

You don't want your own private company? There is a solution for you. Our partner Raaili Perpetuum Invest will provide support and guidance in using the services of the Perpetoo.com platform. It is a company specialized in rent-a-car services, created for the owners who wish to obtain income from their car rental activities and do not own SRL or PFA. In addition, the company facilitates the owners to submit income statements so that their experience in the field of car rental is as easy and enjoyable as possible. Contact Raaili Perpetuum Invest at 0757 135 370 or perpetuum.raaili@gmail.com

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Do you want to earn an income independently? You certainly need to weigh what form of organisation is more advantageous for you: a **PFA (a sole trader or a self-employed person)** or a **SRL (a private limited company or limited liability company)**. To help you, these are the main advantages and disadvantages of these two forms of business organisation.

1. **Persoana Fizică Autorizată (PFA) – the Sole Trader** is the simplest form for natural persons to do business individually and independently.

These are some of the **advantages** of sole proprietorship:

- ❖ low set-up costs;
- ❖ there is no requirement to hire a certified accountant, the owner of the PFA (the sole trader) being responsible for bookkeeping;
- ❖ a PFA has the "business" money at their disposal at any time. The profit may be used whenever they want to (without needing to distribute dividends on a quarter or annual basis as for a SRL).

The **disadvantages** of this form of organisation are:

- ❖ full liability of the sole trader, including with their personal assets;
- ❖ one may choose only NACE codes which are related to the activity for which the registration as a PFA/sole trader is required; therefore, it is not possible to do business as a sole trader in any field;
- ❖ in the context of recent years, in terms of tax, it's unstable.

You may find details about the documents which are necessary to register as a PFA/sole trader by clicking the link: <https://www.onrc.ro/index.php/ro/inmatriculari/persoane-fizice/persoane-fizice-autorizate-pfa>

2. With regard to a **Societate comercială cu Răspundere Limitată (SRL) – a private limited company/a company with limited liability**, the **advantages** are:

- ❖ tax is paid on the revenues received (the rate is 1% and 3% respectively, depending on the number of employees). Therefore, businesses with a low level of expenses are advantaged if they opt for a SRL;
- ❖ there are no restrictions related to the choice of activities and the representative NACE codes;
- ❖ the personal liability of its members is limited to the registered capital paid up at the time of set-up.

Of course, a **SRL** also has some **disadvantages**:

- ❖ there is a requirement to work with a certified accountant;
- ❖ the administration costs are generally higher than for a PFA;
- ❖ the member of a SRL can benefit from the profit made only through the distribution of dividends, which are subject to a 5% tax;
- ❖ the wind-up of a SRL is more arduous.

ATTENTION! Please keep in mind that, according to the applicable legal provisions, services of car renting without a driver may be provided by economic operators registered with the Trade Register that have this object and based on a true copy issued by the authorising authority.

For further details or assistance in connection with the registration, licensing and aspects concerned with the compliance with legal provisions, accounting issues and financial consultancy, based on your needs, please see the list of websites below:

www.esaudit.ro/publicatii/

www.avocatpavel.ro/contact/

www.infiintaredefirme.ro/