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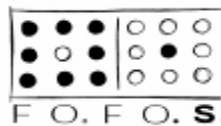
**The reviewing of self-employment schemes in Finland, Poland,
Romania and Austria**
(Project Deliverable 2.3)

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1 Introduction

This report on self-employment schemes in Finland, Poland, Romania and Austria is made within the framework of Self-Employment project, i.e. "Guidance and counselling for self-employment".

This study presents the steps that should be taken when one wants to start his/hers own business, i.e. when one become self-employed, in each of the partner countries of the project. The project defines self-employment as a one-person company (see appendix 1).

Main target groups of the whole project are:

- Students that have just graduated and will soon graduate that consider self-employment
- Unemployed people that consider self-employment
- People that are working somewhere at the moment but consider self-employment

The steps form the route to self-employment in each country. There might be several routes in some country and only one in another country.

The following information of the steps has been gathered:

- a. What is the name of the step?
- b. What is the name of the institution you need to visit or consult?
- c. What kinds of documents are needed?
- d. Is registration / consultation available through Internet? Or are the other alternative channels?
- e. Is the step free of charge or not?
- f. How much time does the step take?

2 Information on becoming self-employment

There are several reasons – pulling and pushing factors – for people to become self-employed.

As mentioned before, the main target groups of this project are: 1) Students that have just graduated and will soon graduate that consider self-employment, 2) Unemployed people that consider self-employment, and 3) People that are working somewhere at the moment but consider self-employment.

Students that have just graduated and will soon graduate are a relevant group. They might enter self-employment because of pulling or pushing factors. A pulling factor is e.g. that they have a good business idea that gives them a good starting point for self-employment. A pushing factor might be that they fear that they are not going to find a salaried job and they want to build up a position for themselves. It is very important that students get the basic tools and knowledge on entrepreneurship while studying so that they have better ability to actually start their own business when they wish to do so. Entrepreneurship is a potential career choice!

Unemployed people that consider self-employment are another major group of people. Especially if the unemployment period has lasted for a longer time, the likelihood for the person to find a salaried job becomes smaller. That causes a big pushing factor into self-employment.

People that are working somewhere at the moment but consider self-employment are the third large group of people. They mostly want to start their own business because of pulling factors. They often have a very good business idea and the need to become self-employed.

There is also present a phenomenon that we would like to call *forced self-employment*. There are people that are being asked by a possible employer to start up their own business and work for the employer on freelance or project basis.

3 The main steps of becoming self-employed in Finland

The societies offering consultation concerning the establishment of the firm in Finland are:

The Enterprise Finland (<http://www.enterprisefinland.fi>)

The Enterprise Finland online service provides information on the obligations towards public authorities that need to be taken into account when setting up an enterprise and acting as an employer. Special provisions and limitations apply to international trade, both imports and exports. The online service also provides information on public funding for entrepreneurial information.

The online service is produced by the Ministry of Trade and Industry and managed by the SME Foundation (PKT-säätiö).

T&E Centres (www.te-keskus.fi)

In Finland, there is 15 different Employment and Economic Development Centres operating nationwide.

Suomen Jobs and Society / Suomen uusyrityskeskukset
(<http://www.uusyrityskeskus.fi>)

Offers help concerning, for example: the evaluation of the business idea, making the calculations, finding information about financing, selecting the form of business and making the marketing plan.

Most of the services offered by societies above are free of charge.

Step 1 – Selecting a business name

Although the validity of a business name cannot be examined in advance, it is possible to verify that an identical business name has not already been registered or that its registration is not pending. The name will only be investigated and its validity approved after the notification has been filed with the trade register.

Step 2 – Opening a bank account

Bank accounts in Finland may be opened by anyone who can present an adequate statement of the person opening the account, the holder of the account, and the necessity for and purpose of the account. The bank must ultimately determine what constitutes an adequate statement for the establishment of a customer relationship in each case.

A bank account must be opened for a new business during the establishment process. In the case of a limited liability company, a bank account must be opened before the company is entered in the trade register. The share capital of the company must be paid to the company's account in a Finnish deposit bank before filing the trade register notification and its entry in the register. It is only possible to make payments from the account after a certificate of arrival concerning the delivery of the start-up notice issued to the trade register and showing the business ID of the company has been delivered to the bank.

Step 3 – Selecting the form of business

Factors such as the number of founders, the required capital and its availability affect any decision on form of business. There are no set rules determining which form of business should be chosen. The most suitable and appropriate form of business must be determined individually in each situation. The alternatives for a one-person company are:

- *Private entrepreneur*

An EEA resident may act as a private entrepreneur. Non-EEA residents need a permit from the National Board of Patents and Registration. With regard to the establishment of a business, citizenship is not of importance. The decisive factor is the individual's permanent place of residence. The cost of the basic announcement to the trade register is 65 €

- *Limited liability company*

There must be one or more founders in a limited liability company. **At least one of the shareholders of a limited liability company must have a permanent place of residence, of, if the founder is a legal entity, be domiciled in the EEA.** Otherwise, a permit is required from the NBPR for all founders of the limited liability company that are not from the EEA.

The cost of the basic announcement to the trade register is 330 €

Step 4 – Electing an auditor

General partnerships, limited partnerships, limited liability companies, cooperatives, associations and foundations always have a legal obligation to keep accounts.

Step 5 – Establishment documents

While the establishment of a partnership (general and limited partnerships) does not require adherence to the proper form, a written agreement should be made for the trade register.

For legal purposes, limited liability companies and cooperatives are only established when they have been entered in the trade register maintained by the National Board of Patents and Registration.

The basic declaration to the trade register is made using the start-up notification form, with which the enterprise may also apply for registration in the tax administration registers.

