

## New Business Setup Checklist

### BUSINESS INFORMATION

Proposed business name:

Address:

Telephone number:

Fax number:

Proposed business start date:

Number of owners:

### CHECKLIST

- Develop your business plan and marketing plan

Whilst the above can generally be independently generated, generally (at least at the set-up stage) the marketing plan may be incorporated in the business plan.

! A business plan is an evolving documentation that will constantly change throughout the business life.

It is also a key information documentation that may contribute to build the credibility of the business venture at the start-up phase.

- Choose the type of business entity

Business entity type: Sole proprietor, partnership, company or trust

It is recommended that advice be sought from your accountant and/or lawyer to determine the best structure that fits your circumstances.

For the pros and cons of each structure, refer to Machel Advisory Services business structures cue cards.

- Business set-up

Once you have decided on the entity structure, you can proceed on setting the structure up. Your accountant and/or lawyer can assist you.

- Register the business:
  - For a company: it will need to be incorporated with ASIC.
  - For a trust: you will need to have your trust deed in place. Note that you will also need to have the trust deed stamped by the relevant State Authority.
  - For a partnership: recommendation is made that a formal partnership agreement should be made.
- Register the business trading name. Depending on the structure you use, the business will have a legal name (for instance ABC Pty Ltd but you may decide to trade as ABC).
- Apply for a Tax File Number (TFN), Australian Business Number (ABN) and register for GST, FBT, PAYG Withholding and payroll tax (if applicable) for each respective entity in the business structure.
  - GST registration is not mandatory if your expected annual turnover is less than \$75,000.
  - FBT registration is only required if non-cash private benefits are going to be provided to employees.

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- Payroll tax registration is required if the wages threshold is exceeded.
- Check with local council and State government to determine if you need any licenses and/or permits. This will depend on the industry that you plan to operate in.
- Take out insurance cover policies. The amount of policies you take and how extensive they are will depend on the industry you operate in and also your risk assessment. Examples of insurance policies are:
  - Workcover (mandatory in relatively all cases)
  - Public liability/professional indemnity/personal accident & illness
  - Import insurance
  - Fire and burglary
- Open a business bank account and apply for funding if required.

#### Funding

- Is the new business venture going to be equity or debt funded or a mix of both?
  - ! You should check whether you are entitled to any grant from the local, State or Federal government or any other associations.
  - ! Developing a good relationship with your business banker and also having a good credit record at the early stage of a business will help in the future.
- Consider the tax implications of the above funding alternatives (for instance interest incurred on debt funding is deductible for tax purposes)
- Can the business service the interest expenses on the debt funding?
- How will the business fund its set-up prior to funding being injected?

#### Importation

- If you are planning on importing goods, the following should be considered:
  - Estimate the landed cost of importing the goods.
  - Whether an import permit is required for the goods to be imported.
  - Select a customs broker to assist with the importation. A list of customs brokers can be found at [www.cbfa.com.au](http://www.cbfa.com.au).
  - Applying to the ATO for GST deferral if you qualify for it (GST is generally levied on imported goods at customs clearance stage).
  - Carry out a due diligence process. This should at a minimum include:
    - Check with foreign local and federal authorities to determine if there is any legal requirement that you need to adhere by for the importation. Recommendation is made that legal advice should be sought to minimise potential exposure.
    - Discuss your manufacturer's distribution policy and seek testimonials from other importers about the manufacturer's reliability.
    - Do some sampling and quality control of the manufacturer's products.
    - Understand the culture of your foreign trading partner.

- Negotiate terms of payment, delivery and freight.
- Contact the international trade finance division of your bank. Your business banker should be able to assist you.
- Develop a risk management/contingency plan (note that broader risk management initiatives covering all aspects of the business should be included in your business plan). This may include but are not limited to:
  - Foreign exchange risk and hedging
  - Breakdown in distribution channel
  - Breakdown in manufacturer's relationship (it is generally recommended to have at least two suppliers that are used on an often basis to mitigate this risk).

Whilst this particular checkbox relates to importation, exporters can use relevant components of this check box as well.

Familiarise yourself with the ongoing compliance requirements

- Tax (income tax return, IAS, BAS & FBT return)
- Superannuation contribution payments
  - ! Businesses with less than 20 employees can use the free superannuation clearing house – <http://www.medicareaustralia.gov.au/super/> .
  - ! Register with a default employer sponsored superannuation fund.
- Payroll tax (if applicable)
- Employment agreements and employment related matters
- Workcover and occupational , health & safety
- Consumer laws
  - ! If you intend on selling goods, you will need to get legal advice (and drafting) in relation to the terms and conditions relating to your sale.

**CONTACT FORM**

|                               |                |
|-------------------------------|----------------|
| <b>Accountant:</b>            | Email address: |
| Telephone number:             | Fax number:    |
| <b>Lawyer:</b>                | Email address: |
| Telephone number:             | Fax number:    |
| <b>Business banker:</b>       | Email address: |
| Telephone number:             | Fax number:    |
| <b>Customs broker:</b>        | Email address: |
| Telephone number:             | Fax number:    |
| <b>Supplier 1/Customer 1:</b> | Email address: |
| Telephone number:             | Fax number:    |
| <b>Supplier 2/Customer 2:</b> | Email address: |

|                       |                |
|-----------------------|----------------|
| Telephone number:     | Fax number:    |
| <b>Other contact:</b> | Email address: |
| Telephone number:     | Fax number:    |
| <b>Other contact:</b> | Email address: |
| Telephone number:     | Fax number:    |
| <b>Other contact:</b> | Email address: |
| Telephone number:     | Fax number:    |

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