



BUSINESS LAW FOR MODERN BUSINESS MANAGEMENT

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Legal foundations · Origins of business organisations · Comparative company law

Course structure

- A · Business law: economic, political and legal foundations
- B · Origins of business organisations
- C · French partnerships and companies
- D · German and Polish partnerships and companies
- E · Business organisations in the United Kingdom and the United States
- F · Societas Europaea
- G · Comparative synthesis

LECTURE A

Business Law: Introduction

Law, institutions and the economic environment

Economic, political and legal systems

- Economic system: production, distribution and allocation of resources.
- Political system: distribution and exercise of public authority.
- Legal system: binding rules, rights, duties and dispute resolution.
- Each system influences the others; predictable law reduces transaction costs.

Separation of powers and business activity

- Legislature makes law; executive implements it; judiciary adjudicates disputes.
- Checks and balances limit arbitrary governmental action.
- Independent courts protect contracts, property rights and legal certainty.
- Regulatory quality and effective enforcement influence investment decisions.

Civil law and criminal law

- Criminal law protects public order: prosecution, punishment and deterrence.
- Civil law governs private rights: contracts, torts, property and remedies.
- Different parties, standards of proof and legal consequences.
- The same conduct can generate civil liability and criminal responsibility.

Three legal traditions

- Common law: precedent, case-based reasoning, statutes and equity.
- Civil law: codification, general legal rules, doctrinal systematisation.
- Sharia: Qur'an, Sunnah and juristic interpretation; application differs by jurisdiction.
- Modern legal systems frequently combine traditions and statutory reforms.

Common law vs civil law: practical comparison

- Primary technique: precedent and analogy vs codified rules and systematic interpretation.
- Judges develop legal principles in both traditions, but their formal roles differ.
- Legislation is fundamental in modern common-law business regulation as well.
- Legal transplants and hybrid systems prevent rigid classification.

LECTURE B

Origins

Four archetypes of modern business organisations

B.1. Four historical archetypes of business organisation

A simplified genealogy of the principal Western company-law forms

From personal cooperation to the modern capital company

I. Civil partnership

- Roman law: *societas*
- Classical period: mature consensual contract
- Community + contract
- No separate legal personality
- Modern descendants: GbR, *société civile*, *spółka cywilna*

II. General partnership

- Medieval Northern Italy
- c. 12th–14th centuries
- *societas fratrū* → *compagnia*
- Common firm + common business
- Unlimited personal liability

III. Joint-stock company

- Early modern Europe
- 16th–17th centuries
- Chartered trading companies
- Permanent capital + transferable shares
- Separation of investors and management

