



Co-funded by the  
Erasmus+ Programme  
of the European Union



# TOPIC 8. REGULATION, REGISTRATION AND SUPPORT OF THE ENTREPRENEURIAL ACTIVITY IN THE TEXTILE AND CLOTHING INDUSTRY

The course is developed under Erasmus+ Program Key Action 2:  
Cooperation for innovation and the exchange of good practices [Knowledge Alliance](#)

**ICT IN TEXTILE AND CLOTHING HIGHER EDUCATION AND BUSINESS**

Project Nr. 612248-EPP-1-2019-1-BG-EPPKA2-KA

*The information and views set out in this publication are those of the authors and do not necessarily reflect the official opinion of the European Union. Neither the European Union institutions and bodies nor any person acting on their behalf may be held responsible for the use which may be made of the information contained therein.*



Co-funded by the  
Erasmus+ Programme  
of the European Union

ICT-TX

СКИОТ SCIAT

## AGENDA

- Legislation
- Business Structures
- Organisational Structure
- Registration
- Institutional Support and Programmes for Entrepreneurship



## Learning goals and objectives

In this topic the staff trainees will learn about the legal requirements for starting a small business. They will learn about the advantages of the different types of business structures. The common organizational structure will be presented. The staff trainees will learn the steps for registering a business enterprise. They will be able to assess the risks, posed by various internal and external factors. They will learn about the opportunities to support entrepreneurial activity from various European Union institutions.

## Short summary of content

Legal requirements for the business. Business structure types. Organisational structure. Steps for registration a firm. Risk management. European Commission programmes for entrepreneurship

## Expected results

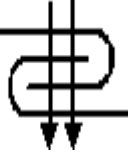
Staff trainees will be able to choose the right business structure for their business. To be able to manage all the risks concerning the legal requirements of their business and to know where to seek institutional support.



## Entrepreneurial regulation. Basics of contemporary business:

- How to establish entrepreneurial business?
- How to find out the Institutional support for establishing entrepreneurial business?
- How to choose supporting programmes by regions and production?

ICT-T  X

СКИОТ  SCIAT

tax



regulation



## Legal requirements

01

Entrepreneurs carry out their activities primarily legally and in compliance with certain legal norms.

02

The main law that legalizes entrepreneurship and determines the legal form of business is the Commercial Law.

03

The choice of legal form is the first step in conducting a specific business.

04

Based on a comparative analysis of the various legal forms, the entrepreneurs choose the most suitable for them.



## Types of business structures

Sole trader

General  
partnership

Limited  
partnership

Limited  
Liability  
Company - Ltd.

Joint-stock  
company

Limited  
partnership  
with shares



## Types of business structures

### Sole proprietorship

- minimum registration costs;
- minimum period for;
- lack of capital requirements and start with minimum funds;
- no requirement for a way of management;
- possibility for simplified accounting.





## Types of business structures

### Partnership

- the partners are jointly and severally liable;
- no restriction on the type of founding persons;
- is not solely responsible for its obligations;
- the responsibility belongs to the partners;
- no relationship between the size and value of the company and the size of its liability;
- the personal property of each partner is a variable that affects liability without being able to monitor it.







## Types of business structures



### Limited liability company

- the management is performed by the general meeting (GM);
- each partner has as many votes as the number of shares in the capital;
- the management is carried out by a manager, appointed by GM;
- relatively fast registration;
- not very high set-up costs;
- the rights of the partners are defined in the company's agreement;
- precisely determines the rights, obligations and responsibilities of the partners.



