Legal Structures

Business & Management

The main structures, and what each does to liability and tax.

General characteristics; specifics vary by country.

Structure	Liability	Note
Sole trader	Unlimited, personal	Simplest to start
Partnership	Unlimited, joint	Needs an agreement
LLP	Limited	Common for professions
Limited company	Limited to share capital	Separate legal person
Non-profit / CIC	Limited	Asset lock, restricted purpose

General education, not legal or tax advice. Unlimited liability means personal assets are at risk — that is the decisive difference.