Starting up as a sole trader or partnership in Jersey

Overview

So you're a Jersey resident and thinking about starting up as a sole trader in Jersey here we will endeavour to address all of your questions on the practicalities of setting up your Jersey business.

If you are thinking about setting up as a sole trader in Jersey, the sections below we will take you through the process of registering your business, explain the forms that you will need to complete and where to submit them.

If you are not already trading, you should be aware that as part of the process you must obtain a Business Licence from the Population Office which enables you to trade legally. Licenses are ordinarily only granted to those who have residential and employment statuses of entitled, entitled for work or licensed.

How to set up as a sole trader or partnership

What licences do I need to set up as a Sole Trader or Partnership?

If you wish to set up as a Sole Trader (one person) or Partnership (two or more persons), to trade in Jersey, it is a legal requirement to apply for and obtain a New Business Licence which is issued by the Population Office.

How much does it cost?

If you choose to trade under your own name, there is no fee to pay but if you would like to register a name for your business then there is a fee to pay. Click here to review the fees and to see if your business name is available.

Additional licence and registration requirements

What other licences/registrations might I need to have in place?

Depending on the type of business you are setting up, you may need to register and obtain licences from different authorities. Visit Industry specific licences and regulations (gov.je) for more information

Will I be liable to pay GST?

For more information on your options for registering for GST go to Goods and Services Tax (GST) guidance for businesses.

Should I register with the Jersey Office of the Information Commissioner?

Yes. You should register with the Jersey Office of the Information Commissioner and comply with Data Protection Law if you use anyone's personal information, such as names, addresses, phone numbers, email addresses, have CCTV or send marketing material to customers. Registration can be done online, and there is a fee for notifying with the Commissioner.

Social security, taxes and employment

How much Social Security will I be liable to pay?

Startup Plan

If you've recently become self-employed and have set up a business, you can apply for a startup rate of Class 2 contributions. This is designed to help you when you're starting up a new business and you may not earn as much as you did in your previous position. Rather than paying Class 2 contributions on your total income from two years

ago, the Startup Plan is designed to offer you a base rate to pay now. It is reviewed on your total income in two years' time. For more information read Paying Class 2 contributions if you're setting up a business (Startup Plan)

How do I pay my Income Tax?

You will need to submit profit or loss trading accounts with your income tax return each year. These accounts must show all your business income and any expenses incurred in earning that income. Further information can be found in the link below:

Personal tax guidance for business owners

You can download this helpful checklist which shows everything you'll need when filing your tax return.

Self Employed Checklist for your tax return

Can I employ staff?

Yes. A Sole Trader or Partnership can still have employees.

Who should I contact regarding employing staff?

Registering as an Employer – Here is where you register as an employer and enrol your staff on the Income Tax Instalment System (ITIS). Employing Staff – Social Security Department.

The Jersey Advisory Conciliatory Service (JACS) offers a free advisory service to help business owners comply with the essential requirements of the Employment Law. Contact them for straightforward, practical advice regarding staff contracts, pay slips etc. and help in developing an essential toolkit of employment documents.

How will the Income Tax be assessed for

the business?

Detailed information can be found on this link Income Tax for the Self-Employed

Bank Account

When operating a business as a sole trader or partnership it is strongly advisable to open a separate business bank account. This will enable you to keep a track of your finances and produce trading accounts without mixing them in with your personal funds.

Start by talking to your existing bank about opening a business account with them.

Insurance

All businesses should have the appropriate insurances in place to ensure the business is protected in the case of a claim, including Employer's Liability Insurance (a legal requirement) if the business employs staff.

Read this guidance on business insurance and speak with your insurance company to discuss your specific requirements and what premium you are likely to pay.

Premises and leases

If you are thinking of buying or leasing commercial premises to operate your business from, before making any commitments, please take the time to read through our insightful property tool **An Introduction to Jersey Commercial Property for Small Business**

Planning your Business

Put your concept on paper

Don't put off making a start on your business plan, it will be much more helpful than you realise. Failing to plan is planning to fail! Here is our Guide to writing a Business Plan and a Business Plan template to get you started.

Relevant Links

- Residential and employment statuses

- New Business setting up
- Industry specific licences and regulations
- Goods and Services Tax (GST) guidance for businesses
- Office of Information Commissioner
- Social Security contributions
- Social Security for business owners
- Personal taxes for business owners
- Tax deductions for employment expenses
- Register as an employer
- Employing staff
- JACS
- Working for yourself tax guidance
- Registration Cost
- Business Insurance
- An Introduction to Jersey Commercial Property for Small Business
- Business Licensing
- PO Box Numbers
- Guide to Writing a Business Plan
- Business Plan Template
- Setting up a limited company in Jersey

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