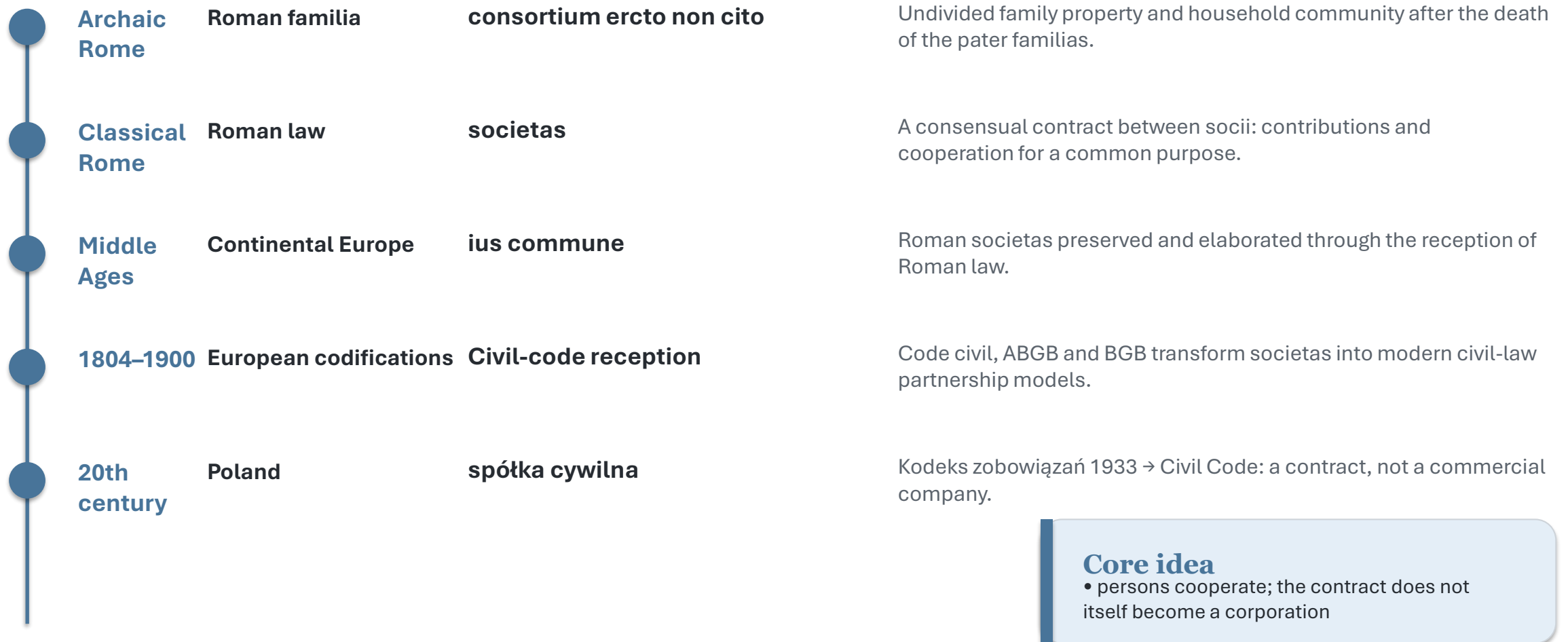
IV. Private limited company

- Germany, 1892
- GmbH as a legislative invention
- Limited liability for closed businesses
- Legal personality + flexible governance
- Model received across continental Europe

PERSONAL COMMUNITY → COMMERCIAL PARTNERSHIP → CAPITAL ASSOCIATION → CLOSED LIMITED-LIABILITY COMPANY

B.2. Civil partnership – from Roman *societas* to modern civil codes

The oldest archetype: cooperation without creating a corporation



The civil partnership grew out of a **COMMUNITY** and a **CONTRACT** – not out of the idea of a separate company.

B.3. General partnership – from merchant household to commercial firm

The decisive shift from an internal contract to an organisation acting externally

●	12th–14th c.	Northern Italy	societas fratrum	Family merchants continue a common enterprise; property, labour, management and risk are pooled.
●	Middle Ages	Italian city-states	compagnia	The family model expands to non-family merchants operating under a common firm.
●	13th–16th c.	European trade	lex mercatoria	Mutual authority, external dealings and unlimited liability become characteristic features.
●	1673 / 1807	France	SNC tradition	Ordonnance de Commerce and Code de commerce codify the collective-name partnership.
●	1861 / 1897	Germany	OHG	ADHGB and later HGB establish the continental model of the offene Handelsgesellschaft.
●	1934 → today	Poland	spółka jawna	Commercial Code → Commercial Companies Code: separate commercial partnership with personal liability.

The general partnership grew out of the **COMMON BUSINESS OF MERCHANTS: firm + management + representation + unlimited liability.**

B.4. Joint-stock company – capital becomes independent of the investors

The historical answer to large-scale, long-term and high-risk enterprise

●	Late Middle Ages	Italy / Genoa	comperae / maonae	Early forms of pooled investment and transferable financial participation.
●	1407	Genoa	Bank of Saint George	Permanent organisation, pooled capital and investor interests – an important institutional predecessor.
●	1600 / 1602	England / Netherlands	EIC / VOC	Chartered companies combine permanent joint stock, transferable shares and centralised management.
●	17th–18th c.	Europe	joint-stock company	Investor identity becomes less important; shares can circulate without dissolving the enterprise.
●	19th century	Europe	general incorporation	Charter/concession gradually gives way to registration; statutory limited liability becomes generalised.
●	19th–20th c.	Europe / US	SA – AG – plc – corporation	The public/share corporation becomes the standard vehicle for large-scale capital accumulation.

