Introduction

In Belgium, sex work is work. As a sex worker, you work in a recognized, legal sector. If you make the choice to be self-employed, you have the same rights and obligations as any other self-employed person.

On March 18, 2022, sex work was decriminalized in Belgium. This was a historic step. Previously, third parties were criminalized and liable to prosecution for pimping. Since decriminalization, self-employed sex workers can work with third parties, such as an accountant, driver, lawyer, website developer or bank.

Like in any other profession, sex workers can organize their work and accrue entitlements and rights in an official way. However, various forms of occupational discrimination and specific needs for sex workers still remain. UTSOPI will continue to campaign and negotiate to change this in the coming years.

However and wherever you perform the activity, the Four Freedoms are fundamental rights of every sex worker:

1. The right to refuse a client
2. The right to refuse sexual acts
3. The right to end sexual acts at any time
4. The right to carry out a sexual act in the way you wish.

This guide

This guide is specifically for sex workers who want to start their one-person business.

1. The first chapter covers general topics: starting conditions, your self-employment salary, tax obligations, business form and how to protect your privacy
2. In the second chapter, we go step-by-step through registering and establishing a one-person business: from your registration at the enterprise counter to arranging your social security contributions and health insurance fund
3. In the third chapter we dig deeper into accounting and insurance

A lot of the information in this guide is applicable to all self-employed individuals, regardless of industry. Tips and information specific to the sex work sector, can be recognized by this font.

Starting out as a self-employed person can be at the same time challenging and exciting. You are in charge of your own income and bookkeeping, and you need to plan over a long period of time. We recommend that you seek advice from experienced entrepreneurs, accountants and from organizations such as UTSOPI, Violett and the enterprise counter (Liantis, Xerius, etc.).
Doing business anonymously is not possible in Belgium. The details of every business are publicly available via the Crossroads Bank for Enterprises (CBE). The CBE is the database in which the Federal Public Service Economy collects the data of all companies in our country.

However, it is possible to protect your privacy to some degree. For example, you can register your activities under a different NACE code than the code specifically for sex work. In chapter 1.5, we provide tips on this.

We recognize that everyone's experience is different and unique. If you have any feedback or suggestions or still have questions after reading this guide, please be sure to contact our team.

About UTSOPI

UTSOPI is the Belgian Union of Sex Workers. We are governed by sex workers and run together with allies. UTSOPI defends the rights of sex workers and strives for total autonomy for sex workers.

info@utsopi.be
Aarschotstraat 208
1030 Schaarbeek
Content List

Chapter 1: Preparation

1. Starting conditions
2. Your salary as a self-employed person
3. Tax obligations
4. Form of enterprise: single-person business
5. Privacy Protection

Chapter 2: Getting Started

1. Registration at the enterprise counter
2. Listing your activities with NACE codes
3. Opening a professional bank account
4. Liable for VAT?
5. Social contributions
6. Health insurance fund

Chapter 3: Continuation

1. Single-entry bookkeeping
2. Taxes: Contribute professional fees
3. Taxes: Personal income tax return
4. Taxes: VAT return
5. Insurance

Contacts
Work in progress
Appendices
Sources
FAQ

1. How much do I keep from what I earn? → Chapter 1.2
2. Should I write invoices? → Chapter 1.3
3. What are the advantages and disadvantages of a single-person business? → Chapter 1.4
4. How can I protect my privacy? → Chapter 1.5
5. Under which NACE code can I register? → Chapter 2.2
6. Do I need a professional bank account? → Chapter 2.3
7. What should I do with my cash flow? → Chapter 3.1
8. What professional expenses can I deduct? → Chapter 3.2
9. How do I fill out my tax bill? → Chapter 3.3
Chapter 1: Preparation

1. Starting conditions

To start as a self-employed person in Belgium, you must fall within one of the following conditions:

1. You are at least 18 years old

2. You have access to the labour market in Belgium

   Possibilities:

   2.1. You are an EU citizen or a citizen of Norway, Iceland or Liechtenstein

   2.2. You are a citizen of another country AND have a professional card

   A professional card authorizes you to exercise a self-employed activity in Belgium. The procedure to file for a professional card can be found here.

   2.3. You are a citizen of another country AND are the legal partner or close family (with conditions)

   If you are the legal partner of a citizen of Belgium, you are exempt from the obligation to file for a professional card

   If you are close family, living in the same house as a citizen, under certain conditions you will also be exempt. The conditions can be found here.

   2.4. You can benefit from other exemptions, the complete list can be found here.

Are you a worker without legal residence or have a limited right of residence? If so, you can find information through Fairwork or discuss your situation with a Violett staff member.

3. You have the necessary basic business management and professional knowledge

   Is your legal address in Flanders? Then you no longer need to prove basic business management or professional knowledge or follow a training course.

   Is your legal address in Brussels? Since 15 January 2024, you no longer have to prove basic business knowledge. For some professions you still have to prove professional knowledge, however, from April 1, 2024 this obligation will disappear for certain professions (including masseur) (more info).

