

# Setting up as a bookkeeper or accountant

## Step by step guide

Setting up as an accountant or bookkeeper will be the start of a new and exciting business offering a professional financial service to your clients. As well as the general business and financial planning that any business needs to consider when starting up, there are a number of specific requirements that you will need to satisfy in order to trade legally in Jersey. This guide will take you through the key requirements of establishing a new accountancy or bookkeeping business in Jersey.

## Setting up your business

Firstly, you need to decide whether you want to be a Sole trader or form a Limited Company. Most people start out as a Sole Trader and then as the business grows convert to a Limited Company or a Partnership. We have further information to help you decide, here on our [Guide to Types of Trading Entity](#)

Once you have decided on the type of entity you would like to start up with you will have to register your business with the Business Licencing unit and the Jersey Financial Services Commission. You'll find detailed information on the process for registering a [sole trader](#) or [limited company](#) on these links.

## Specific regulations for accountants and bookkeepers

Accountants and bookkeepers are regulated businesses and come under the JFSC Proceeds of Crime (Supervisory Bodies) (Jersey) Law 2008. This law requires you to register as a [Specified Schedule 2 Business](#). Essentially, this means you need to comply with client take-on processes in terms of 'Verify your Client' and anti-money

laundering rules and regulations.

You will therefore need to put together a process and policy document which details how your business will deal with the following:

- How to assess how risky a client is, especially in terms of where its monies come from
- How to verify that clients are actually who they say they are including individuals, directors and shareholders
- How you are going to comply with all AML regulations and keep your knowledge up to date

## Professional body

If you are part of a professional body, for example, ACCA then you may need to register with your body and/or change to be a “member in practice”. This will give you access to a wealth of information and may provide you with templates such as terms of engagement. Each professional body has its own rules so you will need to confirm what you need to do to comply with your membership obligations.

## Insurance

Accountants and bookkeepers will need a range of [insurance policies](#), including:

- Professional indemnity insurance, which covers against claims of breach of professional conduct, confidentiality or negligence.
- Public liability insurance, which covers you against claims from clients, suppliers and members of the public injured or adversely affected as a result of activities at your premises (for example if a client trips or slips). If you work from clients premises you do not need to take this out.
- Employers’ liability insurance, which is mandatory as soon as the practice employs staff.
- Legal expenses insurance, which covers a practice against claims arising from contractual disputes with clients or landlords or to defend employment tribunal claims.

- Building and contents insurance to cover the bookkeeper's premises and data, clients' documents, IT and office equipment and any mobile devices such as smartphones and tablets against accidental damage, fire, flood, theft, and any business interruption arising as a result. If you are working from home, then this may just be an extension to your household insurance.

## Work location and equipment

You may work on a client's site or choose to work from your home or another office.

- Home office: you will need to extend your home insurance to cover business equipment etc. If clients come to the home office, then you may need Public Liability Insurance.
- Other office: you will need to consider all the implications of taking on premises. Our [Guide to Taking on Commercial Property](#) will help you with everything you need to think about.

If you use your own business computer equipment for client work the data needs to be backed up externally. One recommendation is to use a cloud based filing systems such as Microsoft 365 but you need to be clear where your data is stored. To be secure, if you back up data to an external hard drive, this needs to be stored on a different site to the original equipment.

## What am I going to charge?

You need to be realistic as to what you are going to charge clients for your services. Before you decide consider:

- Your previous experience
- The scope of the previous work you have completed
- What the competition is charging
- Are you certified?

It is a good idea to think about how your business will perform financially before you start. Preparing a business plan and financial forecast will show you how successful your business will be and where you will position yourself in the market. Read our [Guide to Writing a Business Plan](#) to get you started.

## Contract terms and conditions

You will need a Contract for Services that you and your client agree and sign. The client needs to keep a copy and so do you. This is a legal contract that defines the services and pricing that you are going to provide. By signing the contract, the client also indicates that they will make payments on time as agreed. Both parties will have recourse in any unfortunate event.

## Relevant Links

- > [Types of trading entity](#)
- > [Starting up as a sole trader or partnership in Jersey](#)
- > [Specified Schedule 2 Business](#)
- > [JFSC](#)
- > [Alexandra Jersey Society of Chartered & Certified Accountants](#)
- > [Business Insurance](#)
- > [An Introduction to Jersey Commercial Property for Small Business](#)
- > [Guide to Writing a Business Plan](#)
- > [Jersey Society of Chartered & Certified Accountants](#)
- > [Guide Setting Up As An Accountant Or Bookkeeper](#)

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