

Which business structure should you adopt as a Freelancer?




# SOLE PROPRIETOR VS LLC

Do I need an LLC as a Freelancer?



The most crucial differences and benefits of sole proprietorship and a limited liability company (LLC):



	Sole Proprietorship	LLC
Limited Liability		
Legal personality		
Pass-through taxation		
Costs of establishment and operation		
Set-up difficulty		

Which business structure should you adopt as a Freelancer?

**OWNERSHIP,  
CONTROL OF THE  
BUSINESS, CAPITAL  
RAISING, ASSET  
PROTECTION, TAX  
IMPLICATIONS...**

Before starting a new, solely owned business, it is highly important to carefully consider your choice of business entity from multiple angles.

**A**nswering the questions below will help you come to a considered conclusion on the most crucial features of your business form, and accordingly decide which of the locally available models is most suitable for your business at this time.

- !** Where do you see the business in five years' time?
- Is your long-term goal financial security for you and your family or to maximise profitability with a view to a future sale?

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- !** What are the risks in your business, and how much do you need to be insulated from them?
- Additionally, what is your personal net worth and/or your significant personal assets?

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- !** Do you need to raise funds for your business and if so, from whom?

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- !** Are you prepared to be restricted from combining personal and business property and funds?
- Please note that it generally isn't advisable to do so, but may be legally possible when it comes to a sole proprietorship.

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- !** Are the clients in your sector likely to work with a sole proprietorship?
- Or do you think that becoming a company would enhance the status of your business?

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- !** Do you want the affairs of your business to remain as private as possible?
- Or are you prepared to file information on a publicly available register?

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