Step 6 – Business licences and notifications

In accordance with the principle of industrial freedom, the following are entitled to carry on a legal trade in Finland in accordance with good practice without a licence from the authorities:

- individuals resident in the EEA,
- Finnish corporations and foundations, and
- foreign corporations and foundations that have a registered branch in Finland, have been established under the law of a State included in the EEA and have their statutory domicile, central administration or main place of business in an EEA State.

The National Board of Patents and Registration may also grant licences to applicants other than the above-mentioned groups.

The acts and decrees governing licenced trades stipulate the licencing authorities. In some cases a licence is not required, but the individual/corporation must deliver a written notification to the appropriate authorities. Licences are usually granted by the State Provincial Office of the area in which the business is established.

A copy of the trade licence granted is attached to the trade register notification. If a licence has not yet been granted, the applicant may file the basic declaration with the trade register and deliver a copy of the licence to the trade register once the licence has been granted.

Step 7 – Basic declaration to the trade register

Who is liable to submit a declaration to the trade register

A basic declaration to the trade register must always be made by the following groups:

- a private entrepreneur who has a permanent place of business (separate business premises) for his/her business activities, or who employs a person other than his/her spouse or child or grandchild who is not yet of age or is under guardianship of the entrepreneur. Those engaged in agriculture or fishing are not subject to notification duty, however.
- general partnership and limited partnership
- limited liability company
- cooperative
- foreign entrepreneur establishing a branch in Finland

A basic declaration may be submitted by an enterprise who is not subject to notification duty.

The basic declaration must be filed before starting the operations. It should be noted that limited liability companies and cooperatives are only established for legal purposes when they have been registered in the trade register. The basic declaration is made using the start-up notification form. The forms are jointly created by the National Board of Patents and Registration and the Tax Administration. The forms are available in Finnish and in Swedish from the NBPR at the trade register PatRek Customer Service (Arkadiankatu 6 A, Helsinki, tel. +358 9 693 9500), the Business Service Points of TE Centres, city administrative courts and tax administration service points. The forms (in Finnish and in Swedish) are also available on the Business Information System (BIS) website at www.ytj.fi.

Start-up notifications

- Y1 serves as the general start-up notification for limited liability companies, cooperatives and, branches of a foreign entrepreneur.
- Y2 is the start-up notification for general partnerships and limited partnerships
- Y3 is the start-up registration for private entrepreneurs

For registration in the trade register, limited liability companies fill in the attachment form 1, cooperatives the attachment form 2 and the branch of a foreign entrepreneur the attachment form 3.

Model establishment documents for a small limited liability company are available from the same places as the start-up notification forms. The documents include a Charter of Foundation, Articles of Association, Minutes of the Constitutive Meeting and Minutes of the Meeting of the Board of Directors.

Completed start-up notifications are to be delivered to the NBPR at the trade register PatRek-Customer Service (Arkadiankatu 6 A, Helsinki), the Business Service Points of TE Centres, city administrative courts or tax administration service points. Start-up notifications may also be sent by post to The National Board of Patents and Registration – Tax Administration, Business Information System, P.O. Box 2000, 00231 Helsinki.

When the start-up notification is filed with the NBPR PatRek Customer Service, city administrative court, the Business Service Points of TE Centres or a Tax Administration office, the person delivering the notice will be given a certificate of arrival, and the Business ID of the company noted thereon.

Who is responsible for filing the basic declaration

Those responsible for filing the basic declaration are

- a private entrepreneur himself/herself
- partners in a general partnership

- general partners in a limited partnership
- members of the Board of Directors of limited liability companies and cooperatives
- the person authorised to write the business name or elected as a representative of a branch of a foreign entrepreneur

The start-up notification must be signed by a person responsible for filing the notification or someone authorised by such person. If the notification is signed by someone authorised to do so, the original power of attorney must be attached to the notification.

Handling fees

Start-up notifications filed with the trade register are subject to a handling fee. The amount of the fee depends on the type of notification and company. The handling fees for start-up notifications are as follows:

- basic declaration of a private entrepreneur EUR 65
- basic declaration of a general partnership or a limited partnership EUR 155

The handling fee is can be paid before filing the notification. The fee may be paid to the bank or, on filing the notice, to the NBPR PatRek Customer Service, the Business Service Points of TE Centres or city administrative court. When the start-up notification is filed with the NBPR PatRek Customer Service, city administrative court, the Business Service Points of TE Centres or a Tax Administration office, the person delivering the notice will be given a certificate of arrival, and the Business ID of the company noted thereof.

Handling time before the first decision will take approximately one week (situation in the October 2005). The whole registration process from start to final took in the year 2003 about 1 month.

Step 8 – Start-up notification to the tax administration

A new company must submit a start-up notification to the tax administration registers and the Trade Register using the same form. If the company already has a business ID, it should use the amendment notification form.

The tax administration registers referred to here include the prepayment register, employer register and VAT register.

Step 9 – Acquisition of commrcial premises

Most enterprises start their operations in rented premises. The issue of purchasing business premises or commercial real estate may arise with the expansion of business.

Before purchasing or renting any commercial property the entrepreneur should determine whether it is suitable for the intended operations. Is it possible to make the required alterations; are the alterations technically viable, allowed by written plan regulations or other building regulations? Alterations made to a building or premises

usually require a building licence granted by the local building supervision authority. The owner or proprietor of the site may apply for the licence. An entrepreneur with a lease on a commercial property may apply for the licence if granted a power of attorney by the owner or proprietor of the site.

Step 10 – Social security covers for entrepreneurs

In accordance with the Self-Employed Persons' Pensions Act (YEL), entrepreneurs are obligated to take out pension insurance.

