



جامعة طنطا
كلية الحقوق

مادة مصطلحات قانونية بلغة إنجليزية

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الماضرة الثالثة

The Company's Contract

▶ Abstract and Division :

- ▶ As we said above, Article (505) of the Civil Group provides that, "The Company is a contract under which two or more persons agree to start a financial project or business with aim of sharing its profit or loss".

Accordingly, the company's formation requires that the general substantive elements of contracts are met. Yet, there are other special and formal elements, the company's formation requires. Without such elements, the company's contract is said to be null and void.

The Company's Contract

- ▶ **The General substantive elements of the Company's Contract**
- ▶ **Abstract and Division :**
- ▶ **The formation of the company's contract requires that the general elements of any contract are met. This includes: consent , object, cause and capacity.**
- ▶ **Consente :**
- ▶ **Consent is first element of any contractual relation and it refers to parties' agreement on all the elements and terms of the contract. Without this consent, the company's contract shall not be concluded.**

The Company's Contract

▶ Object:

- ▶ This refers to the project or the activity, whether commercial or industrial, partners aim through their company. In other words, it is
- ▶ purpose of the company. It is noteworthy that the company's object is different from partner's object of obligation as the latter refers to the quota he presented regardless of its nature.

The Company's Contract

▶ Cause:

- ▶ The cause is the reason behind concluding the contract. In fact, the purpose of concluding the company's contract is the partners' willingness to make profits out of an economic project. Since this implies no illicit act, the company's causes shall be lawful as long as it aims at making profit. On the other hand, if the company's cause is to unlawful, that is say if its purpose is 'competing or destroying another. company, the company shall be null and void.

The Company's Contract

▶ Capacity:

- ▶ The person willing to be a partner in a company should have the capacity of carrying out disposals. In fact, the capacity required for concluding the company's contract depends on partner's character and the company's form.
- ▶ The person willing to be a partner in one of the persons companies (joint-liability company, limited partnership company and joint adventure), should be enjoying his full capacity. The general partner, in these companies, acquires the character of merchants and as a result shall be liable for merchants' obligations (commercial bookkeeping and entry in the Trade Register). In addition, his liability is both personal and joint. Therefore, he should be aware of the consequences of his signature on the company's contract.