   Is your legal address in Wallonia? Then you must prove that you have basic knowledge of business management and possibly even professional knowledge. You can prove your basic business knowledge with a recognized diploma or proven experience (more info). For a number of regulated activities, including personal care, you must also prove your professional knowledge.
2. Your earnings as a self-employed person

- Your **sales** are all the revenue generated by your business.
- Your **professional expenses** are the expenses you make to run your business.
- **Gross profit** is what you have left after deducting your professional expenses from your sales. Gross profit is the amount on which you pay **social security contributions and taxes**.
- **Net profit** or net income is what you're left with after deducting taxes and social security contributions from your gross profit. This is what you can spend on everything you need in your private life (rent, food, travel, clothes, investments, sending home, etc.).

**How much will you keep (the net income)?**

Roughly speaking, you can say that as a self-employed person with a one-person business, you are left with about 45% of what you earn. But a lot depends on your personal work situation. A rough estimate of what you can expect:

<table>
<thead>
<tr>
<th>gross income (what you receive)</th>
<th>estimate net income (what you have left over)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,000 euros</td>
<td>450 euros</td>
</tr>
<tr>
<td>1,500 euros</td>
<td>675 euros</td>
</tr>
<tr>
<td>2,500 euros</td>
<td>1125 euros</td>
</tr>
</tbody>
</table>

The difference between gross and net is largely a matter of social contributions and taxes.

**What taxes and social contributions do you pay as a self-employed person?**

**Social contributions**
This is your contribution to social security. All working people pay these contributions, and in return benefit from social rights: retirement, health care, replacement income and child support.
Your social contribution corresponds to, in most cases, a statutory percentage of 20.5% on your annual net professional income. We discuss this further in chapter 2.5.

**Tax 1: Personal income tax**
This is the tax you pay on your income from all your professional activities combined. So if you are self-employed in a secondary occupation and you are under contract for your main occupation, your income from both occupations will be counted together to calculate your taxes. A one-person business is always subject to personal income tax and is progressive: that is, the rate of tax increases as your income increases (from 25% to 50%). We discuss this further in chapter 3.2.

**Tax 2: VAT**
VAT or value added tax is a tax on consumption where the end user pays the tax. If you are liable for VAT, you must charge VAT on your invoices and file your VAT return each year. The VAT rate is 21% for sex work. If your sales number is max €25,000 (excl. VAT), you can use the exemption rule for small businesses and do not have to charge or declare VAT. You do not have to charge VAT, but you cannot deduct VAT from what you buy yourself either. This saves a lot of administrative work! We discuss this further in chapter 2.4.
What other expenses should you consider?

**Provincial and municipal taxes**
Once a year, the province may impose a tax on businesses located there. The cost varies by province, between 62 euros (Limburg) and 125 euros (East Flanders). Municipalities may also impose an additional tax, as an extra percentage on top of the personal income tax. The province sends you an additional separate invoice. The municipal tax can be found on your assessment sheet after your annual tax return.

**Accountant wages**
Many accountants will do your entire bookkeeping for a flat monthly or annual/quarterly fee. If you seek additional advice, this often means an additional cost. Most accountants then charge between 40 and 150 euros per hour.

**Prostitution tax**
Depending on local regulations, some municipalities have specific taxes for sex work spaces. Usually this does not apply to an independent sex worker working from home. Be sure to check this out for the municipality where you want to get started or contact our team to find out. For the following municipalities, the following applies (for the year 2024):

<table>
<thead>
<tr>
<th>Municipality</th>
<th>Tax Amount and Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schaarbeek</td>
<td>€10.862.80 per workspace per year, to be paid by the owner.</td>
</tr>
<tr>
<td>Saint-Josse</td>
<td>€3.655 per workspace per year, to be paid by the owner.</td>
</tr>
<tr>
<td>1000 Brussels</td>
<td>€3.189 per workspace per year, to be paid by the business owner. The tax applies to rendez-vous houses or every house that harbours one or more rooms that are being rented out with the intent of intimate meetings between people, for a duration less than one night.</td>
</tr>
<tr>
<td>Antwerp</td>
<td>€3,000 euros per window or workspace per year, to be paid by the owner. The rendez-vous tax only applies to sex establishments, it must be a publicly accessible establishment. For someone who only works from their own home, there is no tax.</td>
</tr>
<tr>
<td>Hamme</td>
<td>The municipality imposes a starter's tax of €6000 and a yearly tax of €1500 per establishment per year, to be paid by the business owner.</td>
</tr>
</tbody>
</table>

... (to be completed)

**Renting a workspace**
You can choose to work from home or a client’s home, rent a workspace, work from hotels, or through temporary rentals. In certain situations, this is a professional expense that you can contribute as an expense, it depends on whether you own the property, what your lease stipulates and what local regulations say. For more information on this, contact us at UTSOPI.

Some sex workers pay extremely high rents because the landlord knows sex work will take place in the appartment or room. This is a punishable form of abuse toward sex workers. If you notice that the price being charged is abnormally high, do not hesitate to report it to UTSOPI and we will look at the options.
3. Tax obligations

Invoices

As a self-employed sex worker, in many cases you will not make invoices because most clients are individuals without a VAT number. You are not obliged to make invoices for clients who are not self-employed. If you still want to hand out an invoice, you must include some mandatory information on it (more info).

Income for which no invoice is issued must still be recorded in a daily receipt book. More information on this can be found in chapter 3.1

Bookkeeping

As a one-person business, bookkeeping is mandatory. If your bookkeeping is simple enough, it can be enough to manage it yourself through an online tool (such as Dexxter or Accountable) and seek guidance from an accountant or other entrepreneurs in getting started. In case of questions, or, for example, your personal tax returns, you can then seek periodic advice from your accountant. If your bookkeeping becomes more complex, such as double-entry bookkeeping/ VAT liability, own workspace,... an accountant is highly recommended. We discuss bookkeeping further in Chapter 3.