As entrepreneurs are not covered by the statutory accident insurance, new entrepreneurs are advised to take out a voluntary accident insurance policy. Furthermore, unlike employees, entrepreneurs do not have a contractual group insurance policy. Entrepreneurs are themselves responsible for arranging voluntary life insurance cover with an insurance company. In the case of unemployment, entrepreneurs may qualify for a basic allowance from the Social Insurance Institution of Finland (Kela); entrepreneurs may also voluntarily join the Entrepreneurs' Unemployment Fund if they wish to provide themselves with earnings-related unemployment benefits.

Entrepreneurs may also receive a maternity allowance, special maternity allowance, paternity allowance, parental allowance, special care allowance or rehabilitation allowance and sickness allowance.

(Possible step 11) – Protection of business ideas

In the conduct of business, it is possible to protect

- business names (the names used)
- patents (inventions)
- utility models (inventions)
- models (appearance or decoration of the goods) and
- trademarks (various symbols)

4 The main steps of becoming self-employed in Poland

Description of the process of starting and registering one's own business activity in Poland

Only a natural person of age who has a full legal capacity can become a self-employed self-employed. A person who is partly or fully incapacitated cannot undertake and perform legal actions. The same applies to an underage person. Without their statutory representative's consent those persons cannot take valid legal actions, based on taking an obligation or disposing of their rights, which is the essence of a one-person business. Registration of one's own company is not very complicated, but it requires visiting a few offices and institutions, which results in an average registration time of 30 days (however, it is possible to legalise one's business within 7 days). A big impediment is the lack of possibility to register via the Internet. Only copies of application forms required by individual registration offices are available online. Such form can be filled out at home and submitted to the relevant office either by post or in person.

In order for a natural person to start a one-person business the following actions must be taken (among other things):

- registering the business at the communal (*gmina*) business activity register
- obtaining a taxpayer's identification number (NIP)
- obtaining a statistical identification number (REGON)
- opening a bank account
- registering the new business with the Social Insurance Institution (ZUS)
- acquiring a business stamp.

Till the end of 2003 the individual registration obligations were arranged in such a way that they required the self-employed to go the long way round from one office to another. At present a simplified procedure of enterprise registration is also available, which offers the possibility to use the agency of communal authorities to submit the tax and statistical applications. This procedure is not obligatory. However, it does not mean that business registration time via the "simplified procedure" is shorter. Going through the formalities by agency of the communal office takes longer. It does, however, provide a simplification to people from outside the town where the offices are located.

Presented below are the individual detailed steps related to the registration of a one-person business. Further on there is an outline of the traditional registration procedure (diagram 1) and an outline of the simplified registration procedure (diagram 2).

Step 1 – Entry in the Business Activity Register (EDG)

Business activity register is kept by the communal office competent for the self-employed person's place of residence (i.e. the town where the self-employed is staying with the intent of permanent residency). The recording authority that makes the entry

into the business activity register is the head (*wójt*), mayor or president of the town/city. The entry is registered only at the request of the self-employed who intends to start a business activity. The application should include the following information:

- indication of the self-employed (full name) and his or her PESEL identification number
- indication of the self-employed person's place of residence and address, and if the self-employed performs the business activity outside his or her place of residence on a permanent basis, also this place and the address of the headquarters, branch or other place where the business activity is performed must be indicated
- specification of the scope of the business activity according to the Polish Classification of Activities (PKD), which means that indication of the general scope of the activity (production, commerce, services) is not sufficient; the type of activity must be specified with a special numeric code (the PKD list should be available at the communal office and in case of doubts an office employee should be able to help you specify your activity correctly)
- the date of commencing business activity.

An application form can be obtained in most *gminas*. However, nothing prevents the self-employed to submit an application prepared by him- or herself. One should only remember that all the above mentioned data must be included in the application.

The entry into the business activity register is subject to a fee of 100 PLN (25 EUR).

Registration is best done in person at the competent section of the communal office. A registration application can also be sent as a registered delivery letter. Any lacking formalities, such as unpaid registration fee, can be then completed at a later date, either on one's own initiative or after receiving a summons to do so from the registering authority.

Some *gminas* provide the possibility to enter a business into the business activity register online, and the lacking formalities are completed at a later date, including the self-employed person's signature. This form of registration will certainly develop; at present it is available in Warsaw, Poznan, Opole, and Krakow.

Indication of the business activity subject according to the Polish Classification of Activities (PKD) may be somewhat problematic, as the applicable regulations do not specify to how detailed an extent this subject should be indicated. Experience shows that in order to be in compliance with the PKD the self-employed needs only to indicate the type of business activity as stated in the PKD, without specifying the symbol of this activity.

The communal registering authorities must record the self-employed person's entry in the business activity register no later than **14 days** after the date of application. By this date they are also obligated to deliver a certificate of registration to the self-employed. The certificate of registration with the business activity register is also sent to the Revenue Office, Social Insurance Institution (ZUS) and the statistical office.

The communal registering authorities may call on the applicant to complete the lacking application formalities. They may also refuse to register an applicant's business activity. Rejection is possible in three cases only:

- when application pertains to a business activity not provided for in the legal regulations
- when there are lacking application formalities which have not been taken care of by the appointed deadline despite the summons to do so
- when performance of the business activity specified in the self-employed person's application has been banned with legal validity.

Rejection of a business activity registration application is issued in the form of administrative decision.

Step 2 – Registration with the Statistical Office (obtaining the REGON number)

Registration with the Statistical Office (in the National Official Business Register) is free of charge and requires submitting an applicable **RG-1** declaration. Each registered company is assigned a statistical identification number called **REGON**.

A certificate of business activity commencement must be enclosed with the application. The registration application must be submitted within **14 days** after the date of starting the business activity (in case of natural persons). The certificate is issued within 7 days from the date of submitting the application, but if it is submitted to the statistical office in person, it is possible to obtain the REGON number within 15 to 20 minutes.

