

IN-COMbs17

Business transfer agreement: incorporation of a sole trader or partnership to a company

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The Schedule Fixed Assets

The Date of this Agreement is: []

The Seller is: [name]

of [private address]

and [second partner, if any]

of [private address]

[add more partners if required]

[Where two or more people constitute the Seller, they agree that they are liable jointly and

].

The Company is: [company name]

of [registered address] a company, incorporated / registered in the Republic []]

It is now agreed as follows:

1. Definitions

So far as the context permits, the following words

:

"Accounts" means the audited profit and loss account of the Business for the year ended [date] and the balance sheet

"Assets" means all of the Assets of the Seller

"Business" means the [type of business] business carried on by the Seller until today under the name and style []

"Confidential Information" means all information about the Business. It includes among other things, information about staff, their personal contact information, methods of doing business, future plans, policies, suppliers

and customers.

"Contracts"	means current contracts of the Seller in
"Creditors"	means trade creditors and accrued charges in connection with the Business
"Fixed Assets"	means all plant, machinery, tools,
"Goodwill"	means the goodwill in relation to the ,
"Price"	means the price
"Stocks"	means stocks of products, raw materials, work in progress and finished goods, and goods for -
"Third Party Software"	means software owned by some
"Website"	means www.[URL] and www.[URL] and

2. Interpretation

This agreement

2.1. the Seller shall be

2.2. a reference to the knowledge, information, belief or awareness

,

2.3. a reference to a paragraph or schedule is to

2.4. the headings to the paragraphs and schedules ()

2.5. any agreement by any party not to do or

2.6. [\[except where stated otherwise\]](#),

2.7. a reference to the knowledge, information, belief or awareness

,

2.8. a reference to an act or

3. Agreement for sale

3.1. Completion shall take place today, immediately upon exchange of this agreement duly signed

- 3.1.1 the Business as a going concern;
- 3.1.2 the Fixed Assets;
- 3.1.3 the Stocks;
- 3.1.4 the Intellectual Property Rights;
- 3.1.5 the Domain Name(s);
- 3.1.6 the Website;
- 3.1.7 the benefit of the Contracts.

4. The Purchase Price

4.1. The Price for the business shall

:

Goodwill	Rs []
Fixed Assets	Rs []
Intellectual Property rights	Rs []
Contracts and all other property	Nil
The Stocks	To be ascertained
Total Price	Rs []

4.2. There shall be deducted from the

.

4.3. The Price shall be paid:

EITHER

4.4. [by bank transfer upon exchange of](#)

.

[OR](#)

4.5. by a loan by the Seller to _____ ,

_____ .

OR

4.6.

“[_____] _____”.

OR

4.7.

[_____] [_____] [_____] ,
[_____]

4.8.

:

[list property on which VAT payable]

OR

4.9.

_____ .

5. Items to be delivered at completion

_____ :

5.1.

_____ ;

5.2. all books of account and VAT records;

5.3.

_____ ;

5.4.

_____ ,

_____ ;

5.5.

, [] ,
;

5.6. evidence of Contracts and assignments of Contracts;

5.7.

;

5.8.

;

5.9.

/ , ;

5.10.

;

5.11.

,

.

6. Completion

6.1.

,

.

OR

6.2.

,

.

6.3.

[/]

7. Stocks and debtors

7.1. [14]

7.2.

7.3. 12

8. Creditors and liabilities

8.1.

8.2.

9. Value Added Tax (VAT)

9.1.

9.2.

9.3.

9.4.

[6]

10. Future activities

10.1.

[3]

10.2.

[]

[]

10.3.

[]

[]

10.4.

10.5.

11. Miscellaneous matters

11.1.

11.2.

11.3.

11.4.

11.5.

11.6.

Signed by [\[personal name\]](#), duly authorised for the Seller

Witness to signature:

Name:

Address

Signed by [\[personal name\]](#), duly authorised for the Company

Witness to signature:

Name:

Address

The Schedule - Fixed Assets

[list fixed assets]

Explanatory notes:

Business transfer agreement: incorporation of a sole trader or partnership to a company

General notes

1. Who are the parties?

As we explain briefly in the page from which you bought this document, it has been drawn primarily for an agreement between people who know each other already and where the directors of the company may be associated with the seller. If the deal is absolutely at arm's length, you

Of course, if the parties are close, it may not be necessary to execute the contract in minute detail. If all the documentation is in place,

2. Naming the seller

It is assumed that the seller is a sole trader or small partnership. Their names could be stated as "Seller" or you could change to some abbreviation of the

3. Tax clearance may be necessary

You may be wise to consult your accountant and obtain clearance in advance. This may be particularly important if you plan a sale onwards at a higher price or where

Matters relating to numbered paragraphs in the document

1. Definitions

We have no comment.

2. Interpretation

Leave these items in place unless there is a good reason to edit or remove. Each of these items has been carefully considered in the context of this

agreement and has been included for a purpose. Many of them

3. Agreement for sale

There may be some overlap in this list:

4. The Price

This agreement is drawn for use between parties who know each other and where the company buyer is either already connected to the seller or at least has detailed knowledge about the business. Because the relationship may be close, the

For various tax purposes it may

Goodwill

Fixed assets

Intellectual property

Stock for sale or manufacture

Other categories . . .

You should consult an accountant as to the most favourable apportionments, although the

5. Items to be delivered at completion

We have provided a long menu so that nothing

6. Completion

This can

7. Stocks and debtors

This is a sensible provision. If you are

8. Creditors and liabilities

You can edit to what you

9. Value Added Tax (VAT)

The transfer

10. Future activities

Even if you do not expect the seller to

11. Miscellaneous matters

Leave all these

Schedule: Fixed Assets

List the assets

End of notes