(Nil) customer list submission

The VAT or customer listing is a list of all professional (self-employed with a VAT number) customers to whom you supplied goods and services for more than 250 euros. This customer listing must be submitted before March 31 each year.

If you only provide services to individuals (and not other companies), or do not exceed the amount of 250 euros, you can submit a “nil” customer listing. This way, your customers' privacy remains protected. So you do submit the listing because you are obliged to, but you just leave it blank.

Filing VAT returns

If you are liable for VAT, you must file a monthly (or quarterly) VAT return online or you can have an accountant file this return for you. In the VAT return, you report the VAT you received from customers. You have to pay that amount to the VAT administration.

But if you are liable for VAT, you can also reclaim the VAT you paid on all purchases made for your professional activity. In other words, you can deduct the VAT amount you paid yourself from the VAT amount you have to remit to the VAT administration. You also declare the amount you paid yourself in VAT in the VAT return.

After submitting your return, the invoice follows. Did you receive more VAT from customers than you paid yourself? Then you have to pay VAT. Did you pay more VAT on your professional expenses than you received from customers? Then you get a refund.
4. Business form: sole proprietorship

As an entrepreneur, you must choose under which form of business (also called legal form) you want to organize your business. You can organize in two ways: through a **sole proprietorship** or in a **partnership**. This guide focuses solely on one person-businesses.

What are the advantages and disadvantages of a one person-business?

A one-person business is the simplest form of entrepreneurship. Your business coincides entirely with yourself as an individual. In legal terms, you are liable as a natural person. In practice, it means that your private assets and the assets of your business coincide. All your income comes directly to you. At the same time, you are also fully personally liable if something goes wrong, and the tax authorities can seize your private account or your personal assets in case of debts.

**Advantages**
- Easy and inexpensive to set up
- Limited administration and accounting
- Full autonomy and right of decision
- No initial capital required

**Cons**
- You have unlimited liability and bear all business risks. In case of financial difficulties, creditors can claim your personal assets
- Working out succession and take-over is more difficult
- Higher personal income tax: your business income is taxed (along with income from other sources) through personal income tax at rates from 25% to 50%, you do not enjoy the fixed corporate income tax rate of 25%.

Side occupation or main occupation?

Being self-employed in a **main occupation** means that your self-employment is your main occupation. You do not have an employment contract with an employer aside. Thus, you are not an employee who works for a boss. You cannot rely on any other form of income.

Being self-employed in a **secondary occupation** means that in addition to your work as an employee, you are also self-employed. So you have an employment contract with an employer as an employee, but in addition you also work as a self-employed person, for example after working hours or on the weekend. You can only start as a self-employed person in a secondary occupation if you meet certain conditions. Those can be consulted [here](#).

If you are self-employed in a secondary occupation, that income is added to your income from your main occupation. And taxes are imposed on it. How much exactly, you can read in chapter 3.3 of this guide.

**Springboard to self-employment**

Even when you are unemployed and are entitled to unemployment benefits, you can develop a secondary occupation. The "springboard to self-employment" benefit is a measure that allows you to retain the right to unemployment benefits for 12 months while exercising a secondary activity as a self-employed person. You can check the conditions [here](#).
Student Entrepreneur

Are you a student and want to be self-employed during your studies? The status of "student self-employed" offers students who want to start their own business some social and tax benefits that make it easier to take the leap into entrepreneurship.

Who is eligible for student self-employed status?
- You are between 18 and max 25 years old
- You are studying at a recognized educational institution in Belgium or abroad
- You are enrolled for a minimum of 27 credits (ECTS) per academic year or 17 credit hours per week and to earn an accredited degree
- You regularly attend classes
- You are engaged in an independent activity (i.e. you are not working under the authority of an employer)

How much do you pay to register your one-person business?

The registration of a sole proprietorship costs 178.1 euros, including VAT number registration. For this amount you arrange:
- **Registration in the Crossroads Bank for Enterprises**, so that you get an active company number
- The activation of this company number as a **VAT number**
- Self-employment **affiliation** with a **social insurance fund**
5. Privacy Protection

If you choose to establish a one-person business, you have obligations that will cause you to lose some of your privacy. It's good to know where your personal data will appear and what you can do to protect your privacy as much as possible.

Crossroads Bank for Enterprises (CBE).

The details of each enterprise are publicly available through the Crossroads Bank for Enterprises. Anyone can look up a business address. Through the NACE codes, anyone can also find out what activity a business performs.

Why is this? For the sake of consumer protection. It allows the customer, as well as the government and suppliers, to verify that an entrepreneur is legally registered and actually exists.

If you establish a one-person business, your business is automatically registered at your home address, because there is no difference between the person and the business. With a corporation, the situation is different. Since a corporation is a separate legal entity, it can be incorporated somewhere else than where the partner-founder lives.

Do you prefer nobody can find out that you do sex work? Then you can register under a different NACE code. For more info see chapter 2.2.