The joint-stock company grew out of the **NEED TO ACCUMULATE CAPITAL independently of the persons who provided it.**

B.5. Private limited company – limited liability for the closed enterprise

A late nineteenth-century legislative invention filling the gap between partnership and Aktiengesellschaft

The problem

- partnership = flexible but unlimited liability
- AG = limited liability but complex and capital-market oriented

Germany – 1892

- Gesetz betreffend die Gesellschaften mit beschränkter Haftung
- creation of the GmbH

The solution

- legal personality + limited liability
- closed membership + flexible governance

Reception of the GmbH-type model

1892

Germany
GmbH

1906

Austria
GmbH

1919/1934

Poland
sp. z o.o.

1925

France
SARL

20th c.

Europe
S.r.l. / S.L. / other
equivalents

Parallel Anglo-American path

- UK: private company develops within existing company law; US: close corporation, and much later the LLC – functionally comparable, but historically distinct.

The private limited company was consciously designed to combine **CORPORATE SEPARATENESS** with the **FLEXIBILITY OF A CLOSED BUSINESS**

B.6. Global reception of company law – with particular focus on Asia

Western corporate forms became a global legal language through colonisation, modernisation and legal transplantation

Continental Europe

- French commercial/company law
- German commercial law + GmbH model

Japan

- Meiji reception
- strong German influence
- post-1945 US influence

China

- indigenous shareholding practices
- Company Law 1904
- German/Japanese influence

Vietnam

- French colonial reception
- socialist interruption
- Đổi Mới → modern Enterprise Law

United Kingdom

- joint-stock / Companies Acts
- colonial common-law reception

India

- British colonial reception
- English company-law structure retained and adapted

Hong Kong

- direct English common-law reception
- modern local adaptation

Singapore / Malaysia

- English company-law heritage
- independent modern development

United States

- post-war corporate governance influence
- later influence on Asian market regulation

The Asian pattern

Asia did not import the idea of collective enterprise. It primarily received the legal technology of the modern company: separate personality, defined ownership interests, limited liability and corporate governance — then adapted it to local institutions.

RECEPTION → ADAPTATION → HYBRIDISATION: modern company law is global, although its principal historical forms are predominantly Western.

LECTURE C

French Law

C.1. Types of commercial partnerships and companies in French law

Commercial companies (sociétés commerciales)

Partnerships (sociétés de personnes)

SNC

(société en nom collectif)

SCS

(société en commandite simple)

Capital companies (sociétés par actions)

SA

(société anonyme)

SAS

(société par actions simplifiée)

SASU

(société par actions simplifiée
unipersonnelle)

SCA

(société en commandite par actions)

Limited liability companies (sociétés à responsabilité limitée)

SARL

(société à responsabilité limitée)

EURL

(entreprise unipersonnelle
à responsabilité limitée)

C.2. Partnerships (*sociétés de personnes*)

Feature	SNC <i>(société en nom collectif)</i>	SCS <i>(société en commandite simple)</i>
Type	Partnership	Partnership
Minimum capital	No minimum capital	No minimum capital
Right to conduct affairs	All partners	Only general partners (commandités)
Representation	All partners	Only general partners (commandités)
Liability of partners for company obligations	Unlimited and joint and several liability of all partners, with personal assets	• General partners (commandités): unlimited and joint and several liability, with personal assets • Limited partners (commanditaires): liability limited to the amount of their contribution
Organs	No separate organs (rules result from the partnership agreement and the Commercial Code)	No separate organs (rules result from the partnership agreement and the Commercial Code)
Notes	All partners are commerçants.	At least one general partner and one limited partner required. Limited partners are not treated as commerçants.

C.3. Capital companies (*sociétés par actions*)

Feature	SA <i>(société anonyme)</i>	SAS <i>(société par actions simplifiée)</i>	SASU <i>(société par actions simplifiée unipersonnelle)</i>	SCA <i>(société en commandite par actions)</i>
Type	Capital company	Capital company	Capital company	Mixed company (capital/partnership)
Minimum capital	€ 37,000	No minimum capital	No minimum capital	€ 37,000
Right to conduct affairs	Monistic model: directeur général under the supervision of the conseil d'administration Dualistic model: directoire	President (and other bodies as provided in the articles of association)	President (who may be the sole shareholder or a third party)	General partner(s) (commandité(s))
Representation	Directeur général (and, where applicable, authorised deputy directors); in the dualistic model: directoire	President (or authorised person)	President (or authorised person)	General partner(s) (commandité(s))
Liability of shareholders for company obligations	Limited to the amount of their contributions	Limited to the amount of their contributions	Limited to the amount of their contributions	Shareholders: limited to contributions; general partners: unlimited and joint and several liability
Organs	General meeting; either conseil d'administration + directeur général, or directoire + conseil de surveillance	Flexible – determined in the articles of association (President mandatory; other bodies possible)	Sole shareholder exercises powers reserved to shareholders; President manages and represents the company	General meeting of shareholders; general partner(s) as management body; supervisory board
Notes	Public/share company; two alternative governance models.	Flexible structure.	Single-shareholder version of SAS.	Combines capital and partnership features.