Step 3 – Opening of a separate bank account

Theoretically, there is no regulation in Polish legislation that obligates an entrepreneur (including self-employed) to have a bank account. However, some settlements can only be done by means of a bank account. Making or receiving payments between entrepreneurs by means of bank accounts is obligatory in every case when a single transaction value, irrespective of the number of payments it results in, exceeds the equivalent of 15 000 EUR. Therefore, even if it is assumed in advance that one's transactions will never exceed this amount, it is advisable to open a business account for one's own convenience, as non-cash turnover is much more comfortable and secure. An account related to a business activity can only be opened by the self-employed, which is to say already after the registration. Therefore, a new self-employed can go to the bank he or she has chosen only after the entry to the business activity register is completed, since that person must show an excerpt from the register at the bank. There are, however, no commonly binding regulations that would require indicating one's REGON (statistical number) and NIP (taxpayer's identification number) while opening a bank account. Therefore, after obtaining the entry, an self-employed can open an account at a bank of his choice without having to wait until he or she is assigned the REGON and NIP numbers (however, in order for it to happen, the bank's goodwill is necessary). The missing details can be then provided to the bank after they are obtained.

An self-employed may have more than one bank account; in this case all these accounts are subject to declaration with the tax office, Social Insurance Institution etc.

Step 4 – Submitting the NIP-1 application to the tax office

Everyone who starts his or her own business activity is obligated to report this fact with the tax office within 7 days from the start-up date. In order to do so, natural persons must submit a completed NIP-1 application form to tax office competent for their company's site. The remaining documents (certificate of entry into the business activity register sent by the communal office and the REGON number sent by the statistical office) will be delivered to the tax office without the self-employed person's participation. Submitting a NIP-1 form is free of charge. It is submitted to the competent tax office responsible for the area where the address of the business activity execution is located. A natural person's private NIP number becomes a business NIP number when a business activity (self-employment) is started. If a taxpayer has not been assigned a tax identification number by the tax office before, that person should enclose a completed NIP-4 form with the documentation submitted.

Applications concerning natural persons – self-employed – are connected with choosing the form of taxation and submitting a relevant declaration. This choice is important, as the decision can only be changed with effect from January 1 the following year.

Those taxpayers who run a business activity are also obligated to inform the competent tax office (proper with regard to the income tax) about the possessed bank account related to the executed business activity.

Step 5 – application for social and health insurance at the Social Insurance Institution (ZUS)

A contribution payer is obligated to record his status as a self-employed person with the Social Insurance Institution (ZUS) within 7 days from the beginning of the retirement and pension insurance obligation for persons running a business activity (i.e. from the business start-up date which he or she indicated in the NIP-1 form).

The declaration can be completed only by means of either original forms available at ZUS offices or electronic forms available in the current version of the *Płatnik* program.

Step 6 – registering the new business with Sanepid (Sanitary and Epidemiological Station)

If the planned business is a beauty parlour, the company's seat must be inspected and accepted by Sanepid (Sanitary and Epidemiological Station). To this end, the self-employed must submit an application including inventory with a technical description and architectural plans of the room and its details (area, height, number of windows, access to water etc.). The inspector has 14 days to examine the application. After this

period the self-employed can expect an inspection followed by a decision concerning acceptance. The acceptance fee depends on the time it will take to inspect the object.

Step 7 – A business stamp

The obligation to have a business stamp does not result from any commonly binding regulations. However, it may prove necessary not only during everyday business operation (when issuing VAT invoices, for instance), but already at the stage of going through the start-up formalities. Neither tax office, nor statistical office, nor ZUS – and most certainly not the communal office – requires the self-employed to present a stamp. However, experience shows that in case of some banks lack of a business stamp may prove to be an insurmountable barrier. A business stamp should include the following information:

- the company's name
- the self-employed person's full name
- address data
- REGON identification number
- phone numbers (additionally)
- NIP number (additionally)

Diagram 1: An outline of the process of starting and registering one's own business activity – traditional procedure