Data on website

All businesses in Belgium are required to publish their company data (address, email, phone number, VAT number) on their website. For sex workers, this can be (very) risky, which is why we advise against making your data public on your website. We have brought this security issue to the government’s attention and we’re working on a solution.

Electronic payment options

As a rule, every business in Belgium must offer some form of electronic payment. But electronic payments offer little privacy protection. UTSOPI is still investigating which methods are the most sexworker-friendly.

Safe options: Bancontact via QR code, paysafe, gift card, ...
PayPal is not recommended! They block accounts regularly and do not refund the money.
2. Getting started

1. Registration at the Enterprise Counter

If you want to start as a self-employed worker, you must first go to an enterprise counter. An enterprise counter is the point of contact to take care of a number of (mandatory) administrative matters. You can register online or at the office.

An enterprise counter takes care of the registration in the CBE (the Crossroads Bank for Enterprises), giving you a company number. The CBE is the database in which the Federal Public Service Economy collects the data of all companies in our country.

The best-known enterprise counters are Liantis, Xerius, Acerta, UCM and Securex. You can also turn to them for permit applications or customized advice.

**Company number**

The company number is a unique number that belongs to your self-employed status and consists of ten digits. The enterprise counter activates this company number and activates your VAT number, which identifies you for VAT purposes. The VAT number consists of your company number preceded by "BE".

**Company name**

When you register as a one-person business, the official name of your company always consists of your first and last name.

Your trade name is the commercial name by which you present yourself to the outside world and by which you distinguish yourself from other businesses. You may choose your trade name freely, as long as it is not too similar to that of any competitors.
2. Listing your activities with NACE codes

NACE codes describe what sector you work in and what type of services you offer. These codes are publicly visible in the CBE. Suppliers, the government and customers can consult them. Furthermore, NACE codes also determine which obligations (e.g. diploma) and which support measures (e.g. during covid or energy crisis) you are entitled to.

Which NACE codes for sex work?

The NACE code specific to sex workers is 9609103, this code falls under category 96: Other personal services → 9609: Other personal services → 96091: Contact agencies and such → 9609103: Escort services and such.

NOTE and TIP: Code 96091 covers four activities: sex work, dating services, escort agencies and marriage agencies. So if someone reads this NACE code next to your (business) name, they may suspect that you engage in sex work. This is a form of administrative outing. If you do not want this, you may hide your activity by another NACE code. It is legal to do so.

So sex workers who wish to protect their anonymity, can register under another professional activity (except those requiring specific diplomas). Tax laws do not impose any conditions for registration under a particular NACE code.

Multiple NACE codes

When registering, it is possible to register under different NACE codes at no additional cost. It is interesting to do this from the beginning because it gives you flexibility in your accounting. It is possible to add or change NACE codes at a later stage, but this incurs additional costs.

By either registering under a different NACE code or having multiple codes, you can avoid problems in opening a business bank account or obtaining insurance. In fact, banks and insurance companies often refuse services to sex workers when they know about your activity. This is another problem our organization is currently trying to fix.

Below is a list of suggestions of possible NACE codes for sex workers:

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Occupational group</th>
</tr>
</thead>
<tbody>
<tr>
<td>70220</td>
<td>Other business management consultancy services; business management consultancy services</td>
<td>Consultants, etc.</td>
</tr>
<tr>
<td>74901</td>
<td>Activities of managers, artists, sportsmen and other personalities</td>
<td>Managers, artists, sportsmen, etc.</td>
</tr>
<tr>
<td>74201</td>
<td>Activities of photographers, excluding press photographers</td>
<td>Photographers</td>
</tr>
<tr>
<td>78100</td>
<td>Employment</td>
<td>Agency for photo models, headhunters, searching actors for movies, etc.</td>
</tr>
<tr>
<td>Code</td>
<td>Description</td>
<td>Details</td>
</tr>
<tr>
<td>--------</td>
<td>--------------------------------------------------</td>
<td>-------------------------------------------------------------------------</td>
</tr>
<tr>
<td>85510</td>
<td>Sports and recreation education</td>
<td>Sports or fitness coach, yoga instructor, pilates, etc.</td>
</tr>
<tr>
<td>85599</td>
<td>Other forms of education</td>
<td>Coaching</td>
</tr>
<tr>
<td>86909</td>
<td>Other human health care n.e.c.</td>
<td>Coaching, body shaping, dietician, etc.</td>
</tr>
<tr>
<td>88109</td>
<td>Other social services without housing for the elderly and physically disabled</td>
<td>Sexual services for people with disabilities and the elderly</td>
</tr>
<tr>
<td>88999</td>
<td>Other social services without housing, n.e.c.</td>
<td>Sexual services for people with disabilities and the elderly</td>
</tr>
<tr>
<td>90011</td>
<td>Practice of performing arts by independent artists</td>
<td>Artists, performers</td>
</tr>
<tr>
<td>90032</td>
<td>Supporting activities for creative arts</td>
<td>Supporting artists</td>
</tr>
<tr>
<td>90021</td>
<td>Promotion and organization of performing arts events</td>
<td>Promotion, production, organization of art events</td>
</tr>
<tr>
<td>93192</td>
<td>Self-employed athletes</td>
<td>Personal trainer</td>
</tr>
<tr>
<td>96040</td>
<td>Saunas, solariums, baths, etc.</td>
<td>Massage, beautician, etc.</td>
</tr>
<tr>
<td>96091</td>
<td>Contact agencies and the like</td>
<td>Sex work, dating services, escort agencies and marriage agencies (beware of the risk of outing!)</td>
</tr>
<tr>
<td>96099</td>
<td>Other personal services</td>
<td>&quot;residual code&quot; for services that cannot be accommodated anywhere else, such as astrologers, plastering, tattoo and piercing shops, dog whisperer, rehabilitation, etc.</td>
</tr>
</tbody>
</table>
3. Opening a professional bank account

Once you have a company number, you can open a professional account at the bank. A separate business account for your professional activities is highly recommended, in that way you can keep your business and private affairs separate.

