

Do you set up a company or a close corporation?

This is not necessary – you can run your business as a sole proprietor or in partnership with your spouse. However there are some advantages that come with trading through a company or close corporation – the main one being able to limit your personal liability in the event of some disaster affecting the business. However, this comes at a cost. You will need to appoint an auditor (in the case of a company) or an accounting officer (in the case of a close corporation) who will sign off a set of financial statements that you will have to produce. You will be obliged to keep accounting and statutory records in each case that comply with the legislation governing these two entities. Usually your auditor or accounting officer will assist you to ensure that the requirements are met, but expect this to cost.