



# Starting a business: a legal perspective

# Starting a company

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## Common Business Structures

- ↳ Sole Traders

- ↳ Partnerships: Partnership Act 1890

- ↳ Limited Companies (Ltd Co. and plc): Companies Act 2006

# Incorporating at Companies House



- Regulates all companies limited by shares or limited by guarantee
  - webcheck: due diligence
- Off the Shelf company vs DIY
- Picking a company name
  - Protected Words
  - Trademark
  - Domain name
- Legal requirements for any Company
  - Officers: Directors and Secretary
  - Registered Office
  - Share capital
  - Filing your return: **beware of late fees!**
  - Memorandum of Association
  - Articles of Association

# Incorporation and its advantages

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## Financial advantages

- ↳ Tax

- ↳ Employee status



## Spreading the Wealth

- ↳ Can sell or gift shares

- ↳ Asset that can be sold or inherited

## Separate Legal Entity

- ↳ Raise money, enter contracts

- ↳ **Limiting your personal liability**

- ↳ Purdah and veil of secrecy

# Business structures

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Franchising

Agency: Commercial Agency Regulations 1993

Distributorship

Retail vs. “B2B”: reasonableness and the man on the Clapham omnibus



# Useful Commercial Legislation

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- ☞ Data Protection Act 1998
- ☞ Distance Selling Regulations 2000 and eCommerce Regulations 2002
- ☞ Sales of Goods Act 1979: ss.12-15 - implied terms of contract
- ☞ Supply of Goods and Services Act 1981: s.13 - implied terms of contract
- ☞ Unfair Contract Terms Act 1977: how to limit your liability

# Contracts: More than just paper

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- ☞ Verbal and Written
  - ☞ Formal signature vs email
- ☞ Employment Contracts: employment tribunals
- ☞ Supplier contracts
- ☞ Customer Contracts
  - ☞ Standard terms and conditions of trading



# The Top 5: commercial law issues

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☞ The customer is not paying my invoice



☞ I want to terminate my business dealings with Company X

☞ I was promised X, and I only got Y. What can I do?

☞ Company A and its directors seem a little risky: what can I do to protect myself?

☞ I didn't bother with a contract. Is that a problem?

# Questions



## Useful resources:

[The Law Society: lawsociety.org.uk](http://lawsociety.org.uk)

[Companies House: companieshouse.gov.uk](http://companieshouse.gov.uk)

[Saifee Foundation of Europe: saifeefoundationeurope.org](http://saifeefoundationeurope.org)

[Department of Business and Innovation: bis.gov.uk](http://bis.gov.uk)