Good to know: you may also make professional expenses for your one-person business with your personal account, but from the moment you enter one of these expenses in your accounting, the tax inspector will have access to your personal account.

→ You have Belgian nationality
Anyone with Belgian nationality can open their own bank account, but the bank has the right to accept you as a customer or not.

→ You legally reside in an EU country
Anyone with legal residence in an EU country has the right to open a basic bank account in Belgium.

→ You do not have legal residence in Belgium/EU
Also some people with precarious residence rights can in principle open a basic bank account. You can find more information through Myria’s website.

If a bank refuses a regular bank account, you can ask for a basic bank account. You can find more information on basic bank accounts here.

What does the bank want to know about you?

The bank will do a "Know Your Customer" check. By reading your ID card, the bank immediately has a lot of info: your name, first name, date of birth, place of birth, place of residence. In addition, the bank may ask why you want to open an account and where the money you will put on it will come from. With all that info, the bank will create a customer profile.

Look out for suspicious transactions

Certain transactions are going to be "flagged" by the bank if the bank considers them suspicious. This can cause your account to be blocked temporarily or permanently.

These transactions can quickly be flagged as suspicious:

- Today you deposit cash into your account and transfer the amount to another (foreign) account the next day.
- You carry out frequent international transactions.
- You deposit large sums of cash with no explanation as to the origin of the money.

Tips

- The more activity in your account, the less suspicion. It is recommended that you make deposits and payments on a regular basis and not save everything up and deposit large sums of cash.
- When opening an account, inform your bank know if you are making international transfers in support of your family if that is the case.
- If you receive a lot of cash, it is also best to inform yourself about the bank's monthly limit of cash.
deposits.

- Build a relationship of trust with your bank. This is sometimes easier with an independent local banker than with the big banks

Financial discrimination

Sex workers who want to apply for a professional bank account often experience difficulties in opening an account. Or their account is suddenly blocked.

One reason for this is that banks in Belgium are required to play the role of gatekeepers in the fight against money laundering and terrorism financing. Banks risk heavy fines if they provide services to persons guilty of these crimes. A lot of cash circulates in the sex sector, making it more susceptible to money laundering than other sectors. In addition, sex work is still often considered as synonymous to human trafficking and exploitation. Furthermore, some bank employees are unaware of the decriminalization of sex work. Last but not least, stigma can also play a part in refusing banking services to sex workers.

Denying a sex worker a bank account because of their profession is discrimination. A professional account is a basic need for many businesses. Every self-employed sex worker should have access to financial services.

However, banks are private companies that have the right to refuse customers without having to justify it. It is therefore sometimes difficult to establish with certainty that the refusal is due to sex work activity. To put an end to this discrimination, UTSOPI is taking action through awareness-raising and discussions with the financial sector.

TIP: To avoid being rejected, you can choose to open an account under NACE codes hiding your true activity. See chapter 2.2.

Basic banking service

Anyone wishing to open an account and who has been refused three times (by three different Belgian banks) can apply for the basic banking service at the basic banking room of the Federal Public Service Economy. The basic banking service consists of a current account with a debit card. With this current account, you can perform the following transactions: deposit money, withdraw money, make transfers, standing orders, direct debits and make payment transactions using a debit card.

The basic banking chamber, after reviewing your financial information, can force a bank to give you a basic account. The application form for basic banking service can be found here.

The basic banking service is also there for asylum seekers and recognized refugees, even if they do not have a permanent but only a temporary address.
4. Subject to VAT?

VAT stands for "value-added tax." As the name implies, it is an additional tax that the customer pays on top of the price you charge for your product or service.

When are you subject to VAT?

Most businesses are subject to VAT, but in some cases activities are exempt from VAT or subject to mixed VAT. Sex work is by default subject to VAT. This means that 21% of your annual sales must be remitted to the state.

You can also be exempt from the VAT obligation:

The VAT exemption scheme

If your annual turnover does not exceed 25,000 euros, you can be exempted from VAT. To do this, you must register for the VAT exemption scheme when you register through the enterprise counter. Companies that benefit from this scheme are exempt from most of the VAT obligations. With a VAT exemption you do have a VAT number, but you do not charge your customers VAT and consequently you do not pass on anything to the government. On the other hand, you cannot ask your VAT back from the VAT office.

Advantages

- You're cheaper for clients because you don't add VAT to your prices
- You have less administration because you don't have to file a VAT return

Cons

- You cannot ask a return of your VAT. In comparison with other professionals not exempt from VAT, all professional purchases are 21% more expensive because you do have to pay VAT yourself from suppliers who do not use the exemption. So do not choose the exemption if you think you will have to make many purchases for your business.

How is VAT calculated?