C.4. Limited liability companies (*sociétés à responsabilité limitée*)

Feature	SARL (<i>société à responsabilité limitée</i>)	EURL (<i>entreprise unipersonnelle à responsabilité limitée</i>)
Type	Limited liability company (with hybrid features)	Single-member limited liability company (unipersonal)
Minimum capital	No minimum capital	No minimum capital
Right to conduct affairs	One or more managers (gérants)	Manager (gérant) — may be the sole shareholder or a third party
Representation	Manager(s) (gérant(s))	Manager (gérant)
Liability of partners for company obligations	Limited to the amount of their contributions	Limited to the amount of the contribution
Organs	Shareholders' meeting; manager(s) (possibly a supervisory board in certain cases)	Single shareholder exercising the powers of the shareholders' meeting; manager
Notes	Designed for small and medium-sized businesses. Combines features of capital and partnership companies.	Single-member version of SARL.

LECTURE D

German and Polish Law

D.1.a. Types of commercial partnerships and companies in German law

Commercial partnerships and companies

(Personengesellschaften and Kapitalgesellschaften)

GbR

(Gesellschaft des bürgerlichen Rechts)

OHG

(Offene Handelsgesellschaft)

KG

(Kommanditgesellschaft)

Stille Gesellschaft

Partnerschaft

(Partnerschaftsgesellschaft)

GmbH

(Gesellschaft mit beschränkter Haftung)

AG

(Aktiengesellschaft)

D.1.b. Partnerships (*Personengesellschaften*)

Feature	GbR (<i>Gesellschaft des bürgerlichen Rechts</i>)	OHG (<i>Offene Handelsgesellschaft</i>)	KG (<i>Kommanditgesellschaft</i>)	Stille Gesellschaft	Partnerschaft (<i>Partnerschaftsgesellschaft</i>)
Type	Partnership	Partnership	Partnership	Internal partnership	Professional partnership
Minimum capital	No minimum	No minimum	No minimum	No minimum	No minimum
Right to conduct affairs	All partners, unless otherwise agreed	All partners, unless otherwise agreed	General partner(s) (Komplementär(e))	Entrepreneur conducts the business	All partners, unless otherwise agreed
Representation	All partners jointly, unless otherwise agreed	Each partner, unless otherwise agreed	General partner(s) (Komplementär(e))	Only the entrepreneur externally	Partners, according to the partnership agreement
Liability of partners for partnership obligations	Partners generally have personal, unlimited and joint and several liability	Personal, unlimited and joint and several liability of all partners	General partners: unlimited liability; limited partners: liability generally limited to the registered contribution	No external liability of the silent partner towards the entrepreneur's creditors	Partners generally have personal liability; professional liability may be limited in a PartG mbB
Registration / legal status	Optional registration in the Gesellschaftsregister (eGmbH)	Registration in the Handelsregister	Registration in the Handelsregister	No registration as a separate entity	Registration in the Partnerschaftsregister
Notes	Basic civil-law partnership.	Commercial partnership.	At least one general and one limited partner.	Silent participation in another person's business.	For members of liberal professions.

D.1.c. Corporate companies (*Kapitalgesellschaften*)

Feature	GmbH <i>(Gesellschaft mit beschränkter Haftung)</i>	AG <i>(Aktiengesellschaft)</i>
Type	Limited liability company	Joint-stock company
Minimum capital	€ 25,000	€ 50,000
Right to conduct affairs	Managing director(s) (Geschäftsführer)	Management board (Vorstand)
Representation	Managing director(s) (Geschäftsführer)	Management board (Vorstand)
Liability for company obligations	Limited to the company's assets	Limited to the company's assets
Registration	Registration in the commercial register	Registration in the commercial register
Organs / notes	Shareholders' meeting; managing director(s) (Geschäftsführer); supervisory board (Aufsichtsrat) only where required by law or provided for. Most common form for SMEs.	General meeting; management board (Vorstand); supervisory board (Aufsichtsrat) — mandatory. Suitable for larger companies and access to capital markets.

