



Oifig
Fiontair
Áitiúil

Local
Enterprise
Office

Starting a Business: The FAQs

*...Let's talk
business*



Oifig Fiontair Áitiúil Muineachán

Local Enterprise Office Monaghan

Questions new start-up businesses frequently ask

1 What are the basic steps to setting up a business in Ireland?

- Register for tax
- Register your business name
- Set up a new business bank account

2 Should I set up as a Sole Trader, Partnership or Limited Company?

Sole Trader

This is the most common status for a new business - it means just what it says, you are running the business alone and are responsible for all aspects of the business.

Partnership

A partnership is formed when two or more persons come together and agree to run the business in partnership with each other - they are jointly responsible for each aspect of the business.

Limited Company

Any person may form an incorporated company by subscribing his/her name to a Memorandum of Association and complying with the requirements of the Companies Acts. The liability is limited to the amount, if any, unpaid on the shares held by its members.

3 How do I register for Tax?

All of the forms you are required to fill out are available to download on the website of the Revenue Commissioners at www.revenue.ie. Firstly, contact the Revenue Commissioners through your local tax office. Provide them with the information required to register your business for the relevant taxes [PPS Number].

You must complete one of the following forms depending on the legal structure you choose:

- Form TR1, if you are a sole-trader or partnership
- Form TR2, if you are a limited liability company
- Form Prem Reg-Employers (PRSI/PAYE) Registration Form, if you are becoming an employer.





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Do I have to register to VAT?

Taxable persons are obliged to register for VAT (Value Added tax) where their annual projected turnover exceeds or is likely to exceed:

- €75,000 in respect of the supply of goods
- €37,500 in respect of the supply of services

You may also be obliged to register for VAT if you receive taxable services from abroad or if you are a foreign trader doing business in the State. If you are involved in buying or selling goods within the EU you will need more detailed information and should refer to the comprehensive '**Guide to Value Added Tax**' which is available from any tax office.

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How do I register for VAT?

To register for VAT, you must complete Form TR1 for sole-traders/partnerships and TR2 for a limited liability company.

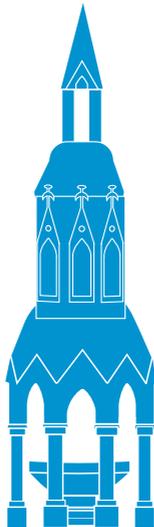
The Revenue Commissioners publish a '**Starting a Business**' guide and other leaflets, which may be obtained from any tax office or from the Revenue Forms and Leaflets Service at **1890 30 67 06** or **01 70 23 050** or email **custform@revenue.ie**. The most popular forms may also be downloaded from the Revenue website (**www.revenue.ie**).

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How do I register my business name?

You can register your business name with the Companies Registration Office (CRO). This can be done online at **www.cro.ie**

- For individuals (sole-trader)
Form RBN1 must be completed
- For partnerships
Form RBN1A must be completed
- For a limited company
Form RBN1B must be completed



7**Can I register a business name which differs from my own name and conduct business under that name while remaining a sole trader?**

Yes, once all documentation (letterhead paper, business cards, invoices etc.) has your full name and contact details.

8**If I register my business, must I then produce annual accounts?**

No, you are only obliged to produce accounts for your business once you have registered for tax.

9**If I make no income, must I produce annual accounts?**

Yes. Once you have registered for tax, and even if your turnover is nil, you must complete your accounts and return to the tax office.

10**If I wish to become an employer how do I do it?**

You must register for PAYE/PRSI if you pay:

- €8.00 per week (€36.00 a month) or more, to an employee who has only one employment.
- €2.00 per week (€9.00 a month) or more, to an employee who has more than one employment.

A company must register as an employer and operate PAYE/PRSI on the pay of directors even if there are no other employees.