In fact, as a self-employed person, you are a kind of conduit. You receive the VAT that the customer pays to you (A). You also keep very close track of how much VAT you yourself pay on all purchases you make for your business (B).

Is A > B? Then you transfer the difference between the two amounts to the government. Is B > A? Then you get the difference in VAT back.

You report the difference between A and B to the government through your VAT return.

An example: You sell something for €100. On this you charge 21% VAT, the most common rate. So your customer pays €121. That €21 - i.e. 21% VAT on €100 - is meant for the state's cash register (A). But then you buy something for €242, a price which includes €42 VAT (B) that you have paid to a seller. In your VAT return, both the payment by the customer to you and the money you paid are mentioned.

B is larger than A, you get €21 back from the VAT office.

There are four different rates in our country: 0%, 6%, 12% and 21%. The rate you must charge depends on what you sell or offer. The 21% rate applies most often and therefore also to sex work.
Read more in section 3.4 on VAT returns.
5. Social contributions

The enterprise counter will take care of your affiliation with the social insurance fund. As a self-employed person, you are required by law to join a social insurance fund of your choice. Your social protection is crucial, as a self-employed person you want to anticipate risks and optimally protect your business, yourself and your loved ones.

In exchange for paying social security contributions, as a self-employed person you can count on a number of rights: parental leave, a daily allowance if you are incapacitated for at least 8 days, financial support when you need health care, bridging rights, a limited statutory pension, family benefits, ...

Calculating your social contributions

On the websites of the social insurance funds, you can calculate how much social contributions you will have to pay.

Your social contribution is a percentage of your gross profit as a self-employed person. This is equal to your total sales number minus your professional expenses. For the vast majority of the self-employed, this contribution is 20.5% of your gross profit on an annual basis. Contributions are charged quarterly.

Preliminary contribution

Your social contribution is always calculated based on your income for the year. But since the tax administration only officially determines your income afterwards, your official income will only be known two or three years later. Therefore, you first pay a lump-sum provisional contribution, which is subsequently revised based on your actual income. You can choose the amount of that flat-rate provisional contribution. For your provisional contribution, as a self-employed person, you choose what best corresponds to your expected professional income for the current year.

Once the tax administration has your correct data (after 2 years), they check how much flat-rate advance you have already paid, and that is offset against your actual net income to determine your final contribution.

Note that if you have a good year/quarter, your quarterly contribution will also be a lot higher, so take that into account and have your advances adjusted if necessary!

You have to pay social contributions every quarter and always for the whole quarter. If you start your activity in the middle of the quarter, your contributions will still be calculated from the beginning of the quarter.
6. Health Insurance Fund

When you become self-employed, you are obliged to join a health insurance fund. This way, you are entitled to health insurance just like employees. Your health insurance fund provides protection and benefits if you are unable to work due to illness or an accident. It provides compensation for your consultations with the doctor, a specialist or at the hospital.

As soon as you are affiliated with a social insurance fund for the self-employed, you will receive a certificate of your self-employed activity. Take this document to your health insurance fund immediately.

Ill or incapacitated

If you are ill or unable to work, you must report this to the advisory doctor of your health insurance fund within seven calendar days of your incapacity. Use the standard form ‘Certificate of work disability’, which you can download from the website of your health insurance fund. This certificate must be completed by you and your attending doctor.

A doctor at your health insurance fund will then assess your eligibility for benefits. Provided you have permission from your health insurance fund, you can combine your professional activity with your benefit. In this case, you simply continue to pay social security contributions.

If you cease your professional activity temporarily, you can ask your social insurance fund for the “assimilation due to illness” provision. During this assimilation due to illness, you do not owe any contributions but still retain all your rights.

As a self-employed person, you are entitled to benefits from the first day of incapacity for work, provided you remain incapacitated for at least 8 days. The 8-day period begins to run from the day your treating physician signs the certificate.

Your health insurance fund pays your sick pay per day six days a week (Monday through Saturday). The amount you will receive depends on your family situation.
3. Once you have started

1. Single-entry bookkeeping

As a sex worker, you will probably not do send invoices. This is not a problem; invoices are not an obligation. If you don’t send invoices, you are only required to keep a financial journal and a daily receipts journal.

A financial journal consists of your bank statements and a cash book. A daily receipts book is a book in which you record all daily sales that were paid by cash, payconiq or bank card and for which no invoice was issued.

Cash Book

A cash book only lists transactions that happened in cash, it is a booklet in which you should chronologically keep track of all your cash transactions. Think of cash payments made by customers, money withdrawn from your professional bank account and placed in a cash register, any cash payments made to suppliers.

Do you receive or pay cash only occasionally? Then you don’t have to keep a journal right away, but if cash payments are an important part of your business, then you are required by law to keep a cash book.

The only paper version accepted is an official, green notebook that has the word "kas" or “caisse” on the front. You can easily find the paper version online and order it, but fortunately there are now digital alternatives such as Scrada. Keeping your cash book in Excel is not legally sufficient.

Daily Receipts Book

A daily receipts book is a book in which you record all daily sales that were paid by cash, payconiq or bank card and for which no invoice was issued.