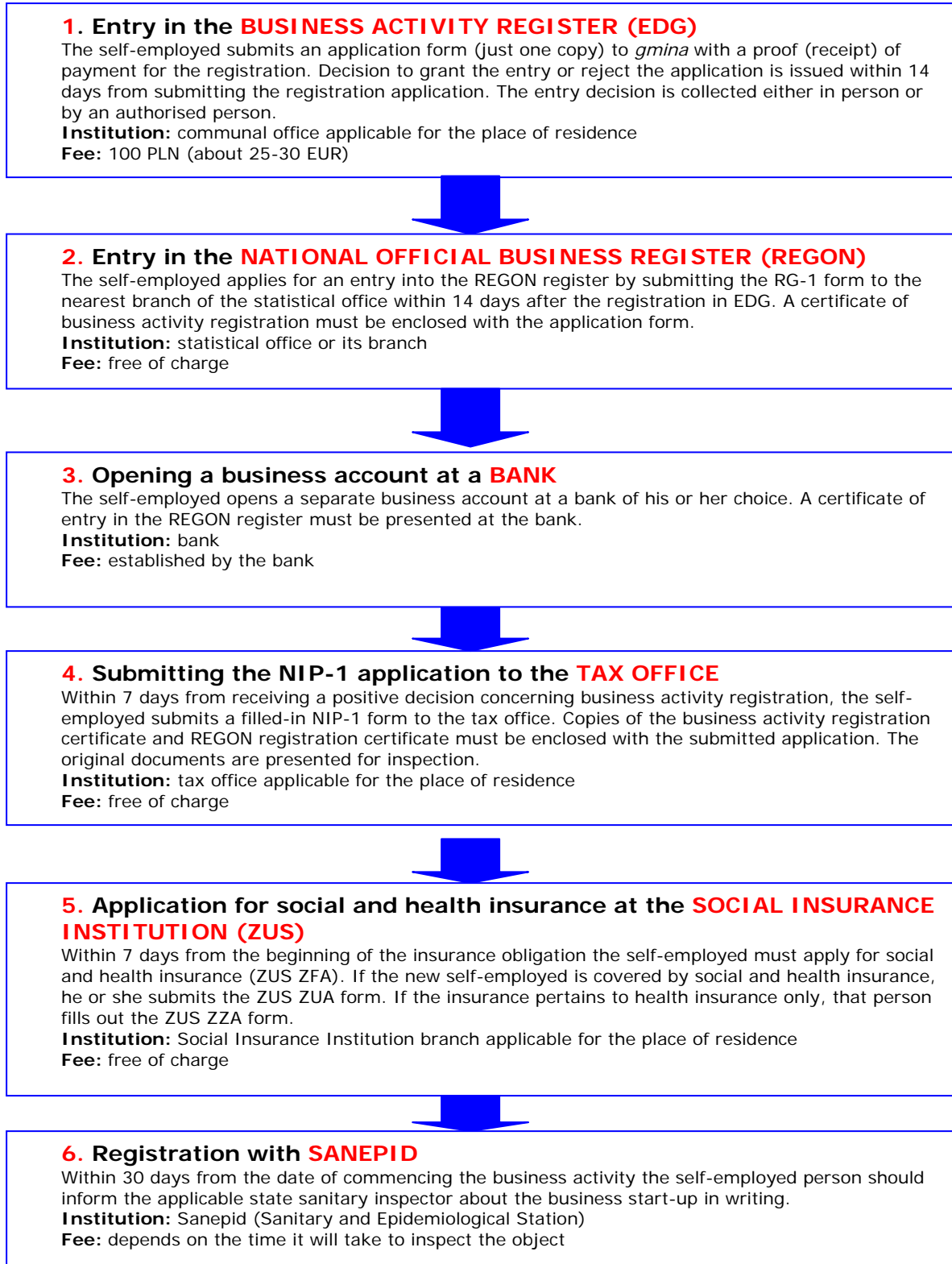
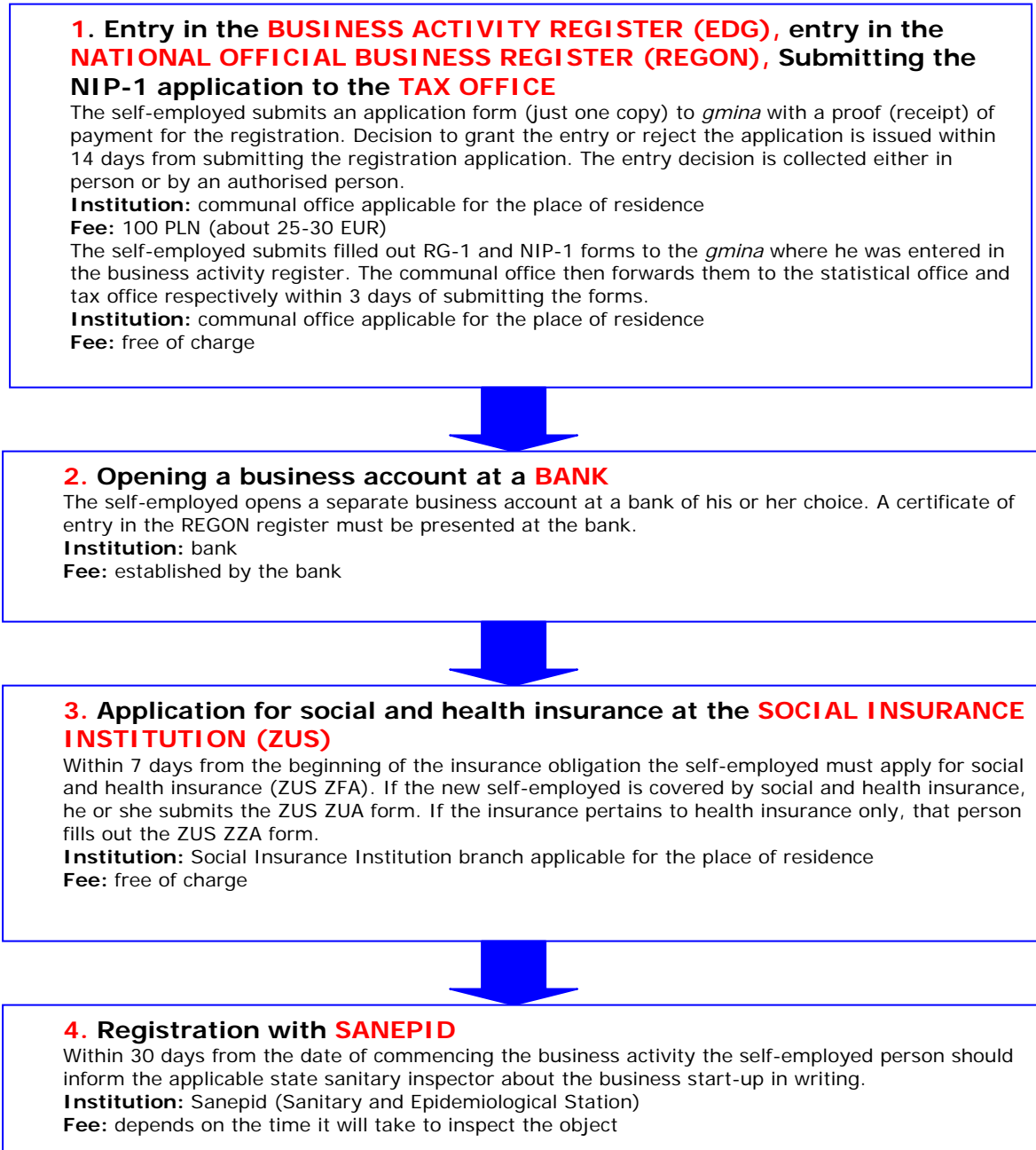


Diagram 2: An outline of the process of starting and registering one's own business activity – simplified procedure



5 The main steps of becoming self-employed in Romania

Legal framework

The general legal framework for commercial activities has been established by the Constitution adopted in 1991.

