1. Understand the Three Main Structures

Who is responsible if things go wrong, how you pay tax, and how easy it is to bring in partners, borrow or sell.

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1 The three structures at a glance (rules differ by country)

	Sole trader	Partnership	Limited company
Who it is	You and the business are one	2 or more people together	A separate legal person
Personal risk	You are personally responsible	Often each partner (see LLP)	Usually limited to what you put in
Tax (usually)	Profit taxed as your income	Each partner taxed on their share	Company taxed; ask accountant
Admin and cost	Little or no paperwork	Fairly simple + written agreement	Registration, filings, accounts
Often fits	Low-risk freelancer	Shared work and decisions	Higher risk, big clients

2 My current structure

Today my business is:

3 The five questions

Question	My answer	Points to company?
1 Risk: how much risk does the work carry?		
2 Profit: how much do you expect?		
3 People: partners or investors involved?		
4 Customers: what do they require?		
5 Admin: can you handle extra admin and cost?		

Example (Maria, catering, Windhoek): high risk (food for 200 people a day), growing profit, a big customer asking for a registered company with liability insurance. Her accountant showed the extra admin would cost about $600 a year.

Rules differ by country. Check with a local accountant or lawyer. General information, not legal or tax advice.

2. Choose Yours and Set It Up Properly

A structure only protects you if you set it up properly and use it properly.

1 Five steps

1 Register the structure with professional help (local accountant + lawyer)	[ ] Done
2 Write a founders' or partnership agreement	[ ] Done
3 Put the assets and the work inside the business	[ ] Done
4 Separate the money from day one	[ ] Done
5 Review the structure every year	[ ] Done

2 Founders' agreement: what to agree in writing

Topic	What we agreed
Who owns what share	
Who decides what	
How much each person works	
Leaving, illness, selling	
Vesting (example: 4 years)	

3 Assets and money

Asset (camera, software, website, contracts, name)	Owned by the business? [ ] Yes

Business bank account opened	[ ] Done
No personal spending on the business card	[ ] Done
Every payment in and out recorded in simple books; reconcile monthly	[ ] Done
Registered for the taxes my country requires	[ ] Done

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3. Yearly Review, Examples and This Week

Once a year: has the business changed enough to change the structure, the shares or the insurance?

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1 Yearly review

Year	Structure still right?	Shares still right?	Insurance still right?

2 Worked examples (illustrative)

Maria before	Sole trader, $8,000 monthly sales	Contract	Mining canteen, $60,000 a year
Condition	Registered company + liability insurance	Extra admin	About $600 a year
Maria after	$14,000 monthly sales after 1 year	Claim	Insurer + company paid, not savings
Lisbon start	3 founders, nothing on paper	Setup	Company; advice a few hundred $
Agreement	4 pages, 4-year vesting	Rui leaves	At 14 months; settled in 1 meeting
Lisbon after	Sales $5,000 to $11,000 a month	Shared	$12,000 camera, clients, trust

3 Do this this week

[ ] Write down your current structure (if you don't know it, find out)
[ ] Answer the five questions: risk, profit, people, customers, admin
[ ] Book one meeting with a local accountant or lawyer, and put the date in Systex
[ ] Work with a partner? Start a written agreement, even a one-page draft
[ ] Open a separate business bank account

Maria, João, Inês, Rui and their figures are illustrative. These are examples, not promises. Results vary. Rules differ by country. Check with a local accountant or lawyer. General information, not legal or tax advice.