You can keep your daily receipts on paper (only the legally accepted version is sufficient) or digitally (must also comply with rules, you can do this e.g. via Dexxter). There are a number of details that you are required to record, such as the date of receipts, description of sales and the total amount including VAT. An example:

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
<th>Amount including VAT</th>
</tr>
</thead>
<tbody>
<tr>
<td>01-04-2023</td>
<td>Sales service A</td>
<td>€100,00</td>
</tr>
<tr>
<td>02-04-2023</td>
<td>Sales service B</td>
<td>€200,00</td>
</tr>
<tr>
<td>12-04-2023</td>
<td>Sales service A</td>
<td>€75,00</td>
</tr>
</tbody>
</table>

The daily receipts book is sometimes confused with the cash book, but there is one major difference: the cash book contains only daily receipts that are paid in cash. For example:
A customer pays EUR 100.00 in cash. You do not prepare an invoice, in which case the amount of 100.00 is recorded in the daily receipts book, but also in the cash book. If the customer paid by card, you should have written the 100.00 EUR only in the daily receipts book.

Even businesses that have an exemption from VAT returns are still required to keep a daily receipts book.

It does not matter if you make a mistake, it is enough to cross out the line with indelible ink and the receipt may be inscribed on the next line.

And if you do send out invoices…

If you choose a one-person business, send out invoices and achieve annual sales (excluding VAT) of up to 500,000 euros, then simple accounting is sufficient. You are legally obliged to keep the following:

1. **A financial diary**: consisting of the bank statements and a cash book
2. **A purchase journal**: all invoices and credit notes from suppliers
3. **A sales journal**: all sales invoices and credit notes to customers
4. **An inventory journal**: the value & details of your inventory, if you need to keep an inventory.
2. Taxes: Deducting professional expenses

As a self-employed person, you pay taxes on your profits, not on your total sales. Therefore, on your tax bill, you may deduct your professional expenses from your sales. The government then imposes taxes on the amount that remains. So it is not the case, as is often said, that the government reimburses your professional expenses in full. By declaring expenses for tax purposes, though, you are going to recover about half of the amount paid by way of tax deduction.

Which expenses can be justified as professional expenses depends on your specific activities. The amount of professional expenses may never exceed your income. The relationship between the expenses incurred and the professional activity must be coherent. Your story must be true. Observe the following rules:

1. Your expenses must be related to your professional activity
2. What you declare as expenses must have been incurred during the tax period (current calendar year)
3. The purpose of your expenses is to maintain or increase your (taxable) income
4. Your expenses are proven by invoices

You may not always deduct 100 percent of your professional expenses from your sales. Check out the worksheet with percentages here and use it as inspiration for your accounting.

The tax authorities can request your accounting records. They will check how you calculated the total cost, and verify whether or not the reported expenses are valid. Therefore, it is important that you keep all evidence (such as invoices, tickets and VAT receipts) and can properly justify why you incurred certain costs.

Flat professional fees

For the self-employed, it is also possible to use a fixed lump sum amount for professional expenses on their profit. You are then not obliged to prove the actual costs to the tax authorities. This saves you a lot of time in administration. It can be very interesting to arrange this if you do not have many expenses, or if they are difficult to prove. If your expenses are higher, you may still choose to prove them. Each year, depending on your situation, you can choose whether to use the lump sum method or to report your actual expenses.

For a self-employed person, the lump sum professional expense is calculated as 30% of your profits, with a maximum of 5,520 euros for your income in the year 2023 (reported in 2024). This amount is in principle indexed annually.

Full or partial professional expenses

Many professional expenses you may fully deduct from your taxes. There are also expenses that you can only partially deduct: restaurant expenses, entertainment expenses for receptions and business gifts, etc. For more detail, take a look at the worksheet with all allowed percentages here.

All self-employed people incur expenses for things they use both professionally and privately. We suggest you split these expenses: you declare the cost in part as a professional expense, the rest is private. Make sure that the allocation key is credible within your situation.

For instance, if your business phone is also your private phone, you may only deduct 75% of your phone costs from your taxes. Restaurant costs are also seen as benefiting you on a personal and a professional level. Maximum 69% of these costs are tax-deductible.
Investments

Material that you use for a number of years are called an investment. For example, a computer, smartphone, ergonomic office chair, company car... Non-material business tools, such as a permit or expensive software license are also investments. For each year you use this material, a part of the amount paid can be deducted from your taxes. When you deduct a part of your investment over several years, this is called depreciation.

The legislation on what exactly is considered an investment is not very clear. In general, you can use these rules:

- The purchase amount exceeds 250 euros
- You use the purchase for several years in your business
- Depreciation is often mandatory from a purchase amount of 1,000 euros

The most common depreciation period is 3 years. You then deduct 33% of the professional expense from your taxes each year, thus spreading the expense.

For instance: you buy a computer for €1800. For this year, the next and the one after, you can each time deduct €600 from your taxes.
3. Taxes: Personal income tax return

All adult residents of Belgium pay personal income tax. The existing tax arrangements for employees and the self-employed are different, but the basics are the same: You pay taxes on your income, after deducting expenses necessary to earn that income.

Taxes are calculated on your net professional income: that is your gross sales received minus your professional expenses (the deductible expenses).

If in addition to being self-employed you are also an employee, your wages as an employee and your income as a self-employed person are added together and taxes are calculated on the total.

**Tax brackets**

Taxes work through tax brackets. A different rate is collected on different parts of your income. As you earn more, the highest part of your income falls under a higher tax rate. This is called the "progressivity of taxation": the percentages increase for each income bracket.

