



## Enterprise forms

If you begin an enterprise, you will have to choose a legal form for it. The various possibilities and their differences are reproduced schematically in the diagram below. If you click on a particular legal form you will go to an article with more extensive information.

### Outline of enterprise forms

enterprise form	liability	taxes	remarks
<b>one-man business</b>	liable with private assets for company debts	income taxes and sales tax (BTW, or VAT)	more people may work in the one-person business, but there is only one owner
<b>firm</b>	each partner is liable for debts with his own private assets	each partner pays income tax for his share of the profits; firm pays BTW	a firm has two or more business partners, each of whom contributes funds, goods and/or labour; each is entitled to a business deduction; married couples can arrange a marriage settlement through a notary
<b>partnership</b>	each partner is liable with his own assets for company debts, not for individual partners' debts	each partner pays income tax on his share of the profits; partnership pays BTW	a partnership has almost always to be registered in the Registry of Companies
<b>foundation</b>	foundation, not board members, is liable for debts	BTW paid on services delivered; corporate tax paid on profits	a foundation has no members
<b>association with full legal rights</b>	association, not board members, is liable for debts	BTW paid on services delivered; corporate tax paid on profits	there is also the 'association with limited legal rights;' if this is not registered with the Chamber of Commerce the directors are individually liable
<b>private limited company</b>	the company is liable for debts	BTW paid on services delivered; corporate tax paid on profits; capital tax paid on capital	Notarial deed at registration + Registration at the Chamber of Commerce (KvK).