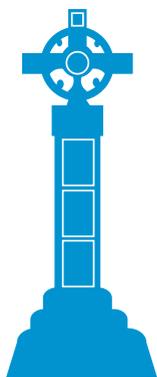
11**Do I need a licence to operate?**

Only if your business is in one of the following categories; Bookmakers/ Employment Agencies/Nursing Homes/ Pubs/Off-licenses/Street Traders/Taxi Drivers/Providing credit services/Driving Instructors.

12**Do I need Insurance?**

When you commence in business, it is advisable to consider both personal and business insurance. The main business insurances are:

- **Employers Liability Insurance**
Coverage against claims from staff members
- **Product Liability Insurance**
Coverage against loss relating to defective or dangerous products
- **Fire**
To cover against loss due to fire



Why should I conduct market research?

Market Research is necessary in order to establish that a demand exists in the market place for your product or service. Potential investors and business advisors will all look to see how you know that a demand exists for your product or service. Not only that, but market research helps you identify potential customer types to enable you to target them more efficiently with a marketing campaign.

- **Burglary/theft**
To replace stolen or damaged goods
- **Public Liability**
Coverage against claims made by the members of the public
- **Motor Insurance**
Coverage against motor accidents
- **Life Assurance**
Coverage for bad health and fatal accidents
- **Professional Indemnity**
Coverage in the event of professional negligence

Most insurance companies will now provide a combined policy for new and existing businesses.

Always shop around to get the best quote and always check out insurers who operate specifically in your industry as they tend to have the best deals.

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Do I need a Business Plan?

Yes, you do. You can start a business without a business plan, but you will have difficulties in raising finance or accessing support from banks, building societies, Local Enterprise Offices or other institutions. The importance of a comprehensive, well thought out business plan cannot be overemphasised. Much hinges on it: outside funding, credit from suppliers, management of your operation and finances, promotion and marketing of your business and achievement of your goals and objectives.

Even if you don't need finance, a business plan provides an invaluable framework for planning how your business will proceed and later as a benchmark for assessing the progress of your business. Successful entrepreneurs testify that planning is 90% of the effort required.

Before you begin writing your business plan, consider four core questions:

- What service or product will your business provide and what needs will it fulfil?
- Who are the potential customers for your product or service and why will they purchase it from you?
- How will you reach your potential customers?
- Where will you get the financial resources to start your business?

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What support options are there available to a start-up company?

There is a wide array of supports available for starting a business in Monaghan today, including advice, information, training, mentoring, social welfare allowances and reliefs. Sometimes direct grant aid assistance is available for researching a business idea, employing people or investing in capital equipment. Talk to a business adviser at the Local Enterprise Office Monaghan for more details.



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Are there grants available for starting a business?

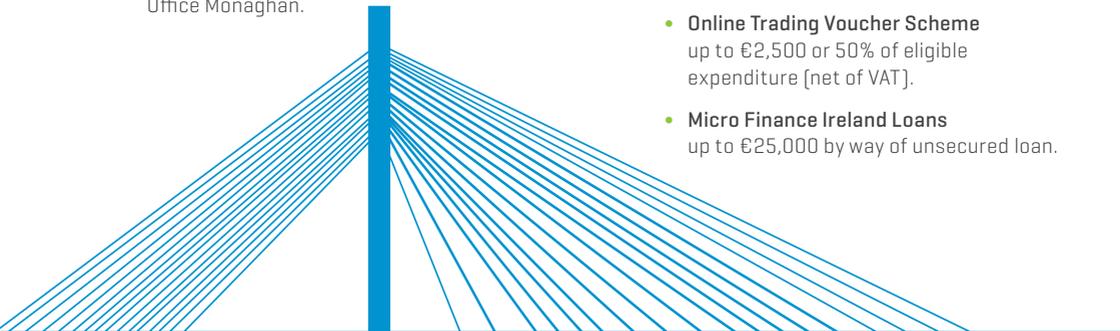
Businesses that receive grant aid are those that have been identified as having potential for providing long-term viable jobs. Therefore, the business support agencies may provide financial support to manufacturing and traded service enterprises [with potential to export]. These businesses should be innovative, fill new market niches, replace imported products or services, demonstrate good management skills and have the financial viability necessary to succeed. Although most start-up businesses do not receive cash grant aid, all can avail of information and advice from the Local Enterprise Office Monaghan.