D.2.a. Types of commercial partnerships and companies in Polish law

Commercial partnerships and companies (spółki handlowe)

Partnerships (spółki osobowe)

Spółka jawna (sp.j.)
Registered partnership

Spółka partnerska (sp.p.)
Professional partnership

Spółka komandytowa (sp.k.)
Limited partnership

Spółka komandytowo-akcyjna (S.K.A.)
Limited joint-stock partnership

Capital companies (spółki kapitałowe)

Spółka z ograniczoną odpowiedzialnością (sp. z o.o.)
Limited liability company

Prosta spółka akcyjna (P.S.A.)
Simple joint-stock company

Spółka akcyjna (S.A.)
Joint-stock company

D.2.b. Commercial partnerships in Polish law

Registered partnership (sp.j.)

Partners generally have unlimited, subsidiary and joint and several liability.

Professional partnership (sp.p.)

For regulated professions; a partner generally does not answer for another partner's professional malpractice.

Limited partnership (sp.k.)

General partners have unlimited liability; limited partners' liability is capped by the komandytowa sum, subject to statutory rules.

Limited joint-stock partnership (S.K.A.)

General partners have unlimited liability; shareholders generally bear no personal liability.

All four are organisational entities with legal capacity, but without legal personality.

D.2.c. Capital companies in Polish law

Limited liability company
(sp. z o.o.)

Minimum capital
PLN 5,000

Management board; shareholders' meeting; supervisory board in statutory cases

Simple joint-stock company
(P.S.A.)

Minimum capital
PLN 1 share capital

Management board and optional supervisory board, or board of directors

Joint-stock company
(S.A.)

Minimum capital
PLN 100,000

Management board; mandatory supervisory board; general meeting

All three have legal personality. Shareholders are generally not personally liable for company debts.

LECTURE E

UK and US Law

E.1.a. Types of commercial partnerships and companies in UK law

Business organisations in UK law

*(Partnership Act 1890 & Companies Act 2006)
(England and Wales)*

Partnerships

(Partnership Act 1890)

General partnership

(partnership)

Limited partnership

(limited partnership)

Limited liability partnership

*(Limited Liability
Partnerships Act 2000)*

LLP

*(limited liability
partnership)*

Private company limited by shares

(Ltd)

Company limited by guarantee

(Ltd by guarantee)

Public limited company

(plc)

E.1.b. Partnerships (*Partnership Act 1890*)

Feature	General partnership <i>(partnership)</i>	Limited partnership <i>(limited partnership)</i>
Type	Partnership (unincorporated)	Partnership (unincorporated)
Minimum capital	No minimum capital	No minimum capital
Formation	No specific form required (subject to exceptions, e.g. transactions involving land)	Must be registered at Companies House
Right to conduct affairs	All partners	Only general partner(s)
Representation	All partners	Only general partner(s)
Liability of partners for partnership obligations	Joint and several, unlimited liability (all partners)	General partner(s): unlimited liability Limited partner(s): liability limited to the amount of their contribution
Separate legal personality	No in England and Wales; yes in Scotland	No in England and Wales; Scottish limited partnerships have separate legal personality
Registration	Not required	Mandatory registration at Companies House
Organs / notes	No separate organs (based on partnership agreement). Arises by agreement or implication (s. 2 Partnership Act 1890).	No separate organs (based on partnership agreement). At least one general partner and one limited partner required.

E.1.c. Limited liability partnership (*Limited Liability Partnership Act 2000*)

Feature	LLP (<i>limited liability partnership</i>)
Type	Partnership with separate legal personality (hybrid form)
Minimum capital	No minimum capital
Formation	Registration at Companies House (written LLP agreement recommended)
Right to conduct affairs	Members (according to the LLP agreement)
Representation	Each member is, in principle, an agent of the LLP (subject to restrictions in the LLP agreement)
Liability of members for LLP obligations	Limited: members are not liable for the debts of the LLP solely by reason of being members
Separate legal personality	Yes (can own property, sue and be sued)
Registration	Mandatory registration at Companies House
Organs / notes	No statutory organs; management is based on the LLP agreement. Combines features of a partnership and a company; flexible internal structure, widely used for professional practices (e.g. law and accounting firms).

