

1 Determine the legal structure of the business

You can set up a business as a sole trader, as a partnership or as a limited company. The type of structure you choose depends on the kind of business you are running, with whom you will be doing business and your attitude to risk. There are three main types of legal structures.

- **Sole trader:** It is relatively simple to set up as a sole trader but if your business fails, your personal assets could be used to pay your creditors. Your main legal obligation is that you must register as a self-employed person with the Revenue Commissioners. See www.revenue.ie/en/tax/it/leaflets/it10.html
- **Partnership:** This is where 2 or more people agree to run a business in partnership with each other. The partnership agreement should be drawn up by a solicitor. The partners are jointly responsible for running the business and if it fails all partners are jointly responsible for the debt.
- **Limited company:** If you set up your business as a limited company, the business is a separate legal entity. If the company gets into debt, the creditors generally only have a claim on the assets of the company.

2 Register the Business

You must register the business type and name with the Companies Registration Office (CRO). Find more information about the CRO visit this link:
www.cro.ie/ena/business-registration.aspx

3 Determine if you are subject to any regulation

www.businessregulation.ie/ is a portal to help you identify the main regulations which affect your business.

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Open a business bank account

For your company, it is wise to have a business bank account, where you can deposit revenue and where you can pay your bills. Having a business account is not required immediately, but recommended. It is much more professional on invoices and it is also very important to separate costs and revenues for business and private matters.

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Get Insurance

You are not obliged to insure against any risks that you run as a result of having a company. However, you can take out a business insurance to cover some of these risks on a voluntary basis via an insurer.

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Plan for your retirement

It is good practice to plan for your retirement. The earlier you do this better. For information about personal retirement savings accounts visit this link [www.pensionsboard.ie/en/Publications/Guide to pensions/Personal Retirement Savings Accounts PRSAs .pdf](http://www.pensionsboard.ie/en/Publications/Guide_to_pensions/Personal_Retirement_Savings_Accounts_PRSAs_.pdf)

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Pay your tax

How your business is taxed depends on whether it is incorporated as a company. If it is a company then it is liable for corporation tax. If your business is not incorporated you are considered to be a sole trader and you pay tax under the self-assessment system.

- For more information on corporation tax see: <http://www.revenue.ie/en/tax/ct/basis-charge.html>
- For more information on self assessment tax for sole traders see: <http://www.revenue.ie/en/tax/it/leaflets/it10.html>
- Further information on tax is available on: http://www.selfemployedsupports.ie/tax_for_self-employed_people.en.html
- A Revenue booklet IT48 Starting in Business can be found here: <http://www.revenue.ie/en/tax/it/leaflets/it48.pdf>
- If you are self-employed you pay Class S social insurance contributions. There is a guide, PRSI for the Self-Employed - SW74 on the website of the Department of Social Protection. For more information see here:

- <http://www.welfare.ie/en/Pages/PRSI-for-the-Self-Employed--SW-74.aspx>
- If you are an employer and you created new and additional jobs you may have qualified for an exemption of employer's PRSI for those jobs. The JobsPlus initiative is intended to encourage employers to hire individuals that are long-term unemployed. For more information see:
http://www.citizensinformation.ie/en/social_welfare/irish_social_welfare_system/social_insurance_prsi/employer_job_prsi_incentive_scheme.html

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Know employment rights and employers' obligations

If you are starting up a business and decide to recruit staff you must register for income tax - Pay As You Earn (PAYE) and social insurance - (PRSI) with the Revenue Commissioners. You can find information about your obligations and duties as an employer and what are the rights of employees on selfemployedsupports.ie. There is a guide for employers who are starting a new business with paid employee. You can also read our documents on topics such as the minimum wage, social insurance (PRSI), leave and health and safety.

- For more information about employers PAYE click here
<http://www.revenue.ie/en/business/employers-pay.html>
- For more information about your obligations and duties as an employer and what are the rights of employees visit http://www.selfemployedsupports.ie/employers_rights_and_obligations.en.html
- For more information on the minimum wage, click here
http://www.citizensinformation.ie/en/employment/employment_rights_and_conditions/pay_and_employment_pay_inc_min_wage.html
- For more information on the social insurance (PRSI), click here
http://www.citizensinformation.ie/en/social_welfare/irish_social_welfare_system/social_insurance_prsi/employers_duty_to_pay_social_insurance_prsi.html
- For more information on holidays and annual leave click here
http://www.citizensinformation.ie/en/employment/employment_rights_and_conditions/leave_and_holidays/

For more information on health and safety click here

http://www.citizensinformation.ie/en/employment/employment_rights_and_conditions/health_and_safety/health_safety_work.html