These are the personal income tax rates, assessment year 2023 (income 2022):

<table>
<thead>
<tr>
<th>Revenue</th>
<th>Percentage tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>€0.01 to €13,870</td>
<td>25%</td>
</tr>
<tr>
<td>€13,870 to €24,480</td>
<td>40%</td>
</tr>
<tr>
<td>€24,480 to €42,370</td>
<td>45%</td>
</tr>
<tr>
<td>from €42,370</td>
<td>50%</td>
</tr>
</tbody>
</table>

Everyone subject to personal income tax is entitled to a "tax-free allowance". This means that you pay no taxes on the first part of your income. In 2024, the tax-free sum will be EUR 10,160.

An example (assessment year 2024, income 2023):

Charlotte, sex worker with no dependants, receives a taxable income of 38,000 euros. Her basic tax is calculated in the following way:

- 25% on 15,200 = 3,800 euros
- 40% on (26,830 - 15,200) = 4,652 euros
- 45% on (38,000 - 26,830) = 5,026.50 euros

The base tax is 13,478.50 euros (= 3,800 + 4,652 + 5,026.50).

This basic tax is then reduced by the tax credit for "tax free allowance".

10,160 x 25% = 2,540 euros.

Consequently, after taking into account this tax reduction, the tax due is still: 13,478.50 - 2,540 = 10,938.50 euros.

**Declaration**

Every taxpayer must complete the personal income tax return form (tax letter) each year. Most self-employed people use an accountant to do this. Income tax is collected by the
Federal Public Service (FPS) Finance.

**Prepayments**

It is possible and it is advantageous to pay your taxes in advance. Prepayments are not an obligation, but if you don't do it, you risk a tax increase. For this, it is very important that you make the prepayments in a timely and proper manner.

Advance payments are calculated based on the current year's probable profits. Your accountant can help you determine the best amount to prepay. Prepayments are made four times a year, with due dates being: April 10, July 10, October 10, December 20.

So basically, you pay one-fourth of the taxes you owe each time for that year. You can decide what amounts you want to prepay.

Self-employed people starting their own business for the first time are exempt from prepayments for three years. That doesn't mean you don't have to pay taxes, it does mean that you won't face the penalty you would normally face if you didn't make upfront payments. If you are beginning self-employment and you do make upfront payments, then you may receive a tax benefit.

More information can be found [here](#).
4. Taxes: VAT return

As a starter, you have a choice: quarterly or monthly. If you choose the quarterly tax return, you file it online. This must be done via Intervat, no later than the 20th day of the months January, April, July and October. This declaration is then made each time for the previous quarter. In other words: the VAT you collected in the months of January, February and March must be declared by April 20.

After you file your return, the bill follows. Did you receive more VAT than you paid yourself? Then you have to pay VAT. Did you pay more VAT than you received? Then you get a refund. Watch out: the VAT administration does not pay back on its own accord. Therefore, tick the relevant box on your VAT return. This way you make it clear that you want the excess VAT paid back.
5. Insurance

Certain insurances, such as professional liability, are mandatory for specific professions. **There are no mandatory insurances** for sex workers, yet it could be good to be prepared for unexpected happenings. If you are able and willing, we recommend taking out these insurances:

**Insurance guaranteed income**

Are you out of action for a long time due to illness or an accident? Then the Guaranteed Income insurance ensures that you receive an income on top of the reimbursement from the health insurance fund.

**Free Supplementary Pension for the Self-Employed**

With a Free Supplementary Pension for Self-employed (FSPSE) you save an extra pension capital with which you can supplement your limited statutory pension. You also save on your taxes and social security contributions every year because the deposits you make to fund your PSPS are deductible as professional expenses.

As with banking services, sex workers often face occupational discrimination when buying insurance. Do you think you are being discriminated against based on your occupation? If so, be sure to contact us and we'll see what your options are.
Contacts

Violett
Medical and social assistance to sex workers with offices in Ghent and Antwerp
Website: [www.violett.be](http://www.violett.be)

Dyzo
Dyzo is the point of contact for struggling entrepreneurs
Website: [www.dyzo.be](http://www.dyzo.be)

Fairwork Belgium
Are you a worker with uncertain legal residence or a limited right of residence? Do you have questions about working in Belgium? Then you can contact Fairwork.
Website: [www.fairworkbelgium.be](http://www.fairworkbelgium.be)

Work in progress

This guide is still incomplete and a work in progress; we will continue tinkering in the coming months. We also seek thorough answers to the following questions:

1. Can I employ someone?
   Once the new labor law for sex workers is in place, we will know how an independent sex worker can hire staff.

2. Which digital payment methods offer the most privacy?

3. Sheet calculating wages + taxes

Furthermore, we plan to do interviews with sex workers who are self-employed and how this has worked out for them, as inspiration.

Or do you have suggestions, questions or answers? Do you feel like being interviewed? Then be sure to contact Monica: [monica@utsopi.be](mailto:monica@utsopi.be)

Attachments

Worksheet expenses: [https://d2h846bfxzrswn.cloudfront.net/images/Onkosten-worksheet.pdf](https://d2h846bfxzrswn.cloudfront.net/images/Onkosten-worksheet.pdf)

Resources

This guide is based on the Starter Guide from Xerius and Liantis, and on further information found on their websites.