

Business Start Ups – What do you need to consider from a compliance point of view?

- **Business Type**

Have you considered what type of business you need to set up? Will it be :

- Limited Companyⁱ
- Sole Trader
- Partnership

- **Company Registration Office (CRO)**

- For a Limited company, the company will be incorporated and registered with the CRO. If the business name is different then you will also have to register the business name. Annual Returns will have to be filed with the CRO.
- Sole Trader/Partnerships – Register Business Name

- **Revenue**

- Register Business
- Register for VAT
 - Vat Thresholdⁱⁱ
 - Services: €37,500
 - Goods : €75,000
- Register as an employer
 - Notify Revenue of all employees
- Other taxes
 - PAYE/PRSI/RCT

- **Tax Rates**

- Limited companies – normally 12.5% ; however, professional service companies are therefore subject to a surcharge.
- Partnerships/Sole Traders – In line with income tax rates

- **For Limited Companies – Directors & Company Secretary**

- Minimum of 1 director required under Company Law
- Need to appoint a company secretary

- **Agreements**

- Shareholder agreement in terms of limited companies
- Partnership agreements in terms of partnerships

- **Accounting records**

- How are you going to maintain your records?
- What system would work best for you and save you time?
- Do you also need a payroll package?
- Who is going to file the VAT Returns and the Payroll Returns?

- **Financing**
 - Do you need financing?
 - Banks normally require a business plan which requires the following:
 - Financial Projections
 - Market research
 - Competition in the area.
 - Is there a possibility of outside investors?

- **Grants**
 - What grants are available?
 - Have you met with the Local Enterprise Office?

Business Tips starting out

- Talk to an accountant for guidance. The first steps are the most important ones.
- See what funding by way of grants is available to you.
- Shop around on all cost line items.
- For Directors of Limited Companies – It can be difficult for some directors to separate themselves from the company. If company funds are used for private expenses, this can lead to tax and company law complications.
- Setting an appropriate salary – this is applicable again to company directors and this is an area which can be discussed with your accountant to ensure that all income is addressed and salary can be set to avail of the best tax efficient structure.
- For Sole Traders and Partnerships budget for income tax, VAT and PAYE. We would be happy to advise you on the appropriate amount.
- Stay compliant with Revenue. VAT would be a very big area and so it would be very important that you know the product or service you are delivering and the appropriate VAT rates applicable. Also importation and exportation of goods and services are reflected in your VAT returns and therefore it is very important to get this right from the outset.

Here at PSC we are delighted to meet with you and help you make these decisions. It is very important that you succeed in business and many people get lost in the compliance. That is where we can help you and ensure that you can spend your time on achieving your business goals. Contact us today at tralee@psc.ie or one of the team: Séamus at scotter@psc.ie, Noel at nfitzgerald@psc.ie. For Tax advise please contact Francis at fmoriarty@psc.ie . We would love to hear from you.

ⁱ Some businesses cannot incorporate – e.g Solicitor

ⁱⁱ In any 12 month period ie not calendar year