

Self Employment Registering as a Sole Trader

When a client intends to start trading as a self employed person there are a number of important steps to take: -

- The client will need to register for Self Employment within 3 months of trading starting.
- The Client, if earning profits above the £5315 per annum (2011/12) must register for Class 2 stamp within 3 months of trading starting.

If registration is not necessary for Class 2 stamp, it is still important to contact the National Insurance Contributions Office to ensure that it has been informed that profits are not expected to exceed the limit and therefore Class 2 stamp is not payable.

Failure to register for either of the above, within 3 months, could result in a fine of £100.

Key contact numbers are: -

Newly Self Employed 0845 915 4515 Mon-Sun 8.00am-8.00pm
Registration and Advice

Self Employed 0845 915 4655 Mon-Fri 8.00am-5.00pm
National Insurance
Contributions

If the client is also intending to sub contract then a CIS registration will also be necessary

Sub Contractors 0845 300 0581 Mon-Sun 8.30am-
10.00pm

There is also the option to register through an email via the HMRC website.

<https://online.hmrc.gov.uk/shortforms/form/CWF1ST?dept-name=CWF1&sub-dept-name=&location=40&origin=http://www.hmrc.gov.uk>

or [CWF1 Form](#)

This form must be signed and sent to the Inland Revenue office indicated.

If the client has previously, or currently has a self assessment form for employment, then there may have already been a Unique Tax Reference (UTR) issued. This is a 10 digit number at the top of a self assessment form. Some employment forms do not have this, but instead use the National Insurance number.

When registering either via telephone, or online the following information will be required:

- Full name and address
- Date of Birth
- National Insurance Number
- Unique Tax Reference (UTR) if given at the top of a self assessment form
- Trading Address (if different to the above)
- Type of Trade
- Expected annual turnover

To avoid delays and problems it is important to have gathered this information together.

The government have a website

<http://www.businesslink.gov.uk>

Which has resources and information if a client is intending to become self employed. It is very comprehensive, and therefore could be quite daunting, and access to broadband would have to be a requirement to be able to get the most out of it.