

I'm Starting a Business. For Which Parts Do I Need a Halachic Shtar?

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Question:

I am starting a new business. Naturally, there are a lot of moving parts. I am hiring employees, partnering with people, taking out loans etc. Can you walk me through which parts need a halachic *shtar*?

Answer:

It will largely depend on what type of agreements we are referring to. Regarding agreements to hire workers and agreements to make someone into a shaliach (agent) for you, a verbal agreement would suffice. According to some, a verbal agreement is enough to create a partnership. While a verbal agreement is enough, it is always important to have it in writing as proof of the deal.

When it comes to selling items, and according to many poskim, partnership Agreements, a kinyan is necessary in order for it to go through.

A standard legal document would work for the above cases in regard to both documenting verbal agreements and effectuating a kinyan because of situmta. However there are numerous things that a halachic shtar would still be needed for. Non Compete Agreements are very complex, and doing this with a proper halachic shtar gives the employer much better protection than a standard legal non compete. Loans and partnership agreements which many times have Ribbis elements would need more than a legal document to make sure it is halachically compliant, such as a *heter iska* and more.