## Types of business structures

### Joint-stock company

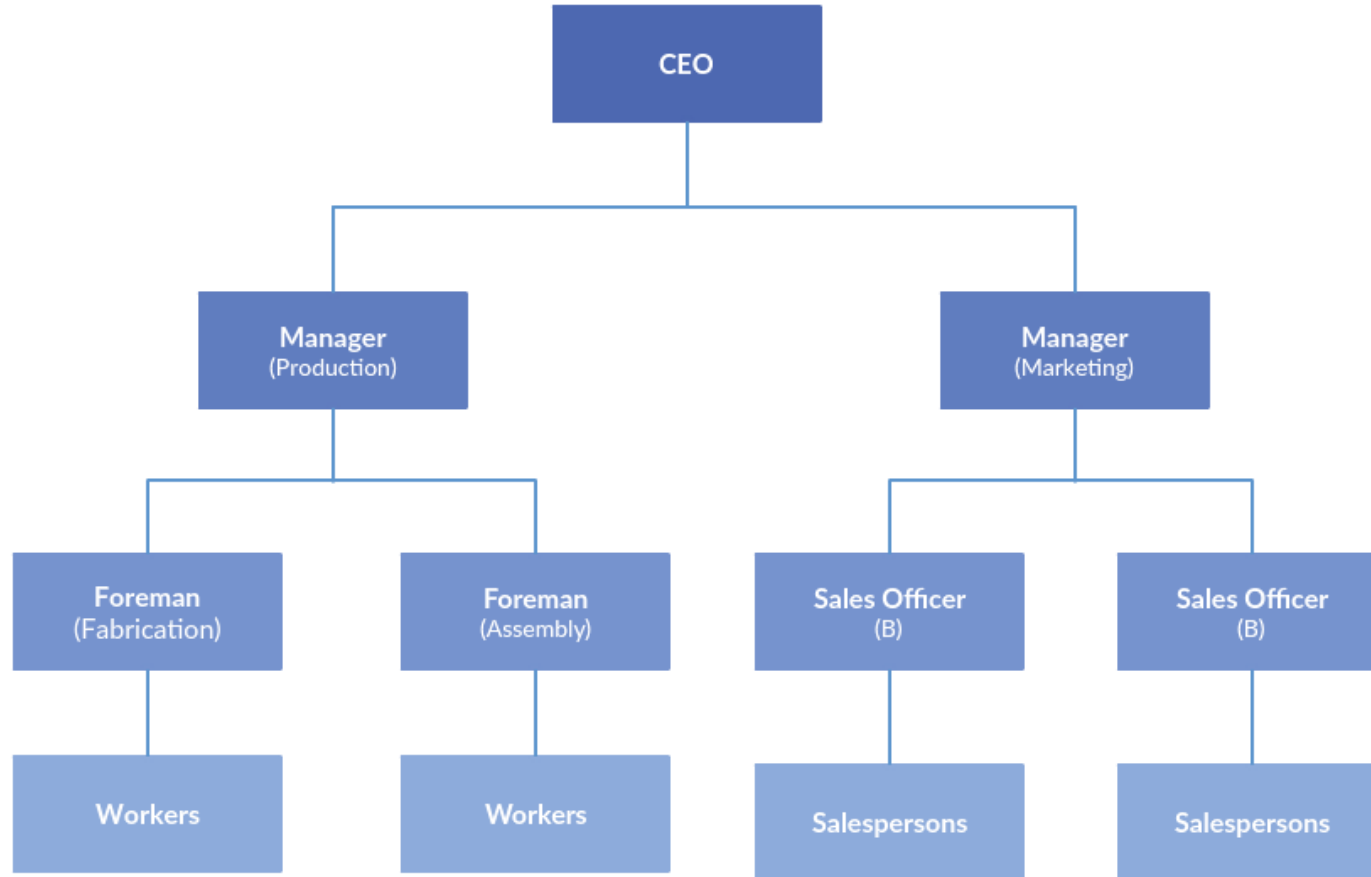
- established by a statute;
- capital is divided into equal parts called shares;
- the shareholders are not required personally to participate in the activities;
- presupposes the accumulation of huge capital.



**Other legal business entities** include corporations, non-profits, and cooperatives. If you are unsure which business structure is best for your business, seek advice from a lawyer who specializes in business structures.



## Organisational structure





# Registration process



## Choose the company type

### IDEAL BUSINESS FORM

The first step for company formation is to determine the legal business form that will be incorporated and registered with the authorities. The private or the public limited companies are often used.