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Where can I get funding?

Local Enterprise Office Monaghan provides a range of financial supports designed to assist with the establishment and/or growth of enterprises [limited company, individuals/sole trader and partnerships] employing up to ten people. [see also the advice booklet 'Sources of Financial Support']:

- **Priming Grant**
50% of Expenditure to a maximum of €150,000.
- **Business Expansion Grant**
50% of Expenditure to a maximum of €150,000.
- **Feasibility Grant**
max of 60% to a maximum of €15,000 whichever is the lesser amount.
- **Online Trading Voucher Scheme**
up to €2,500 or 50% of eligible expenditure [net of VAT].
- **Micro Finance Ireland Loans**
up to €25,000 by way of unsecured loan.



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How do I apply for grants?

These financial supports are designed to provide a flexible suite of supports to Local Enterprise Office – Monaghan clients and potential clients. Other sources of financial support include:

- **Monaghan Leader Partnership**
Renewable Energy projects, Hospitality and Tourism, Craft enterprises, rural enterprises, food
(www.monaghanleaderpartnership.ie)
- **Monaghan County Enterprise Fund**
 - Small Loans – Approx. between €5,000 and €10,000
 - Typically for small start-up businesses
- **Monaghan County Childcare Committee**
 - Parent and Toddler Grant
 - Childminding Development Grant
(www.monaghanchildcare.ie)
- **Enterprise Ireland**
Manufacturing and internationally traded services with employees of 10 or more and a turnover in excess of €1.27 million
 - Exploring new opportunities grants
 - Company expansion grants
 - Productivity improvement fund
 - Research and Development Projects
 - Research Technology & Innovation [RTI] Scheme
- **Other sources of finance:**
 - Banks
 - Building Societies
 - Credit Unions
 - Private Investors
 - *Business Angels*

For individuals looking to establish a new business or expand a small existing business the first step is to contact Local Enterprise Office Monaghan at **047 71818** or info@leo.monaghancoco.ie seeking to discuss their project (in confidence) with a staff member.

Following that, a completed application form with supplementary information will be required to process your application.

Qualifying businesses for grant aid include manufacturing and traded services (with potential to export).

Local Enterprise Office Monaghan's offices are located in the M:TEK Building, Knockaconny, County Monaghan. The Projects are assessed on the basis of eligibility and viability (both commercial and technical) by the Local Enterprise Office Monaghan's Evaluation and Approvals Committee which typically meets once a month.

If approved, an offer of grant assistance will be made in writing.

Depending on the scheduling of Committee meetings a decision could take approximately 4-6 weeks from receipt of a completed application form and all requested supplementary information.

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What do I do next?

Visit Local Enterprise Office Monaghan website (www.localenterprise.ie/Monaghan) or call the Office on **047 71818** to discuss your idea further.



Oifig Fiontair Áitiúil Local Enterprise Office

Further Information

Local Enterprise Office Monaghan | www.localenterprise.ie/Monaghan

Monaghan County Council | www.monaghancoco.ie

Supporting SMEs | www.supportingsmes.ie

Enterprise Ireland | www.enterprise-ireland.com

Local Enterprise Offices | www.localenterprise.ie

Department of Jobs, Enterprise and Innovation | www.djei.ie

Revenue Commissioners | www.revenue.ie

Companies Registration Office | www.cro.ie

ACCA | www.accaglobal.com/ie

Halo Business Angel Network (HBAN) | www.hban.org

Institute of Chartered Accountants in Ireland | www.icaei.ie

Irish Venture Capital Association | www.ivca.ie

These booklets have been designed as a guide only. Readers are advised to seek professional guidance before making any financial or legal commitment.



European Union
European Regional
Development Fund



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