

## COMPANY LAW

<b>Theme :</b>	Business Environment
<b>Assessment Weighting:</b>	20% Coursework 80% Examination

### INTRODUCTION

This module is aimed at providing students with a clear understanding of the key premises of company law. Knowledge of Company Law is critical to the work of accountants, tax consultants and even to those individuals who may wish to act as directors of a company in the future. The module will seek to familiarize students with the concept of Limited Liability and the consequences flowing from that status. In addition, attention will be paid to other fundamental matters such as the 'lifting of the corporate veil', corporate governance, the rights of minority shareholders and the numerous issues arising out of both the voluntary and involuntary winding up of companies. It will also familiarise students with the duties of the various officers in company law which may affect them in their future careers.

### AIMS

The aims of this module are to:

- Provide students with an overview of the law relating to partnerships and limited liability companies
- Ensure students appreciate the role of Directors in the area of corporate governance
- Familiarise students with the procedure for both the voluntary and involuntary winding up of companies and the role played by liquidators in each of these processes
- Provide students with an understanding of the functions, duties and obligations of certain officers e.g. directors, auditors, company secretary etc.

### LEARNING OUTCOMES

On successful completion of this module, students should be able to:

- Distinguish between alternative forms and constitutions of business organisations
- Demonstrate an understanding of the benefits and limitations of incorporation
- Explain the core concept of Limited Liability and discuss the circumstances in which the corporate veil will be lifted
- Apply the doctrine of *Ultra Vires* to specific factual situations
- Specify the roles and responsibilities of the officers of a company
- Discuss the appointment, rights and duties of receivers, liquidators and examiners.
- Outline the effects of receiverships, liquidations or examinerships on key stakeholders.
- Demonstrate an understanding of governance and ethical issues relating to business.

## SYLLABUS

### Formation and constitution of Business Organisations

- Categories and characteristics of companies
- Sole Traders
- Partnerships – legislation governing partnership, limited and unlimited partnerships, authority of partners, partners liability for partnerships debts, partnership dissolution, role and duties of Promoters
- Duties of promoters including pre-incorporation contracts

### Company formations

- Formation & Registration Procedure
- Memorandum of Association and Articles of Association and their alteration
- Section 25 Contracts, Company Contracts
- Express and Implied Powers
- The Doctrine of *Ultra Vires*
- Authority of Corporate Agents
- The Rule in Turquand's Case

### Corporate personality

- Separate Legal Personality
- Veil of Incorporation
- Lifting the Veil
- Consequences of losing limited liability

### Management, administration and regulation of companies

- Types of Directors
- Appointment and Removal of Directors
- Remuneration of Directors
- Directors' duties under common law and statute and owed to whom
- Restrictions and disqualification of directors
- Reckless and fraudulent trading
- Market Abuse Directive

### Shareholders' Rights and Duties

- Membership and type of shares
- Dividends
- voting rights at meetings
- statutory rights
- personal rights
- pre-emption rights
- share transfers

### Shareholders rights and remedies

- Rule in Foss v Harbottle
- Section 205 Oppression
- Remedies

### Capital Maintenance Rules

- Redemption of shares
- Acquisition by a company of its own shares
- Assisting purchase of a company's shares

### Corporate Borrowings

- Capacity to borrow
- Debentures
- Charges; floating, fixed and book debts
- Registration of charges

### Company officers and investigations

- Auditors;
- Examiners; Receivers, liquidators
- Court ordered investigations in to companies' affairs

### Winding Up

- Types of winding up procedures
- Voluntary and court ordered
- Creditors and members winding up
- Procedures for official winding ups

### Recent Company legislation

- Companies Amendment Act 1999
- Company Law Enforcement Act, 2001
- Office of Corporate Enforcement