Main laws into force in Romania referring to the set-up of a business:

- Act. No. 31/1990, republished –ref. the establishing of a company;
- new Law on SMEs, Law no. 346/2004 was elaborated and entered into force in August 2004 – ref. to stimulation of SMEs creation;
- new Law no.359/2004 regarding the simplification of formalities for registration and authorization of legal persons;
- new Law no.300/2004 on the authorizing of the self-employed persons and of the family associations carrying out economic activities independently.

One can choose one of the following forms to set up a business:

- *Persoana fizica autorizata (authorised individual, free lancer)* - has an independent activity authorised by Mayoralty, and is registered in the Trade Register.

It does not have legal personality; procedure for authorisation: one stop shop within Town Halls

- *Asociatie familiala (family association, household associations)* - established by members of one family (over 16, up to fourth grade relatives), authorised and registered as the individuals.

It does not have legal personality; procedure for authorisation: one stop shop within the Town Hall.

Both can be authorised to have activities in all domains, jobs and occupations, except the ones ruled by special laws.

- *Companies:* procedure for authorisation: one stop shop within Trade Register Offices
 - general partnership (societate in nume colectiv);
 - limited partnership (societate in comandita simpla) ;
 - joint-stock company (societate pe actiuni);
 - limited partnership by share (societate in comandita pe actiuni);
 - limited liability company (societate cu raspundere limitata);

Thus, in Romania according to the legislation in force, Law 300/2004, the person who performs independently economic activities, as well as the members of the family associations have the quality of self- employed. The self-employed quality refers to the right to have health, unemployed and social security insurances. The authorized individuals and family associations cannot hire other persons under labour contract.

Having in mind the project's definition of self-employment, 1 person-company, the study will focus only on authorized individuals and small enterprises with zero employees (limited company with one sole associate).

Main criterias

Criteria	Authorised Individual -PFA	Limited Liability Company
no. of persons	1 person or the members of one family	1 person - Ltd with 1 associate 2 – 50 associates
minimum subscribed and paid capital	-	60 Euro
entrepreneur's liability	unlimited (with his/her personal fortunes)	only within the limit of subscribed capital
restrictions for the associates	-	the unique associate (Ltd with 1 associate) can have this quality only in one company
Town Hall Authorisation	X	-
Rezerving the name	X	X
Drawing up the constitutive act	-	X
Proof for legal premises	X	X
Proof subscribed capital	-	X
File for Authorization	X	X
Register in Trade Register Office	X	X
Authorisations for functioning (sanitary, fire department, environment, a.s.o)	X (through one stop office)	X (through one stop office)
Where the entrepreneur should go to?	Town Hall	Trade Register Off.
Accountancy	Simple-entry bookkeeping	Double-entry bookkeeping
Taxation regime	Taxes on annual income	Taxes on profit
Administration (management)	No special rules	One or more administrators

Authorised Individual

Preparatory Steps

- Gathering information on authorization procedure;
- Checking and reserving the name Trade Register Office (compulsory)- cost: 10-15 Eur; released in the same day;
- Checking and reserving the logo at OSIM (optional);
- Obtaining fiscal record (for the persons applying for PFA or for all the members of the family for AF) – from Financial Department; cost: 4 Eur – released in 1-2 weeks; cost: 8 Eur- released next day;
- Medical certificate (for the persons applying for PFA or for all the members of the family for AF) – to show that the person(s) is in good health for the desired activity to be performed – from family doctor or any other Medical Institution – cost: 6-15 Eur; usually released in the same day;
- Preparing copies of various documents: ID card, premises papers, professional experience, education, specific certifications, if the case; (3 -5 Eur);
- Preparing the file to be submitted to the Town Hall for authorization

The file to be submitted to the Town Hall for authorization:

- Standard request;
- Name reservation from Trade Register Office;
- Fiscal record – original;
- Copies ID cards;
- Proofs regarding the place where the activities are going to be performed;
- Medical certificate;
- Standard declaration on his/hers own responsibility regarding the fulfilling of the sanitary, environmental, labour protection, fire safety conditions; If necessary, a person representing the institutions in charge will performed on-site visit;
- copies of documents proofing education and/or professional experience;
- costs: 75-90 Eur;
- authorization released in 10 days.

Limited Liability Companies

Preparatory Steps

- Gathering information on authorization procedure;
- Checking and reserving the name Trade Register Office (compulsory): 10- 15 Eur;
- Checking and reserving the logo at OSIM (optional);
- Drawing up Articles of company; 115-180 Euro;
- Authentification of Articles of company;
- Obtaining fiscal record– from Financial Department; cost: 4 Eur – released in 1-2 weeks; cost: 8 Eur- released next day; period of valability:15 days;
- Criminal record – Police Department; around 5-10 Euro;

- Filling in request of registration;
- Preparing documents regarding the legal premises of the company to be;
- Obtaining expertise report for in kind contribution, if the case;
- Preparing copies of ID card(s);
- Subscribing the capital (to a commercial bank); minimum 60 Eur (+9 Eur to unblock the capital);
- Preparing the file to be submitted to the Trade Register Office for authorization.

