



Sole proprietorship or company?

Are you planning to start up an independent business, but you don't yet know under which legal structure? You already have a sole proprietorship, but are you considering setting up a company?

Make a choice?

Both advantages and disadvantages are associated with a sole proprietorship and with setting up a company. A sole proprietorship is easier to set up, involves only a small amount of administration and the accounting is simple. However, a self-employed person has unlimited liability in terms of creditors and will find it more difficult to obtain financing for the business. In addition, the personal income tax is subject to a higher rate. Opting for a company entails more formalities and costs in terms of establishment, accounts and reporting. The manager can be protected against that through the limited liability.

A company also offers more options for tax (wage) optimisation and in arranging supplementary pension plans. Shares in a company can also easily be transferred to the next generation. Whether a sole proprietorship or a company would be the best choice differs from case to case. To enable you to form a clear picture of what would be the most economical choice for you, we create a simulation of the initial years, based on an estimation of turnover and costs. Based on the forecasted figures, this enables you to see which option would be the best for you.

Contact your accountmanager or one
of our specialists at contact@vdl.be.