

BUSINESS ORGANIZATIONAL FORMS

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Organizational forms of business determine the structure, ownership, management and responsibility of the enterprise. Choosing the appropriate organizational form depends on many factors, including the level of risk, taxation, ownership structure and the desirability of expanding the business. We offer the following forms of business organization for use.

Individual enterprise. This is a form of business that is owned by one person. The owner is personally responsible for all obligations of the enterprise. Taxation is carried out on the basis of personal income tax.

Limited liability company. It can have several founders (owners). Owners have limited liability up to the amount of their contribution to the authorized capital. It has authorized capital divided into a certain number of shares.

Joint-stock company. This is a form of enterprise in which ownership is divided into shares. Shareholders have limited liability (usually up to the value of their shares). It has a complex management structure with a general meeting of shareholders and a board.

Limited partnership. Consists of one or more general partners who have unlimited liability and one or more limited partners who are liable only to the extent of their contributions. Limited partners actively manage the business, while limited partners are only limited investors.

Business associations. This form allows you to combine several business entities into one legal entity for joint activity.

Cooperative. This is an association of persons for joint economic activity based on democratic principles. Cooperative enterprises can be consumer, production, financial, etc.

Private enterprise, limited liability company or JSC joint stock company are the main forms of business companies.

The choice of the optimal organizational form of business should be made taking into account the specifics of the activity, development strategy, risks and legal aspects. To determine the best option, it is recommended to contact professional lawyers or business consultants.

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