



TU 122 LAW IN EVERYDAY LIFE

Juristic Persons

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Juristic Persons

- **What is a Juristic Person?**

Juristic person is an entity created by law and given certain legal rights and duties of a human being.



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Juristic Persons

- **Existence of Juristic Persons**

Section 65 of the TCCC

“A juristic person can come into existence only by virtue of this Code or of other law.”

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Juristic Persons

- **Existence of Juristic Persons**
- 5 types of juristic persons under TCCC:
 - 1) Registered ordinary partnership;
 - 2) Limited partnership;
 - 3) Limited company;
 - 4) Association; and
 - 5) Foundation

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Juristic Persons

- **Rights and Duties of Juristic Persons**
- Section 66 of TCCC*
- “A juristic person has rights and duties conformity with the provisions of this Code or of other law within the scope of its power and duties, or its object as provided by or defined in the law, regulation or constitutive act.”

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Juristic Persons

- **Rights and Duties of Juristic Persons**
- Section 67 of TCCC*
- “Subject to Section 66, a juristic person enjoys the same rights and is subject to the same duties as a natural person, except those which, by reason of their nature, may only be enjoyed or incurred only by a natural person.”

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- **Management of Juristic Persons**

Section 70 of TCCC

“A juristic person must have one or several representatives as prescribed by the law, regulations or its constitutive act.

The will of a juristic person is declared through its representatives.”

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- **Legal Implications of Acts done by Representatives**

(1) Scope of objects; and

(2) Scope of registered power of representatives

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Juristic Persons

- **Legal Implications of Acts done by Representatives**

(1) Scope of objects

If representatives act within the scope of the juristic person’s registered objects ...

- ➡ Such act binds the juristic person.
- ➡ Representatives are not personally liable for such act.

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Juristic Persons

- **Legal Implications of Acts done by Representatives**

(1) Scope of objects

If representatives act beyond the scope of the juristic person's registered objects ...

➔ Such act does not bind the juristic person.

➔ Representatives are personally liable for such act.

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- **Legal Implications of Acts done by Representatives**

(2) Scope of registered power of representatives

If representatives act beyond the scope of their registered power ...

➔ The juristic person can either deny or ratify the act.

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- **Liability of Representatives to Juristic Person** (Section 821, 77 TCCC)

A representative is liable for any injury resulting from ...

 - his negligence; or
 - non-execution of representation; or
 - an act done without or in excess of authority.

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- **Tortious Liability of a Juristic Person to a third party** (Section 76 TCCC)

If damage is caused by an act of representatives or the person empowered to act on behalf of the juristic person ...

- in performing their of duties ➡ A juristic person is bound to make compensation for any damage done to other persons.
- not within the scope of the object or power and duties of the juristic person ➡ The underlined persons are jointly liable to make compensation.

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Exercises

In operating business within its registered objects, Company ABC entered into a sales contract with Mr. Peter. Later, Mr. Peter failed to perform his obligations under such contract.

Can Company ABC sue Mr. Peter for a breach of contract, if filing a lawsuit is not in the objects of the Company?

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Exercises

The Board of directors of Company ABC passed a resolution prohibiting the Company to enter into any contracts with Company DEF. Mr. Flynn, an authorized director of Company ABC, violated the resolution and entered into a service agreement with Company DEF on behalf the Company.

Assuming that the service agreement is within the objects of Company ABC, can Company ABC deny the agreement?

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