



Entrepreneurship 101

Session 7. Legal Issues



Deciding the Legal Structure for your Business

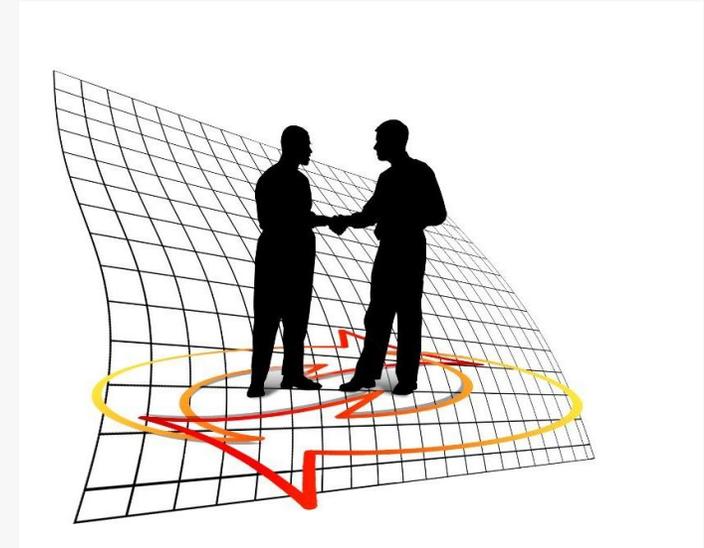
Sole trader or sole proprietor

- The simplest way of trading.
- Owned and operated.
- Legally liable for all debts.



Partnership

- Two or more people.
- Resources pooled and profits shared.
- Partnership Agreement in place.
- Partners are jointly liable for debts.



Limited Liability Partnership

- Each partner's liability is limited.
- Benefits of a partnership:
 - Sharing of resources.
 - Division of labour.
 - Protection of limited liability.
- Mostly businesses at risk of malpractice.



Limited Company

- Ltd., PLC, LLC, AG, GmbH
- Owner's assets separate to company's assets.
- Limited liability.
- Variations exist (e.g., issuing of shares).



Laws, Taxation and Regulation

Taxation

- Every business has tax obligations.
- Common examples: company tax, excise duty and VAT.
- Price set for goods/services includes VAT.
- Declare your income to revenue.
- Employer deducts income taxes from wages.



General Data Protection Regulation or GDPR

- EU wide law enforced in 2018.
- Increases the obligations of businesses for:
 - Collecting, using and protecting personal data.
 - E.g., names, addresses, contact details, IP addresses.
- Fines for breaches of GDPR:
 - 2-4% of annual global turnover.



Contract Law

- A contract is:
 - A legally binding agreement between 2+ parties.
- Every sale is a contract.
- Know consumer protection laws e.g., cooling-off.
- Carefully review other contracts with suppliers, etc.
- Avoid breach of contract.



Employment Law

- A law on employee rights.
- Examples of employment related issues:
 - termination of employment contract.
 - breaches of equality law and discrimination.
- Examples of employer obligations:
 - minimum pay, rest periods and leave.
 - hours of work, notice and pensions.



Health and Safety

- Ensure employees' health, safety and welfare.
- Health and safety obligations will differ:
 - Between countries.
 - Between jobs/industries.
- Examples of obligations:
 - Provide and maintain a safe work environment.
 - Offer health and safety awareness training.
- Relevant to any environment.



Forms of Insurance



Employers' liability



Public liability insurance



Property or theft



Business interruption



Professional indemnity



Specialist insurances



Commercial Motor Insurance

