

USE OUR LEGAL CHECKLIST TO PROTECT YOUR NEW BUSINESS AND MAXIMISE SUCCESS.

1. GET ADVICE EARLY

Paying for advice at the start of your business venture can be significantly cheaper than paying to resolve problems later.

Use the Law Society's Find a Solicitor service to find your nearest business law expert - www.lawsociety.org.uk/findasolicitor



2. CHOOSE THE RIGHT BUSINESS STRUCTURE

Your solicitor will explain the different business structures available to you and advise on the best one for your business e.g. sole trader, partnership, limited company.

They can also set the company up for you and explain how you can protect your investment through shareholder's agreements or partnership arrangements.



3. TAKE ADVANTAGE OF TAX BENEFITS

If you opt for a limited company structure over a sole trader, then there will be a number of tax benefits. Your business will pay corporation tax whereas sole traders and partners in a partnership pay income tax, which is higher than corporation tax rates.

A company can also pay dividends to its shareholders on top of their salaries, which is taxed at a lower rate than salaries.

Your solicitor will advise you on all tax advantages applicable to you, ensuring that your business is tax-efficient. They will also provide advice relating to setting up your tax year.

4. CHOOSE THE RIGHT SOURCES OF FINANCE

There may be different sources of finance available to you, each with different legal implications. Whether you're looking at remortgaging your home or securing a bank loan, your solicitor will advise you of the legal implications and ensure you understand the terms and conditions.



5. CHOOSE A BUSINESS NAME

If you set up a limited company, then your business will need a unique name - as there can only ever be one active UK limited company with a particular name.

You and your solicitor can register your business name at Companies House. Once registered, your company name is protected and another limited company cannot use the same name.



6. HAVE THE RIGHT CONSTITUTIONAL DOCUMENTS

Your solicitor will advise you of the right constitutional documents to have in place for your business e.g. articles of association and a shareholders agreement.

Having these documents in place at the start of your business venture will help you avoid disputes further down the line, once your business takes off.

Your solicitor will cover questions like: What if I fall out with my business partner? What happens if I become ill? What if my business partner dies? Are my assets protected? and will advise how to protect your interests now and in the future.

7. CHOOSE YOUR PREMISES WISELY

When choosing premises for your business, make sure you understand the terms of the lease. Can your landlord increase the rent? Can your service charges be increased? Do you need planning permission for any works you want to undertake? Is it an all repairs lease?

If you choose to run your business from home, what are the restrictions?

Your solicitor will be able to advise you in choosing the right premises for your business.



8. PUT IT IN WRITING

Ensure you formalise contractual arrangements and agreements with employees, investors, suppliers and customers. If problems arise later, a written agreement will be invaluable to your business to ensure its rights can be enforced.

Contracts will not only satisfy statutory requirements, they will also protect you in the future.

Your solicitor can make sure you have the right contracts in place, helping protect you against bad debts.



9. GET THE RIGHT INSURANCE

Consider what risks you need to insure against and get the right insurance in place.

If you employ staff you will need employee liability insurance. You may also need public liability insurance and professional indemnity insurance.



10. PROTECT YOUR INTELLECTUAL PROPERTY

Ensure you protect your inventions, ideas and designs by registering intellectual property and trademarks. Your solicitor can do this on your behalf.

Ensure that if you use other people or agencies to create anything for your business, that your contract states that you own the IP of anything they create.

11. KNOW YOUR LEGAL DUTIES

When running a business, it's important that you know your legal duties and you abide by them. Your solicitor will help explain your legal duties and can put measures in place to ensure you trade legally.



To find your nearest business law expert, visit 'Find a Solicitor' - www.lawsociety.org.uk/findasolicitor

While we have made every effort to provide accurate information, the law is always changing and affects each person differently. This information is not a substitution for specific advice about your situation and we will not be liable to you if you rely on this information.

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