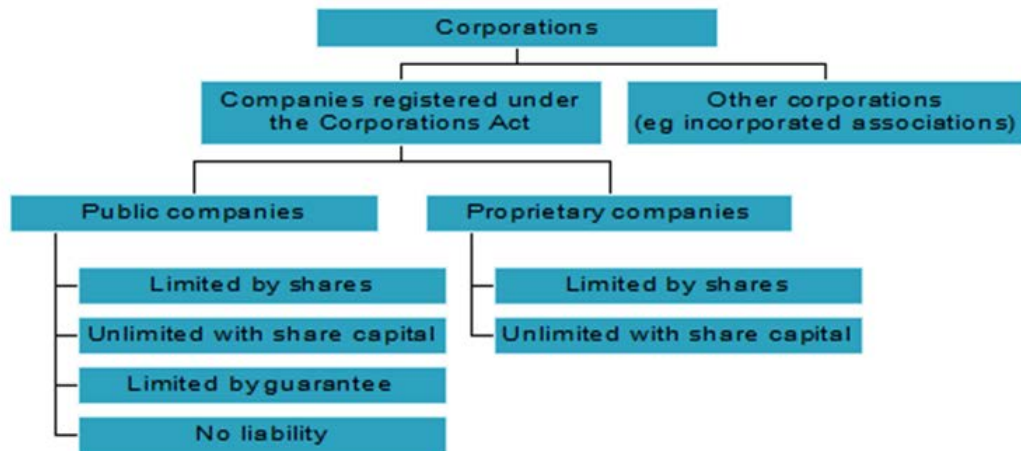


Choice of form of Business

Benefit of corporate:

- 1) Limited liability,
- 2) perpetual succession,
- 3) free transferability of interest
- 4) Corporate law as standard
- 5) contract, tax consideration



Characteristic of corporate company:

1. Separate legal entity Separate legal personality, Limited liability, Legal capacity	Salomon v Salomon separate from its controlled, benefit apply to single director
2. Company obligations & liabilities are its own	Credit cannot find member for debt 516
3. Company can be sue by its own name	119 Company comes into existence as a body corporate
4. Company's property does not belong to participant	Macaura v Northern Assurance Insurance's name not under company
5. Company can contract with its participants	Lee v Lee's Air Farming Able to enter into an employee contract
6. Perpetual succession	Company life is indefinitely until winding up

Liquidation: secured creditor, priority creditor, unsecured creditor

Types of company		
1. Partnership	Not permit people > 20. Unless there is a consent of the relevant minister - Criminal provision	115 115(3)
2. Proprietary companies	1. Register under s188 2. >50 non-employee shareholders (113) 3. Must be limited by shares/ unlimited company with share capital (112) 4. no funding activities 5. must have one or more director 6. share dividend right	45A(1) Ch 6D 201A(1) 254W(2)
3. Small proprietary company	- Revenue < \$25M - Asset < \$12.5M - < 50 employees	45A(2)
4. Public company	- everything other than proprietary company - must have 3 or more directors - share dividend right	112 201A(2) 254W(1)
Company limited by shares	limited liability to the unpaid shares	S9
Change Company type	- Company must pass a special resolution (75%) - The change doesn't create a new entity or affect relationship with outsider - Need to pass SR - Lodgment with ACIS: within 14 days	Pt2B.7 166 162(1)a) 162(3)