



Corporate & Commercial Legal Services

"Starting a Business"

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Getting advice:

Setting up in business should be an exciting process. But without the right advice it can also be a minefield, particularly where legal matters are concerned. Too often it is not until matters reach crisis point that people ask for a legal help. But by then, if a solution is available, it is much more costly than taking simple action that could have prevented the problem in the first place.

Clearly prevention is better than cure. Getting legal advice at the start means that you can avoid crises. A lawyer can help you identify possible problems and take steps to prevent them-protecting your business from risk and saving you money.

Legal advice checklist:

Lawyers can offer advice on all the typical problems that a new business can face. They can also help you introduce a full range of solutions. To decide what sort of help to give you, they will need to ask you a lot of questions about your business. These questions will cover the following areas:

a. Company structure

The structure of your business will be vital to its success as you start up and expand. Should you trade in your own name or through a company, for example? If you are going into business with others, you need to make sure you get a fair return for your effort, so you might need a shareholders' agreement or partnership arrangement. Your lawyer can explain all the different options and advise on the best one for your business - partnership, limited company or limited liability partnership. Your lawyer can also set up the option you choose.

b. Your business premises

When choosing premises for your business, it is important that you fully understand the terms of the lease. Can the landlord increase the rent? If so, by how much? Will you find yourself paying ever-increasing service charges? Will you need planning permission for a change of use? If you choose to run your business from home, what are the restrictions? Your lawyer can help you with all these questions.

c. Finance

You may also want to find out what sources of finance are available and what their legal implications are. Should you mortgage the family home? Are lenders insisting on unfair terms? Could you be getting a better deal with your bank? Your lawyer will explain these areas and can even help negotiate finance on your behalf.

d. Insurance

Your business may expose you to any number of risks relating to premises, employees, assets and visitors. What if your products or workers injure someone, for example? What if someone is injured while working for you? What if you are legally responsible for an employee who misuses the internet? Your lawyer will give you independent advice on the risks you may need to insure against.

e. Goods and services

When buying or selling goods and services, it is important to know your legal duties. What contract terms does the law lay down? What about product liability? What can you legally say in adverts and promotional materials? A lawyer can cover all these points in detail and, if necessary, refer you to a specialist.

f. Protecting your ideas

Your lawyer can help you protect your designs from competitors who may want to steal your ideas, whether it's copying your trading name and logo or the products themselves.

g. Franchising

Buying a ready-made business is an appealing option, but what about any previous liabilities that may come with it or the small print in the sale agreement? All too often, people find themselves trapped in a deal with expensive products and no support from the franchiser. What if the franchise doesn't come up to expectations? Can you get your money back? Your lawyer can give you advice on all the common problems associated with running a franchise.

h. Licences

Do you need a licence to trade? Your lawyer can tell you if you need one and can even help you apply for it.

i. Employment

Employment law is a complicated area and is constantly changing. Most employment disagreements are caused by badly-drafted service contracts or dismissal procedures that don't meet legal requirements. Your lawyer can run a health check on your contracts and procedures to prevent these kinds of disagreements.

j. Disagreements and problems

In business it is usually best to plan for all possibilities. What if you fall out with a partner or fellow shareholder? Can you be forced out? How do you make sure that responsibilities and profits are divided fairly? What will happen to your business if you fall sick or die? Will your husband, wife, partner or home be properly protected? Your lawyer will cover all these questions with you.

k. More information

For more information please contact Mr. Assad Ullah Jaral, Advocate, at the following address:



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