## Prepare the company papers

### CORPORATE DOCUMENTS

The Articles of Association are the company's documents for incorporation, the ones that include all of the essential information about the business. They are drafted and used for registration.



## Execute the deed

### THE DEED OF INCORPORATION

A company is incorporated by means of a public deed executed in front of a public notary in Italy. The founders sign the incorporation documents in front of the notary public.



## Register with the Trade Register

### FORMAL REGISTRATION

Once the public deed is executed, the founders gather the proof of minimum capital payment as well as other documents such as specimen signatures and register the business with the Business Register.



## Register for other purposes

### VAT AND TAX REGISTRATION

The company can now be registered with the tax authorities, for VAT purposes as well as for employment purposes. Any mandatory business permits are applied for during this stage.



Co-funded by the  
Erasmus+ Programme  
of the European Union

ICT-TX

СКИОТ SCIAT

## Institutional support for entrepreneurship

- Coordination;
- Industrial development;
- Technical support;
- Educational support;
- Financial support.



[top](#)

[previous](#)

[next](#)

[bottom](#)



Co-funded by the  
Erasmus+ Programme  
of the European Union

ICT-TX

СКИОТ SCIAT

## European Commission programmes for entrepreneurship

The European Commission sees entrepreneurship as acting upon opportunities and ideas and transforming them into value for others, which can be financial, cultural, or social. The EU entrepreneurship policy aims to support companies, in particular SMEs, throughout their life cycle, promoting entrepreneurial education at all levels, as well as reaching out and encouraging specific groups with entrepreneurial potential.



[top](#)

[previous](#)

[next](#)

[bottom](#)



Co-funded by the  
Erasmus+ Programme  
of the European Union

ICT-TX

СКИОТ SCIAT

## EU supporting entrepreneurs in general

EU create an environment where entrepreneurs can flourish and grow:

- [Supporting start-ups](#)
- [Transfers of business](#)
- [Insolvency and second chance](#)



Co-funded by the  
Erasmus+ Programme  
of the European Union

ICT-TX

СКИОТ SCIAT

## European programmes for entrepreneurship support

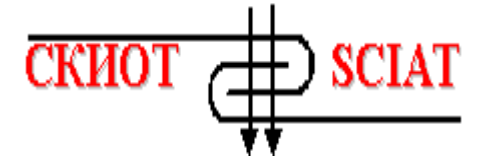
- [COSME programme](#)
- [Horizon 2020](#)
- [EEN network](#)
- [Digital agenda for Europe – startup Europe](#)
- [Start-up Europe road show](#)
- [Structural funds](#)
- [European Investment Fund](#)
- [European Investment Bank](#)
- [SME week](#)





Co-funded by the  
Erasmus+ Programme  
of the European Union

ICT-TX



## COSME programme

COSME supports entrepreneurs by strengthening entrepreneurship education, mentoring, guidance and other support services. Actions support specific groups who may find it difficult to reach their full potential, such as young people, women and senior entrepreneurs. The programme also aims to help businesses access opportunities offered by digital technologies.

[Download the poster](#)

### **Improving business conditions**

COSME aims to reduce the administrative and regulatory burden on SMEs by creating a business-friendly environment. COSME also supports businesses to be competitive by encouraging them to adopt new business models and innovative practices. This complements actions in areas with high growth potential such as the tourism sector.



Co-funded by the  
Erasmus+ Programme  
of the European Union

ICT-TX

СКИОТ SCIAT

## ERASMUS or YONG ENTREPRENEURS PROGRAM

Erasmus for Young Entrepreneurs aims to boost Europe's entrepreneurial culture. The programme:

- reinforces entrepreneurial attitudes by offering skills, knowledge and experience.
- increases the number of start-ups and boosts their resilience.
- fosters the cross-border transfer of ideas, knowledge and cooperation between small firms.
- helps small firms to network, innovate, and go international.
- helps to create jobs.



