

Секция «Юриспруденция»

Starting a company. Company law
Каюкова Анастасия Александровна

Студент

Московский государственный университет имени М.В. Ломоносова, Юридический факультет, Москва, Россия

E-mail: anastasia.kayukova@gmail.com

My presentation is about starting a company, and steps you should make to set it up. They are the follows:

Limited and Unlimited companies

Firstly, you should choose acceptable type of a company. There are two ways of setting such type of a company: 1) issuing shares (company limited by shares); 2) taking guarantees from the members that they will pay up the debts of the company (company limited by guarantee).

The second type is a company with unlimited liability, where the members are responsible for all of the debts of a company. An unlimited company has the advantage of being a legal entity separate from its members. They are still not popular and form little amount of the registered companies.

Public and Private companies

Secondly, companies may be public (PLCs) or private (normally having Ltd after their names). Whether a company is registered as a public one, this must be stated in the memorandum, and the words 'public limited company' (or the abbreviation PLC) must come at the end of its name. All other companies are private ones. Companies can change from public to private status.

Name of a company and number of restrictions

The choice of a name for a company is of considerable importance and subject to a number of restrictions. If it is to have limited liability the name must end with 'Limited' (or abbreviation 'Ltd') for a private company, and 'Public Limited Company' (or abbreviation 'PLC') for a public company. The name of the company and the name appearing on index should differ.

Documents delivered to registrar of companies

Thirdly, promoters who have chosen the suitable type of a company should submit to the Registrar of company some documents: document including the number and classes of shares and the purposes and durations of the company and containing provisions for the internal management of the company. If these documents are delivered the Registrar must give a certificate of incorporation. This means that the formation of the company is completed. Other restrictions contained in Companies Act 1985.

Memorandum of association

Section 2 Companies Act 1985 requires the memorandum of a company limited by shares to state: (a) the name of the company; (b) whether the company's registered office is to be situated in England and Wales or in Scotland; (c) the objects of the company; (d) that the liability of the members is limited; (e) the maximum amount of capital the company may raise and its division into shares of a fixed amount.

The memorandum of a public company must state that it is a public company. Each subscriber to the memorandum must take at least one share in the company and the number of shares must be shown against the subscriber's name. In practice, the contents of a memorandum will be much more elaborate than the suggested form.