**Difference between public limited companies and public institutions**

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|  | **Public Limited Company** | **Public Institutions** |
| **Aim** | Making profit. | Providing affordable infrastructures and services instead of making profit. |
| **Ownership** | Shareholder. | Government. |
| **Management** | Shareholders grant permission to board of directors to manage the company. | Managed by ministers assigned by the government, manager must answer questions asked by congressmen, financial statement must be reported the government every year. |
| **Source of**  **Funding** | From shareholders, able to issue shares and loan notes to raise capital if the company is listed. | From the government. |
| **Taxation** | Pay according to company tax rates. | Owned by the government, no taxation is required. |

**A brief list of characteristics of private companies**

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|  | **Sole Proprietorship** | **Partnership** | **Limited Liability Partnership** | **Private Limited Company** | **Public Limited Company** |
| **Owner** | Business owner  1 pax | Partners  2 to 20 pax | Partners  2 to unlimited pax | Shareholder(s)  1 to 50 pax | Shareholder(s)  2 to unlimited pax |
| **Source of Funding** | Business owner | Partners | | Shareholder | Shareholders.  able to issue shares and loan notes if the company is listed. |
| **Legal Entity Status** | No | | Yes | | |
| **Liabilities** | Unlimited | | Limited | | |
| **Financial Reports** | Account review by SSM is not required. | | Account review by SSM is not required, but an annual statement of solvency is required annually. | Account review by SSM is required. | |
| **Taxation** | Pay according to individual tax rate | | Pay according to company tax rate, no taxation required for profit earned by partnership | Company pays according to company tax rate; shareholders pay according to individual tax rate for dividend earned. | |
| **Internal Management** | Business owner | Under the partnership agreement, or the Partnership Act if none. | | Under the company’s constitution, or the Companies Act 2016 if none. | |
| **Profit Distribution** | Business owner | Share according to the profit and loss sharing ratio stated in the partnership agreement or the Partnership Act. | | Dividends are shared between shareholders pro rata to their shares. | |