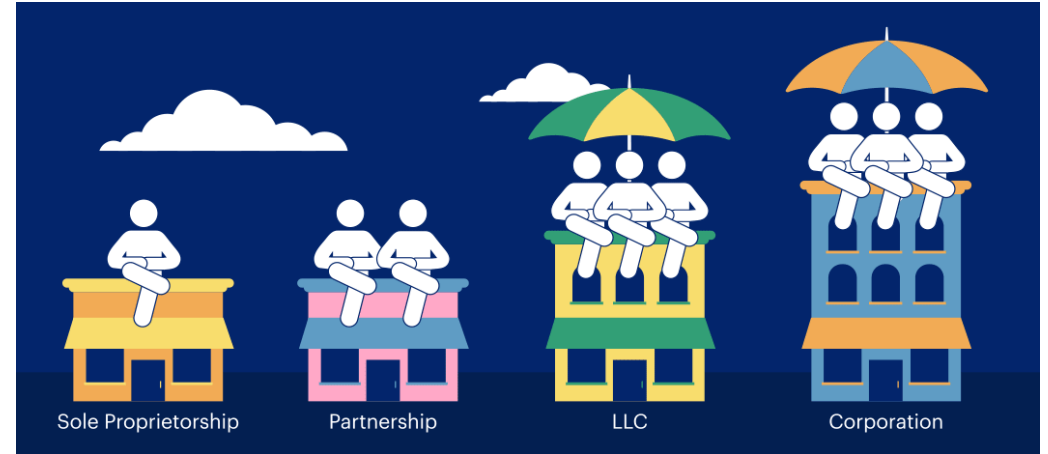
Co-funded by the  
Erasmus+ Programme  
of the European Union

ICT-TX

СКИОТ SCIAT

## Assignment 1

As a start-up you have to decide which legal form of company you will have. In this case you will start describing the forms of business ownership in the private sector, learning about their specific advantages and disadvantages. Finally you can do an exercise where you have to work out the legal forms of business ownership in your country. You also have to pay attention to the Societas Europaea, the European form of business ownership. Which form you will select depends on several reasons like how much starting capital you need and how much a private person or persons can invest.





## Assignment 2

Write a partnership agreement as if you were going into T&C business with partners. Assume that some partners can work 40 hours per week and others can only work 20 hours. Also assume that some partners can contribute 5,000 euro each to setting up the business and others can contribute 1,000 euro. Be certain to specify in the agreement how the profits will be divided among the partners.





## Questions for discussion

- What are the legal consequences of each form of business organisation?
- Name one advantage and one disadvantage of a sole trader over a partnership.
- Who owns a cooperative?
- Determining the country or local requirements for starting a business.
- What aspects of a proposed business should an entrepreneur consider before choosing a type of business ownership?
- Identifying tax collection and reporting requirements.
- Described environmental regulations that may impact your business.
- Examine ways small business owners can manage legal risks.
- Where can you find detailed information about legal requirements and registration of your business?



## Questions for discussion and task

- What are the legal consequences of each legal form, how many persons will start up a company?
- You want to start a sole proprietorship T&C retail business that employs several people. Research the steps necessary to comply with government requirements for setting up your business. Summarize your research.

# CONTACTS

## **Coordinator:**

Technical University of Sofia  
Department of Textile Engineering

## **Project Manager of ICT-TEX:**

assoc. prof. Angel Terziev, PhD  
aterziev@tu-sofia.bg

**Web-site:** [ICT-TEX.eu](http://ICT-TEX.eu)



Co-funded by the  
Erasmus+ Programme  
of the European Union

KNOWLEDGE ALLIANCE

**ICT-TEX**

ICT IN TEXTILE AND CLOTHING  
HIGHER EDUCATION AND BUSINESS

*The information and views set out in this publication are those of the authors and do not necessarily reflect the official opinion of the European Union. Neither the European Union institutions and bodies nor any person acting on their behalf may be held responsible for the use which may be made of the information contained therein.*