

# CORPORATIONS LAW

<b>PART 1</b>	<b>2</b>
CHARACTERISTICS OF BUSINESS STRUCTURES	2
CORPORATE VEIL	3
TYPES OF COMPANIES	ERROR! BOOKMARK NOT DEFINED.
PRE-INCORPORATION CONTRACTS & PROMOTERS	ERROR! BOOKMARK NOT DEFINED.
DIRECTORS	ERROR! BOOKMARK NOT DEFINED.
WRITING	ERROR! BOOKMARK NOT DEFINED.
<b>LAW OF CONTRACT - TERMS</b>	ERROR! BOOKMARK NOT DEFINED.
EXPRESS TERMS	ERROR! BOOKMARK NOT DEFINED.
IMPLIED TERMS	ERROR! BOOKMARK NOT DEFINED.
IMPLIED TERMS – SALE OF GOODS ACT	ERROR! BOOKMARK NOT DEFINED.
CLASSIFICATION OF TERMS	ERROR! BOOKMARK NOT DEFINED.
ENDING THE CONTRACT	ERROR! BOOKMARK NOT DEFINED.
FACTORS AFFECTING THE AGREEMENT	ERROR! BOOKMARK NOT DEFINED.
<b>AUSTRALIAN CONSUMER LAW</b>	ERROR! BOOKMARK NOT DEFINED.
MISLEADING AND DECEPTIVE CONDUCT	ERROR! BOOKMARK NOT DEFINED.
<b>NEGLIGENCE</b>	ERROR! BOOKMARK NOT DEFINED.
DUTY OF CARE	ERROR! BOOKMARK NOT DEFINED.
STANDARD OF CARE	ERROR! BOOKMARK NOT DEFINED.
CAUSATION AND DAMAGE	ERROR! BOOKMARK NOT DEFINED.
REMOTENESS OF DAMAGE	ERROR! BOOKMARK NOT DEFINED.
VICARIOUS LIABILITY	ERROR! BOOKMARK NOT DEFINED.

# PART 1

## CHARACTERISTICS OF BUSINESS STRUCTURES

<p><b>Limited Liability:</b> the condition by which shareholders and directors are not personally liable for company debts except under specific circumstances.</p>		
Structure	Features	Legislation/ Authority
Company/ Corporation	<ul style="list-style-type: none"> <li>- <b>Formation:</b> registration and ongoing compliance w/ ASIC               <ul style="list-style-type: none"> <li>• <u>Separate legal entity (SLE)</u> – capacity and powers of a natural person</li> </ul> </li> <li>- <b>Liability:</b> limited</li> <li>- <b>T&amp;S:</b> generally simple</li> <li>- <b>Management:</b> <ul style="list-style-type: none"> <li>• Managed by directors (<i>minimum of 1 member</i>)</li> <li>• Owned by shareholders</li> </ul> </li> <li>- <b>Fundraising:</b> company charge, public company</li> <li>- <b>Tax:</b> flat rate 30cents/\$1</li> </ul>	<p>s124(1)</p> <p>s198A (s114)</p>
Sole Trader	<ul style="list-style-type: none"> <li>- <b>Formation:</b> limited formalities, low compliance, not SLE</li> <li>- <b>Liability:</b> unlimited</li> <li>- <b>T&amp;S:</b> difficult</li> <li>- <b>Management:</b> individual</li> <li>- <b>Fundraising:</b> limited by personal ability to borrow/assets</li> <li>- <b>Tax:</b> marginal income tax rate</li> </ul>	
Trust	<ul style="list-style-type: none"> <li>- <b>Formation:</b> complex structure, not SLE</li> <li>- <b>Liability:</b> <ul style="list-style-type: none"> <li>• <u>Settlor:</u> creates trust</li> <li>• <u>Trustee:</u> owner (unlimited liability)</li> <li>• <u>Beneficiary:</u> limited to share in trust</li> </ul> </li> <li>- <b>T&amp;S:</b> complex, subject to trust conditions</li> <li>- <b>Management:</b> trustee</li> <li>- <b>Fundraising:</b> difficult (trust cannot be sued)</li> <li>- <b>Tax:</b> <ul style="list-style-type: none"> <li>• Beneficiaries: individual marginal rates</li> <li>• Trustee: top marginal rates</li> </ul> </li> </ul>	
Partnerships	<ul style="list-style-type: none"> <li>- <b>Formation:</b> limited formality, low compliance, not SLE</li> <li>- <b>Liability:</b> unlimited</li> <li>- <b>T&amp;S:</b> complex, requires consent</li> <li>- <b>Management:</b> participation rights, managing partner</li> <li>- <b>Fundraising:</b> limited by personal ability to borrow/assets</li> <li>- <b>Tax:</b> marginal income tax rate</li> </ul>	

# CORPORATE VEIL

**Limited Liability:** the condition by which shareholders and directors are not personally liable for company debts except under specific circumstances.

Structure	Features	Legislation/ Authority
Company/ Corporation	<ul style="list-style-type: none"> <li>- <b>Formation:</b> registration and ongoing compliance w/ ASIC <ul style="list-style-type: none"> <li>• <u>Separate legal entity (SLE)</u> – capacity and powers of a natural person</li> </ul> </li> <li>- <b>Liability:</b> limited</li> <li>- <b>T&amp;S:</b> generally simple</li> <li>- <b>Management:</b> <ul style="list-style-type: none"> <li>• Managed by directors (<i>minimum of 1 member</i>)</li> <li>• Owned by shareholders</li> </ul> </li> <li>- <b>Fundraising:</b> company charge, public company</li> <li>- <b>Tax:</b> flat rate 30cents/\$1</li> </ul>	<p>s124(1)</p> <p>s198A (s114)</p>
Sole Trader	<ul style="list-style-type: none"> <li>- <b>Formation:</b> limited formalities, low compliance, not SLE</li> <li>- <b>Liability:</b> unlimited</li> <li>- <b>T&amp;S:</b> difficult</li> <li>- <b>Management:</b> individual</li> <li>- <b>Fundraising:</b> limited by personal ability to borrow/assets</li> <li>- <b>Tax:</b> marginal income tax rate</li> </ul>	
Trust	<ul style="list-style-type: none"> <li>- <b>Formation:</b> complex structure, not SLE</li> <li>- <b>Liability:</b> <ul style="list-style-type: none"> <li>• <u>Settlor:</u> creates trust</li> <li>• <u>Trustee:</u> owner (unlimited liability)</li> <li>• <u>Beneficiary:</u> limited to share in trust</li> </ul> </li> <li>- <b>T&amp;S:</b> complex, subject to trust conditions</li> <li>- <b>Management:</b> trustee</li> <li>- <b>Fundraising:</b> difficult (trust cannot be sued)</li> <li>- <b>Tax:</b> <ul style="list-style-type: none"> <li>• Beneficiaries: individual marginal rates</li> <li>• Trustee: top marginal rates</li> </ul> </li> </ul>	
Partnerships	<ul style="list-style-type: none"> <li>- <b>Formation:</b> limited formality, low compliance, not SLE</li> <li>- <b>Liability:</b> unlimited</li> <li>- <b>T&amp;S:</b> complex, requires consent</li> <li>- <b>Management:</b> participation rights, managing partner</li> <li>- <b>Fundraising:</b> limited by personal ability to borrow/assets</li> <li>- <b>Tax:</b> marginal income tax rate</li> </ul>	