



Business Structures

Major Importance:

For the purpose of starting a business, you must decide which business structure is to be chosen to enable the business to operate.

Many issues must be considered in making this decision including: type of business, raising capital, how long the business is to last, the form of assets the business will accumulate, acquisition of existing business or start-up, flexibility as to entitlement, role of the members, taxation consequences (including capital gain), procedure if a member wishes to leave the structure, control and asset protection.

Preliminary advice:

Inter disciplinary advice from professionals including legal, financial adviser and accountant would be beneficial, prior to determining a business structure for any venture.

If you have an existing accountant, choice of structure may depend on your current tax position, and as well, you will need assistance for tax planning, preparation of annual returns and if necessary, compliance with ASIC and the ATO.

'Business Victoria' also has workshops and seminars available, particularly in the areas of:

- getting started
- growing your business
- getting and keeping the right staff
- achieving financial success
- moving on

Types of structures

The main form of business structures usually come from the following group:

- sole proprietor
- partnership
- joint venture
- company
- discretionary trust
- unit trust and hybrid trust
- combination

Business name

One needs to be aware that a business name is not a business structure. In that, if "George Henry Smith" (his exact name) commences as a sole trader printer, he may do so, but if he wishes to carry on the business in the name of "George Henry Smith & Co" he must register the second name with Business Victoria.

A business name provides an identity for the owner and may become a valuable and well recognised feature for the operation of the business.

This is only an outline in dealing with business structures, and should you commence a business, then, we recommend that periodic review should be made of such structure with an inter discipline approach.

Pearce Webster Dugdales are well qualified to advise you on business structures.

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