a health insurance company for **health insurance contributions**.
- The Trade Licence Office will register you with a tax office for personal income tax purposes.

The Trade Licence Office will issue the licence certificate (formerly trade certificate) within three business days.

5. Social Insurance Agency

You do not have to register with the Social Insurance Agency. **You will be required to register with the Social Insurance Agency in the second year of doing business.** If you decide not to register with the Social Insurance Agency in the first year of doing business, this time will not be included in your pension. You will not be entitled to sick pay or unemployment benefits if you decide to terminate your trade licence and do not find a job. If you want security and financial compensation in the above cases (sick leave, unemployment) you may register with the Social Insurance Agency as a voluntary payer.

6. Tax Office

The Tax Office will mail you a notice with your **Tax Identification Number (Tax ID)**. You will state your Tax IT on invoices and you will use it as your identifier when dealing with the Tax Office.

7. Business Account

Open a business account in a bank. It is not required, but it is a must in practical terms.

8. Standing Payment Order

Set up a standing bank order in your business account to pay health insurance contributions. Later, when you start paying social insurance contributions, set up a standing bank order for this purpose. Although it is not required to pay contributions, set up a standing bank order, it is far more practical and comfortable than any other way.



9. Reporting Your Account For the Tax Office

Report your business account to the Tax Office. You have to do so within 15 days from its opening.

If you have done everything successfully, you should now have:

- A trade licence certificate (trade certificate);
- Tax ID;
- Health insurance; and
- A business account.

If you want to become a voluntary VAT payer, it is necessary to make a request at the Tax Office and fill in the relevant forms.

Congratulations, you are a FREELANCER! Get your career started and enjoy all benefits of a freelancer life.



6. Completion and submission of forms

Fill in the forms from the Trade Licence Office. Take the forms to the Trade Licence Office. Bring your **ID card** and the necessary **cash**. Duty stamps are no longer necessary. All fees can be also paid in cash. Submit all forms. Trade Licence Offices function as single points of contact. They will facilitate your registration of a trade licence by arranging some formalities for you automatically:

- The Trade Licence Office will request criminal record for you.
- The Trade Licence Office will register you as a self-employed person in a health insurance company for **health insurance contributions**.
- The Trade Licence Office will register you with a tax office for personal income tax purposes.

The Trade Licence Office will issue the licence certificate (formerly trade certificate) within three business days.

7. Social Insurance Agency

You do not have to register with the Social Insurance Agency for now. You will be required to register with the Social Insurance Agency in the second year of doing business. If you decide not to register with the Social Insurance Agency in the first year of doing business, this time will not be included in your pension. You will not be entitled to sick pay or unemployment benefits if you decide to terminate your trade licence and be unemployed. If you want, you may register with the Social Insurance Agency as a voluntary payer.

8. Tax Office

The Tax Office will mail you a notice with your **Tax Identification Number (Tax ID)**. You will state your Tax ID on **invoices** and you will use it as your identifier when dealing with the Tax Office.

9. Business account

Open a **business account** in a bank. It is not required, but it is a must in practical terms.

10. Standing payment order

Set up a standing bank order in your business account to pay **health insurance contributions**. Later, when you start paying **social insurance contributions**, set up a standing bank order for this purpose. Although it is not required to pay contributions using a standing bank order, it is far more practical and comfortable than any other way.



11. Reporting your account to the Tax Office

Report your business account to the Tax Office. **You have to do so within 15 days from its opening.**

Now you are a Freelancer!

If you did everything right, you should now have:

- A trade licence certificate (trade certificate);
- Tax ID;
- Health insurance; and
- A business account.

If you want to become a voluntary VAT payer, it is necessary to make a request at the Tax Office and fill in the relevant forms.

Now you have your trade licence and your life of an IT freelancer (TITAN) can start!

