

I. CORPORATIONS LAW

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1. Why do individuals organise in groups?

- finance
- expertise/skills

Structures to engage in business can be used by individuals or groups. The law must address this as they are very common.

Corporations get a separate legal personality. This is separate from the individuals who own it. It is deemed to be an artificial legal person - can enter r'ships, sue and be sued. A company has rights, duties, powers and privileges. It acquires rights etc by acts of the persons behind it eg directors, members. It survives death and bankruptcy - unlike humans. Companies can be multi-member or have only one member.

Definition:

Sir James Smith case 1691

A corporation is an artificial body composed of divers constituent members like the human body and that the ligaments of this body politic or artificial body are the franchises and liberties thereof which bind and unite all its members together, and the whole frame and essence of the corporation consist therein.

Denning in HL Bolton v TJ Graham 1957

A company may in many ways be likened to a human body. It has a brain and a nerve centre which controls what it does. It also has hands which hold the tools and act in accordance with directions from the centre.

But cannot be wholly equated to a natural person.

Can play many legal roles - just like a natural person. T/f can be liable for crime but no PASI - **EPA v Caltex**, s187 EA Cth.

Deane in NSW v Cth 1990 - incorporation means the acquisition or conferral of corporate personality under the law.