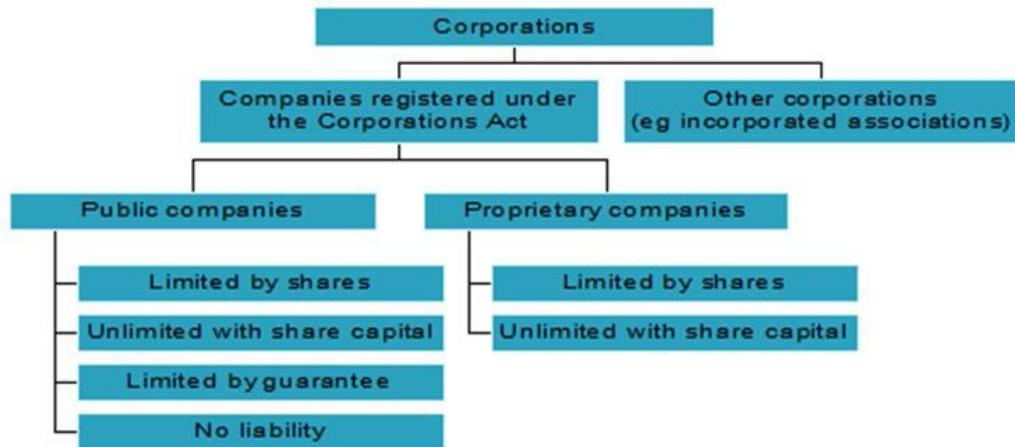


Choice of form of Business

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	Macaure 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		Pt2B.7 166 162(1)a) 162(3)

Holdings and subsidiary and related body corporate			
Subsidiary and holding company	Definition of Subsidiary Company: D6 of Pt1.2: satisfy 1 below: other body: <ol style="list-style-type: none"> 1. Controls the board 2. Cast or control the casting of more than ½ of vote in general meeting 3. More than ½ of the issued share 4. The Sub is a Sub of another Sub of HC 	46	Ho v Akai Ltd(2006) no definition of subsidiary need to have power, transfer of power (holding 45% of shares not consider as holding)
Related bodies corporate	What is consider a body corporate <ul style="list-style-type: none"> - Holding company - Subsidiary - A sub of a holding company of another body corporate 	50	
Controlled entities:	An entity control a second entity if the first entity has the capacity to determine the outcome of decision of financial and operating policies. (Practical influence) (45% of shares can consider as controlled)	50AA(1)	NOTE: A company could be control by another company without being its SUB
Rules that apply to corporate		588V CH2E CH2M 187	

