2. Corporate personality and limited liability

Company Law (10th edn)
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Titles in the Core Text series take the reader straight to the heart of the subject, providing focused, concise, and reliable guides for students at all levels. This chapter deals with corporate personality and limited liability, two concepts that form the core of company law. It begins with a short historical background on how the process of corporatisation through charters evolved over time, including the emergence of the use of trust as an instrument to confer many of the privileges of incorporation. It then considers the case *Salomon v Salomon & Co* (1897) which decided on the legitimacy of small businesses with a corporate form, and offers some other good examples of the consequence of separate personality. The chapter also discusses the rights of members and shareholders with respect to ownership of the corporation, focusing on dispersed shareholdings and close companies.
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