

Companies	Sole Proprietorship	Partnership	Limited Liability Partnerships	
Legal Status	A legal person (can enter into contracts, hold property, sue and be sued and exist irrespective of change of shareholders)	Not a legal person	Not a legal person	A legal person (can enter into contracts, hold property, sue and be sued and exist irrespective of change of partners)
Number of owners/ shareholders	Minimum – 1 director and 1 shareholder	1	Minimum – 2 Maximum – 20 (except for professional firm)	Minimum – 2 Maximum – no maximum number of partners
Liability of owner/ shareholder	Limited – the shareholder is not liable for the debts of the company	Sole proprietor has unlimited liabilities	Partners have unlimited liabilities	Not personally liable for the conduct of other partners or transactions or liabilities of the LLP unless is for his own wrongful acts or negligence
Suitable For	Businesses with projected growth, which may require additional funding for expansion	Individual with low risk	Professional firms such as accountancy, law and architecture	Professional firms such as accountancy, law and architecture
Advantages	Tax exemptions – first S\$100,000 of net profit each year is tax-free and the next S\$200,000 taxed at 8.5 percent for the first three years	Low cost	Low cost	Low-cost setup with limited liability protection
Disadvantages	Compliance obligations such as financial reports, AGMs, etc	Personal assets not protected	Taxed at the individual level and requires paying a personal income tax rate that is higher than the corporate tax rate	Taxed at the individual level and requires paying a personal income tax rate that is higher than the corporate tax rate