The file to be submitted to the Trade Register Office for authorization

- Standard request;
- Name reservation from Trade Register Office;
- Fiscal record – original;
- Criminal record – original;
- Copies ID cards;
- Proofs regarding the place where the activities are going to be performed;
- Articles of company;
- Proof of subscribing the capital;
- Standard declaration on his/hers own responsibility regarding the fulfilling of the sanitary, environmental, labour protection, fire safety conditions; If necessary, a person representing the institutions in charge will performed on-site visit.

Costs and time	Authorised individual	Ltd. Liability company
Aproximative total costs	120-150 Eur	300-400 Eur
Duration (after submitting the file for authorisation)	10 days	2 weeks
consultation	available through Internet (documentation) on the spot	http://www.onrc.ro

6 The main steps of becoming self-employed in Austria

Groups of one-person-companies in Austria

In Austria one-person-companies can belong to following groups of entrepreneurs

- 1) having a trading licence and no employees (obligatory membership at the Austrian Chamber of Commerce),
- 2) working in “new self-employment” without trading licence and employees,
- 3) working as classical freelancers without employees (belonging i. e. to the Austrian Chamber of Architects, Lawyers etc.).

Another possibility of founding a GmbH Gesellschaft mit beschränkter Haftung (Ltd.) as one-person-company is only possible by a contract at a notary`s office.

The following routes for founding an one-person-company are described mainly for group 1) and 2) mentioned above. In case of classical freelancers, the steps of founding are done together with the chambers for the respective professions.

Route for founding a one-person-company with a business licence

Step 1 – Founder consultation

What is the name of the STEP?	Step 1 – Founder consultation
Short description	Workshop (3 hours) and personal consultation (1 hour) in legal and financial questions for founders at the Chamber of Commerce. (Neugründer-Beratung bei der zuständigen Wirtschaftskammer Gründungs-, Finanzierungs- und Rechtsberatung)
What is the name of the institution you need to visit or consult?	Local offices of the Austrian Chamber of Commerce (Wirtschaftskammer)
What kinds of documents are needed?	No documents required
Is registration / consultation available through Internet? Or are the other alternative channels? - does one have to go there by oneself or	Consultation is provided after appointment is made. Information material such as guides for founders are available as downloads at the website www.wko.at

virtually?	
Is the step free of charge or not?	Free of charge
How much time does the step take? (to wait until you get something ...)	Appointments for founder workshop and consultation should be made around 10 days in advance

Step 2 – Declaration and Confirmation of founding a new business

What is the name of the STEP?	Step 2 – Declaration and Confirmation of founding a new business (NeuföG-Bestätigung einholen)
Short description	This declaration is based on § 4 Neugründungs-Förderungsgesetz (NeuföG), a law for supporting business start-ups. Certain levies, contributions and fees directly connected with founding a new business are not collected, provided that you submit a declaration on founding a new business or taking over an existing one on the forms provided. The Austrian Chamber of Economics or the Social Insurance Institute for the trade must confirm this declaration
What is the name of the institution you need to visit or consult?	Austrian Chamber of Commerce
What kinds of documents are needed?	<u>Form: AT Declaration of starting a new business</u> (Erklärung der Neugründung)
Is registration / consultation available through Internet? Or are the other alternative channels? - does one have to go there by oneself or virtually?	Declaration is available as download at www.wko.at . As the declaration has to be confirmed and signed by the Chamber after a personal conversation, this step cannot be made online.
Is the step free of charge or not?	Free of charge
How much time does the step take? (to wait until you get something ...)	Declaration is confirmed and valid immediately

Step 3 - Applying for a business licence

What is the name of the STEP?	Step 3 - Applying for a business licence
Short description	Applying for a business licence at the municipal authorities. (Gewerbeanmeldung bei der zuständigen Gewerbebehörde: Bezirkshauptmannschaft bzw. Magistrat)
What is the name of the institution you need to visit or consult?	Municipal authorities; normally will be done by the Chamber
What kinds of documents are needed?	<u>Form: AT Applying for a one person business licence</u> (Gewerbeanmeldung für natürliche Person) <ul style="list-style-type: none"> - birth certificate (Geburtsurkunde) - marriage-certificate in case of change of name (Heiratsurkunde) - certificate of citizenship in EWR or Swiss citizenship or residence permit (Aufenthaltsgenehmigung) - certificate of the registration office (Meldebestätigung) - certificate of the criminal records (Strafregisterbescheinigung) not older then 3 month (available at the police office) - proof of ability (Befähigungsnachweis), not necessary in free trades
Is registration / consultation available through Internet? Or are the other alternative channels? - does one have to go there by oneself or virtually?	i.e. if business is located in Vienna: www.wien.gv.at could be done virtually as well, but as it is only free of charge due to NeuFöG-declaration, it is recommended to combine this step with step 2
Is the step free of charge or not?	Free of charge due to NeuFöG-declaration
How much time does the step take? (to wait until you get something ...)	Registration is confirmed and valid immediately

Step 4 – Announcement to the Social Insurance

What is the name of the STEP?	Step 4 – Announcement to the Social Insurance
Short description	Announcement to the Social Insurance is carried out by the Chamber automatically from the central trade register; the founder additionally should confirm his/her announcement to the Social Insurance Institute for the Trade in writing (without a form). Afterwards the founder receives a questionnaire that has to be filled out and sent back
What is the name of the institution you need to visit or consult?	Social Insurance Institute for the Trade (Sozialversicherungsanstalt der gewerblichen Wirtschaft)
What kinds of documents are needed?	Additional letter, fax or e-mail of the founder (without a form)
Is registration / consultation available through Internet? Or are the other alternative channels? - does one have to go there by oneself or virtually?	Can be done online as well www.sozialversicherung.at
Is the step free of charge or not?	Free of charge
How much time does the step take? (to wait until you get something ...)	Questionnaire will be sent to the founder around 1 week after confirmation of having registered a business; social insurance is valid immediately when confirmed by the Chamber through the central trade register Form which will be send is: <u>Form: AT Insurance with business licence</u> Versicherungserklärung_Gewerbetreibende

