

SOLE PROPRIETORSHIP

A sole proprietorship is created by a natural person who is the owner. The founder of the one-person company is responsible in an exclusive and unlimited way for all obligations of the company, with both the company's assets and the proprietor's personal wealth.

To start a sole proprietorship, it is enough to submit an application to the Central Registration and Information on Economic Activity. The entrepreneur may commence business activity on the day of applying for the registration of the company. Formation of this type of enterprise does not require injection of initial capital. The owner of the company runs business under a company name that must include his name.

This type of activity is used to conduct business on a small scale. The entrepreneur has a choice between several forms of taxation: tax according to the progressive tax scale, proportional tax (linear), or a lump sum on recorded income and tax deduction card. One-man business (self-employment) has no legal personality, but has legal capacity, capacity to make acts in the law, and the capacity to engage in judicial and legal proceedings.

Source: R. Zielinski, „Formy prowadzenia działalności gospodarczej, aspekty administracyjne związane z zakładaniem i prowadzeniem przedsiębiorstwa” [“Forms of business administrative aspects associated with setting up and running a business”] Akademia Leona Koźmińskiego.

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