

Business structures

Every business needs a 'structure', which really means the type of legal structure the business operates under so everyone knows what type of business you are. There are three main types.

- If you roll out of bed and decide suddenly 'I want to be my own boss' then you automatically become a 'sole trader'. You don't have to do anything else.
- If you want to partner up with someone else then you could form a 'partnership', ideally with an agreement but not always.
- If you want to separate the business from your personal life, then you may want to form a company, where you need to register and go through a process before this can happen. The Companies Office will help you, with the first step being to [register for an i-govt login](#) so you can access all their services.

Why do you need to decide on a structure?

Inland Revenue has different tax rates for different structures, and your customers might want to know if you are a company or sole trader, so they know who they are contracting with. Anyone you owe money to will want to know if they should chase you, your partner, or the company.

Some people transition from sole trader to partnership to company, as each structure becomes slightly more complicated. There are a few other legal structures but these three are the most common. The best place to start is [choosing a business structure](#), and then seek professional advice from your accountant or business adviser on what works best for you.

[Choosing a business structure](#)

To own and operate a business in New Zealand you need to choose a business structure. This overview will help you select a business structure that suits your needs; sole trader, partnership or limited liability company.

[Operating as a sole trader, partnership or company](#)

Learn how a sole trader, partnership and a company operates in business.

[Protection of business names](#)

A business starts building its brand (trading name or mark) from the day it opens. The longer a business operates the more valuable its brand recognition in the marketplace becomes.

[Why form a company?](#)

A company has many advantages over other business structures.

[What is a company](#)

When you form a company, you are creating a separate legal entity to carry on business. Learn more about the basic elements of a limited liability company structure.

[Choosing your company name](#)

Find out how to search for possible name clashes. Once your chosen company name has been reserved and approved by the Registrar of Companies, no other company can register an identical name.

[Limited Partnerships](#)

The primary objective of the introduction of the Limited Partnerships regime in April 2008 is to facilitate sustainable growth in New Zealand's venture capital and private equity industries.

[Tax implications for different business structures](#)

Use this handy tool to see how different business structures affect your tax obligations.