

Modified October 2020

Frequently Asked Questions

Registration Questions

- What are the business types I can register my business as?
 - A Sole Trader is a one-man business. Being a Sole Trader is the simplest way to run a business. Keeping records and accounts is straightforward, and you get to keep all the profits. The difference is that you are personally liable for any debts that your business runs up, which can make this a risky option for businesses that need a lot of investment.
 - A Partnership is Two Sole Traders coming together. The difference is the partners are personally liable for any debts that your business runs up, which can make this a risky option for businesses that need a lot of investment.
 - Limited Liability is a legal person but it doesn't exist naturally. It just has all the rights of a legal person.
- What are the legal obligations for Limited Liabilities and Non-Profit or NGO?
 - They must pay Annual Return which is payable on the anniversary date of the business.
 - Limited Liabilities Company is Form 28 & Form 45
 - Non-Profit or NGO is Form 29.
- What are the important things to pay attention to that Legal Affairs may not readily inform us to do?
 - Take note of your incorporation date especially for Limited Liability Company and Non-Profit to pay your Annual Return.
 - If you register your Limited Liability Company on your own. Remember to do your Notice of Secretary.
- How do I go about registering a Sole Trader, Partnership, LLC, NGO Company?
 - To register your business, it must be done on <https://www.ttbizlink.gov.tt/>
 - You must make an appointment online at Ministry of Legal Affairs
- What is the youngest age to register a business?
 - 18 years old

Taxation Questions

- What are the taxes payable?
 - Health Surcharge is payable
 - When the weekly income is more than TT\$ 109 the rate is TT\$8.25 - (\$429 per year or \$107.25 per quarter) per person.
 - When the weekly income is less than TT\$ 109 the rate is TT\$4.80 per week - (\$249.60 per year or \$62.40 per quarter) per person
 - Business Levy is 0.6% payable on income earned for the year or the quarter,
 - Green Fund Levy is 0.3% payable on income earned for the year or the quarter,
 - Income Tax is 25% payable on profit or
 - Corporations Tax is 30% payable on profit.
 - They are paid every quarter on March 30th, June 30th, September 30th and December 31st.
- What are the penalties and interest for P.A.Y.E., Health Surcharge and N.I.S.?
 - P.A.Y.E. and Health Surcharge are as follows:
 - Penalty 25% on the outstanding balance
 - Interest 20% on principal and interest
 - N.I.S are as follows:
 - Penalty 25% after 15th

- Not paid by 15th of 2nd month, penalty 15%
- Do Sole Traders have to pay Taxes?
 - Income Tax which is 25% on profit
 - Health Surcharge which is \$429 per year for 52 weeks and \$437.25 per year for 53 weeks
 - Business Levy which is .6% on income earned for the year.
 - They are paid every quarter on March 30th, June 30th, September 30th and December 31st.
 - **NOTE:** If you work 8 to 4, you must combine the two incomes earned.
- Do Partnerships have to pay Taxes?
 - Green Fund Levy .3% on income earned.
 - Profits are divided as per the partnership act or whatever agreement made by the said partners.
 - Each partner is liable to pay:
 - Income Tax of 25% on the profit earned in the partnership.
 - Health Surcharge which is \$429 per year for 52 weeks and \$437.25 per year for 53 weeks.
 - Business Levy which is .6% on income earned for the year.
 - They are paid every quarter on March 30th, June 30th, September 30th and December 31st.
 - **NOTE:** -If you work 8 to 4, you must combine the two incomes earned.
- Do Limited Liability Companies have to pay Taxes?
 - Corporation Taxes which is 25% on profit.
 - Health Surcharge which is \$429 per year for 52 weeks and \$437.25 per year for 53 weeks for themselves and employees.
 - Business Levy which is .6% on income earned for the year.
 - Green Fund Levy .3% on income earned
 - They are paid every quarter on March 30th, June 30th, September 30th and December 31st.
- Does Self Employed or Sole Traders have to pay NIS or PAYE? If so how do they go about doing so?
 - Self Employed or Sole Traders do not pay N.I.S. Only unless they were in a corporate job, retired and maintained their N.I.S. payment immediately after leaving their job.
 - P.A.Y.E. is only paid when your annual income goes over \$72,000. Once it goes over, you must calculate the excess by 25%. This is your income tax rate.
- How do I pay my taxes?
 - You pay your taxes on <https://etax.ird.gov.tt/>

Accounting Questions

- Why is it important to have an Accounting Software for business?
 - Save money because you reduce your accountant work load
 - Accurate data and proper reporting
 - More time to invest into other aspect of your business
 - Good financial structure
- What are the **two Accounting Software** recommended?
 - WAVE ACCOUNTING is a FREE cloud based accounting software which is great for startup entrepreneurs who are still learning their market. It's simple and easy to use.
 - QUICKBOOKS ONLINE, let us mention, we are QuickBooks Pro-Advisor. QuickBooks has many features which we love coming from an accounting background.
 - SIMPLE - basic package with 1 user and accountant;
 - ESSENTIAL which has estimates, 3 users and an accountant.

- PLUS which has inventory, estimates, 5 users, accountant and many other lovely features.
- Inform them about the Passion2Profit Course for \$1,750TTD.

Money Management Questions

- What is the **80-20 rule** and how to apply it to business or personal life?
 - Primary Expenses (groceries, loan payments, utilities, etc.) – 50%
 - Secondary Expenses (party, weekend getaway, shopping sprees, etc.) – 30%
 - Investments (retirement funds, emergency funds, reduce debts, etc.)– 20%
- How do I structure my **Personal Finances**?
 - Here's the PERSONAL SYSTEM:
 - Investment – 20%
 - Primary Expenses (groceries, loan payments, utilities, etc.) – 50%
 - Secondary Expenses (party, weekend getaway, shopping sprees, etc.) – 30%
 - Inform them about the Revive Your Personal Money for \$1,400TTD.
- How do I structure my **Business Finances**?
 - Here's the BUSINESS SYSTEM:
 - Income - \$0 to \$250K
 - Profit – 5%
 - Pay Yourself – 50%
 - Taxes – 15%
 - Business Expenses – 30%
 - Inform them about the Revive Your Business Money for \$2,100TTD.
- What is the **Profit First System**?
 - You are taking your PROFIT FIRST before TAXES, PAYING YOURSELF and then pay off all your other business expenses.
 - You need to set up 4 bank accounts:
 - Profit Account
 - Tax Account
 - Pay Yourself Account
 - Chequing Account

Videos:

- [Money Talk\\$ for Entrepreneurs](#)
- [Money Talk\\$ for Teens](#)
- [Business Budget](#)
- [Taxes 101](#)

Books, you should read as an entrepreneur:

- **Secrets of the Millionaire Mindset** - T Harv Eker
- **Rich Dad Poor Dad** - Robert T. Kiyosaki
- **Profit First** - Mike Michalowicz
- **ClockWork** - Mike Michalowicz
- **The Pumpkin Plan** - Mike Michalowicz
- **The Clarity Cleanse** - Habib Sadeghi
- **Brave, not Perfect** - Reshma Saujani
- **Imagine It Forward** - Beth Cornstock
- **Why Now is The Time to Crush It!** - Gay Vaynerchuk