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Limited company advantages: the greatest defense for a business owner by Crowin Smith

Article published on February 13th 2012 | Business

The business laws that govern the world of business have to be understood properly before taking further action. These laws can cause great harm if people are not aware of the consequences. There are times when companies can face lawsuits against them due to many number of reasons. This can be dangerous for those companies because they would end up facing unlimited liability if they are not registered as a limited company. This is one of the most important Limited company advantages that act as a shield for a business against such backbreaking lawsuits. Business has to be played with extreme caution and the complete understanding of the company act that is valid around the world. These universal laws help organize people in a set package, and give them the right set of tools to work in the business system. The state of bankruptcy can also be a similar situation where all the people connected to the organization can become liable to pay off unpaid debts of the company. Being a limited company protects directors, shareholders, and the employees from becoming responsible when the company faces dire situations like bankruptcy. This law also helps business partners have a strong faith in the company and understand the fact that they are going to be responsible business partners in the future. This is a powerful low cost tool that is a must for all professional companies that wish to build their brand name in the world of business.

Limited company advantages also presents many tax benefits for the company which is not enjoyed by a sole trader. Personal assets directly come under threat for sole traders when they are doing business in the world, and if they end up facing any law suits then they could loose much more than they thought possible. Avoiding cross liability is important for businesses that can bring personal property into the equation if the company is being dissolved due to unpaid debts. Becoming a limited company also allows companies to do less administrative paperwork which is necessary for big corporations as they need to have all information on every transaction they go through. Making a limited company is not a hard task, and it can be done by any one who is an authorized representative of the company. This is one of the safest ways to do business in the world, and it takes a massive load of extra responsibilities that can be avoided easily with this tool.

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Crowin Smith - About Author:
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Article Keywords:
Limited company, Contracting

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