Forms of Ownership

1. What is Limited Liability Partnership (LLP)?

A partnership in which each partner has unlimited liability only for his or her own actions and at least some degree of limited liability for the partnership as a whole

- All partners have limited liability protection against company obligations and debts
- Each partner receives profits and losses from the company according to her ownership interest in the company

2. What are the advantages and disadvantage of Corporation?

Advantages
- Limited liability
- Unlimited life
- Transfer of ownership
- Access to capital
- Liquidity (public company)

Disadvantages
- Regulatory restrictions
- Double taxation
- More expensive to create than partnership or sole proprietorship

3. How we decide which form of organization of the business?

• Vision regarding the size and nature of the business.
• The level of control
• The level of “structure”.
• The business’s vulnerability to lawsuits.
• Tax implications of the different organizational structures.
• Expected profit (or loss) of the business.
• Ability to raise fund