



Forming a clear vision for the start of your business is perhaps the most important step to start with. The vision will help you decide which type of business entity is the most appropriate to choose from – pursuing self-employment or establishing a legal person. To facilitate the decision making, you might need to evaluate the following criteria:

- **Character of activity.** The specific activities you plan to carry out, that is, the decision, depends on the complexity, size and other circumstances specifically related to the operational activities of your business.
- **The amount of available capital.** To establish certain types of legal persons, the founder of the legal entity is required to meet the requirements set for a specific amount of authorized capital.
- **Tax implications.** The amount of the taxes payable directly depends on the form of activity chosen by the person in question.
- **Degree of liability.** If a person intends to limit his/her liability and chooses not to assume liability for the obligations in the case of business failures including own or family assets, he/she should choose a limited liability legal entity.
- **Number of founders.** If there are several and more stakeholders wishing to engage in a particular activity together, business activities should be pursued by establishing a legal entity.
- **The complexity of business activities.** Being self-employment is easier, that is, you do not need to create a legal person management
- **If a decision has been made to establish a company, what type of company should it be?**

Source: "Versli Lietuva"