START AND SET UP

Business structure comparison worksheet

Name _____ Business _____ Date _____

You will finish with
A clear picture of who owns and decides in your business, the structure that seems to fit, and one question for an adviser.

1. Who is in the business?

A **business structure** (the legal form of the business) shows who owns it, who decides and who carries its debts and risks. A person who helps is not always an owner. An **owner** has an agreed share in the profits, losses or decisions. List everyone who works in or puts money into the business.

Name	Owner, helper or employee?	Share of profits and losses	Makes important decisions?
e.g. Me	Owner	All	Yes
e.g. My sister	Helper, I pay her R1 500 a month	None	No

NOTE
If two people would fill in a row differently, write down the arrangement and agree on it now.

2. Your risks and plans

The main business risks are (e.g. damage to a client's property, R15 000 owed to a supplier)

In the next two years, the business plans to (e.g. hire two people, bid for a contract)

3. Which structure fits?

Read sections 1 and 2. Tick the one that matches best.

CHECKLIST

- ☐ **Sole proprietor**: one owner, simple setup. The owner and the business are not legally separate, so the owner is personally responsible for business debts.
- ☐ **Partnership**: two or more owners share money, work or skills, and share profits and losses. Needs a clear written agreement.
- ☐ **Private company**: registered through CIPC, legally separate from its owners. Fits bigger contracts, more owners or long-term growth. More records and submissions every year.

This resource is for educational purposes only. It is not tax, legal or financial advice. Rules and requirements can differ by business type and location. Check with the relevant authority or a qualified adviser for your situation.

WARNING

Choose for practical reasons

Do not choose a company only because it sounds more professional. Do not keep a structure only because it is familiar.

4. Partners only: is the agreement written down?

Skip this if you are the only owner. Tick each point that is already in writing and signed.

CHECKLIST

- ☐ What each partner contributes (money, equipment, customers, work)
- ☐ Who owns equipment the business buys
- ☐ How profits and losses are shared
- ☐ Who may make which decisions
- ☐ What happens if a partner leaves

TIP

Changing structure later

A change can affect bank accounts, contracts, equipment, tax, licences and supplier records. Ask about these before you change.

5. Take this to an adviser

Take this page to an accountant, tax practitioner or legal adviser. Sections 1 and 2 explain your business quickly.

Next step

Structure that seems to fit, and why _____

My question for the adviser (e.g. "Should I register a company before I sign this contract?") _____

Adviser I will contact, and by when _____

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