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Accounting

Reasons/advantages of changing from limited liability company to partnership business

1. In partnership the business is owned and managed by partners. Therefore they can run it in their best interest. While in company it is run by directors and it might not be the best interest of shareholders.

2. The partnership business is less formal than a limited liability in the sense that the accounting process is simpler and the tax

process is overall less tasking.

3. Easy access to profits in partnerships where the profits flow directly into partners accounts as opposed to private limited where the profits are retained.

4. It is more convenient for partnerships to attract investors than limited liability companies.

5. It is easier to borrow money from the bank for partnerships while in limited liability it is a longer process.