Step 5 – Announcement at the Tax Office

What is the name of the STEP?	Step 5 – Announcement at the Tax Office
Short description	Within one month of opening a new business, the entrepreneur has to inform the Tax Office responsible for his business location (in writing or verbal). The Tax Office than sends a form to the entrepreneur that has to be filled out and sent back. Afterwards the

	entrepreneur will get his own tax number. The form required (Verf 24) is provided through the Chamber as well
What is the name of the institution you need to visit or consult?	Tax Office responsible for the location of the founder
What kinds of documents are needed?	Form: AT Tax number one person companies (Fragebogen für natürliche Personen Verf 24) - copy of the certificate of the registration office (Meldebestätigung) - copy of certificate of a passport or driving licence (Reisepass oder Führerschein)
Is registration / consultation available through Internet? Or are the other alternative channels? - does one have to go there by oneself or virtually?	www.bmf.gv.at Announcement can be done online as well
Is the step free of charge or not?	Free of charge
How much time does the step take? (to wait until you get something ...)	2 weeks after the announcement the founder receives his/her tax number

Route for starting as a “New self-employed”

Step 1 – Announcement to the Social Insurance

What is the name of the STEP?	<i>Step 1 – Announcement to the Social Insurance</i>
Short description	Taking part at the insurance system is either obligatory (from a certain income on) or can be done voluntarily by a self-insurance The forms required contain personal information and questions about the profession as well as income
What is the name of the institution you need to visit	Social Insurance Institute for the Trade (Sozialversicherungsanstalt der gewerblichen Wirtschaft)

or consult?	
What kinds of documents are needed?	<p><u>Form: AT Insurance new self-employed</u> (Versicherungserklärung für die Pflichtversicherung gem. § 2 GSVG)</p> <p><u>Form: AT Insurance self-insurance</u> (Versicherungserklärung für den Antrag auf Selbstversicherung gem. § 14 GSVG)</p> <ul style="list-style-type: none"> - federal income tax number - copies of certificates of birth (and marriage)
Is registration / consultation available through Internet? Or are the other alternative channels? - does one have to go there by oneself or virtually?	<p>www.sozialversicherung.at can be done online as well</p>
Is the step free of charge or not?	Free of charge
How much time does the step take? (to wait until you get something ...)	Questionnaire will be sent to the founder around 1 week after confirmation of having registered a business; social insurance is valid immediately when confirmed by the Chamber through the central trade register

Step 2 – Announcement at the Tax Office

What is the name of the STEP?	Step 2 – Announcement at the Tax Office
Short description	Within one month of opening a new business, the entrepreneur has to inform the tax office responsible for his business location (in writing or verbal). The tax office then sends a form to the entrepreneur that has to be filled out and sent back. Afterwards the entrepreneur will get his own tax number.
What is the name of the institution you need to visit or consult?	Tax Office responsible for the location of the founder
What kinds of documents are needed?	<p><u>Form: AT Tax number one person companies</u> (Fragebogen für natürliche Personen Verf 24)</p> <ul style="list-style-type: none"> - copy of the certificate of the registration office (Meldebestätigung) - copy of certificate of a passport or driving licence (Reisepass oder

	Führerschein)
Is registration / consultation available through Internet? Or are the other alternative channels? - does one have to go there by oneself or virtually?	www.bmf.gv.at Announcement can be done online as well
Is the step free of charge or not?	Free of charge
How much time does the step take? (to wait until you get something ...)	2 weeks after the announcement the founder receives his/her tax number

7 Summary

This study identified the following on the partner countries:

- In Finland there are ten steps that one has to take to become self-employed. There are only two forms to be filled in in Finland. So the bureaucracy is quite minimal.
- In Poland the traditional procedure and the simplified procedure were identified. The simplified procedure has two steps less than the traditional procedure.
- In Romania one route to self-employment was identified, but there are a large number of documents to be filled in. An the cost of the establishment of business is quite high compared to the BKT per capita in Romania.
- In Austria there are two routes into self-employment: a) Route for founding a one-person-company with a business license and b) Route for starting as a “New self-employed”.

On the project website, <http://www.self-employment.org/>, the information presented in this document has been formed into a flash presentation that shows visually the different steps. I the flash presentation there are also the different documents available; the documents that need to be filled in in the partner countries what one wants to become self-employed.

Appendix 1: The LdV project “SELF-EMPLOYMENT - Guidance and Counseling for Self-Employment”

Entrepreneurship is often considered to be the engine of economic welfare. The project will benefit a great number of well-educated, high-performing, self-employed people.

The main target groups of the project are:

1. students that have just graduated (and will soon graduate) who are seeking their first job
2. unemployed people
3. people that are working somewhere else at the moment, but consider self-employment as a future option
4. those currently self-employed

The project will identify the location and the value of various support services for self-employed in Europe. It includes a study of entrepreneurship level in four countries (Austria, Finland, Poland and Romania) and a survey of existing services which support establishment or development of one-person enterprises.

The aim of the project is widely meant promotion of self-employment. Researches are to describe the condition of one-person-enterprises and help in developing suitable support service system addressed to people being self-employed or considering it.

High unemployment rate in European countries requires efficacious modes of action. Self-employment, laden with lower risk than waged/salaried employment, is one of the still underappreciated solutions. Results of the whole project will be potentially used by decision-makers from different bodies (at EU level, national and regional level) for improving conditions conducive to self-employment, as well as by career counselors for creating advanced and effective tools for guidance, counseling and other support services.

More information can be found in: <http://www.self-employment.org/>.

