1. Outline and comparison of different types of business associations
   - sole proprietorship
   - partnership
   - registered company

2. Partnerships
   - nature of partnerships – their legal status, powers and characteristics
   - creation of partnerships
   - rights and duties of the partners inter se – rights and obligations arising in contract; fiduciary duties of partners
   - rights and duties of the partners vis-a-vis third parties – liabilities of partners to third parties in contract and tort; authority of partners to bind the partnership in transactions with third parties
   - introduction to dissolution

3. Formation of a company
   - incorporation and registration
   - problems relating to incorporation
   - types of companies

4. Nature of a company
   - separate corporate personality
   - limited liability doctrine – liability of members limited by shares or limited by guarantee
   - doctrines of piercing or lifting the corporate veil

5. Corporate constitution, authority and attribution
   - contractual effect of the company’s constitution
   - enforcement of the company’s constitution
   - ability of companies to alter the memorandum and articles, and restrictions under the general law and the Companies Ordinance; enforceability of shareholder agreements to alter the articles
   - corporate liability
   - corporate capacity
   - corporate attribution

6. Membership
   - subscribers to the memorandum
   - registration of members
   - membership in companies with share capital: issues and transfers of shares
   - rights of members
7. **Management and control**
   - the board of directors
   - the members’ general meeting
   - powers conferred by the Companies Ordinance
   - powers conferred by the articles of association
   - authority of directors to bind the company vis-a-vis third parties and agent authority and indoor management rule
   - scope of control of the board by the members in general meeting

8. **Duties of directors**
   - directors as fiduciaries
   - acting bona fide in the interests of the company
   - exercising powers for proper purposes
   - avoiding conflicts of interest – conflict rule, profit rule, misappropriation rule
   - acting with due care, skill and diligence – duties in equity and under the common law
   - forgiveness authorisation and enforcement
   - requirements of the Companies Ordinance

9. **Shareholders and shareholder rights and remedies: shareholders control over the running of the company**
   - proper plaintiff and irregularity principles – rule in Foss v Harbottle
   - derivative actions on behalf of the company – fraud on the company exception to the proper plaintiff principle; the statutory derivative action
   - members’ personal rights of action under the general law; equitable restrictions on the powers of the majority in general meeting
   - statutory remedy in relation to unfairly prejudicial conduct
   - winding up on the just and equitable grounds
   - protection of class rights under the company's constitution and under the Companies Ordinance
   - statutory injunctions

10. **Corporate Insolvency and Liquidation**
    - Types of winding up: compulsory winding up by the court and members’ or creditors’ voluntary winding up
    - Insolvency and other grounds for winding up
    - Effect of a winding up order
    - Process of winding up
    - Functions and powers of the liquidator
    - Assets available for distribution; re-opening of antecedent transactions
    - Distributions and priorities
    - Unfair Preferences
    - Dissolution
Recommended Reading List for Business Associations

**Hong Kong Texts**


**UK/General Texts**


**Sources**

- Partnership Ordinance (Cap.38)
- Companies Ordinance (Cap.622) & Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32)
- Bankruptcy Ordinance (Cap. 6)
- Hong Kong cases
- UK cases