E.1.d. Companies (*Companies Act 2006*)

Feature	Private company <i>limited by shares</i> <i>(Ltd)</i>	Company limited <i>by guarantee</i> <i>(Ltd by guarantee)</i>	Public limited company <i>(plc)</i>
Type	Company (incorporated)	Company (incorporated)	Company (incorporated)
Minimum capital	No statutory minimum share capital	No share capital (members provide a guarantee)	£50,000 or €57,100 authorised minimum; at least 25% of nominal value plus the whole share premium must be paid up
Formation	Incorporation by registration at Companies House	Incorporation by registration at Companies House	Incorporation by registration at Companies House
Right to conduct affairs	Directors	Directors	Directors
Representation	Directors (or authorised persons)	Directors (or authorised persons)	Directors (or authorised persons)
Liability of members for company obligations	Limited to the amount unpaid on their shares	Limited to the amount of their guarantee	Limited to the amount unpaid on their shares
Separate legal personality	Yes	Yes	Yes
Registration	Mandatory registration at Companies House	Mandatory registration at Companies House	Mandatory registration at Companies House
Organs	Shareholders' meeting; directors (optional: audit committee)	Members' meeting; directors (optional: audit committee)	Shareholders' meeting; directors (audit requirements depend on applicable statutory rules)
Notes	Most common form for SMEs. Restrictions on share transfers.	Common for non-profit organisations (e.g. charities, professional bodies).	Can offer shares to the public; subject to additional regulatory requirements (e.g. prospectus and listing rules).

E.2.a. Types of business entities in U.S. law

Business entities in the United States *(state law, model statutes and case law)*

General partnership
(GP)

Limited partnership
(LP)

Limited liability partnership
(LLP)

Limited liability company
(LLC)

Corporation

C corporation
(standard federal tax treatment)

S corporation
(elective federal tax status)

Benefit corporation
(where authorised by state law)

E.2.b. Partnerships (*uniform acts and state law*)

Feature	General partnership (GP)	Limited partnership (LP)	Limited liability partnership (LLP)
Legal nature	Unincorporated partnership	Unincorporated partnership	Partnership with limited liability (for duly qualified partners)
Minimum capital	No minimum	No minimum	No minimum
Formation	Partnership agreement (no specific form; written form recommended)	Certificate of limited partnership (filed with the state; partnership agreement)	Registration with the state (written LLP agreement recommended)
Right to conduct business	All partners	General partner(s)	All partners (members)
Management	All partners	General partner(s)	All members (unless otherwise provided in the agreement)
Liability for obligations	Joint and several, unlimited (usually subsidiary: creditor first against partnership assets under RUPA)	General partner(s): unlimited, joint and several; limited partner(s): limited to their contribution	Limited: partners are not liable for LLP debts solely by reason of being partners, subject to state law
Separate legal personality	Entity approach under RUPA; precise status varies by state	Depends on applicable state law	Depends on applicable state law
Registration	Not generally required (subject to state requirements)	Required (state filing)	Required (state filing)
Notes	Most common partnership form.	At least one general partner and one limited partner required.	Widely used in professional practices (e.g. law and accounting firms). Availability and rules vary by state.

E.2.c. Limited liability company (LLC)

Feature	LLC (<i>limited liability company</i>)
Type	Separate legal entity with a flexible, hybrid structure
Minimum capital	No statutory minimum capital
Formation	Filing of articles / certificate of organization with the competent state authority; operating agreement usually governs internal relations
Right to conduct affairs	Member-managed LLC: members; manager-managed LLC: appointed manager(s)
Representation	Members or managers, depending on the management structure and applicable state law
Liability of members for LLC obligations	Generally limited: members are not personally liable for LLC obligations solely by reason of being members
Separate legal personality	Yes
Registration	Required under the law of the state of formation
Notes	Highly flexible form combining limited liability with partnership-style internal organisation. Tax treatment is generally flexible under federal tax rules. Exact rules vary by state.

E.2.d. Corporations (*state corporate law*)

Feature	Corporation
Type	Separate legal entity (corporation)
Minimum capital	Generally no statutory minimum capital under modern state corporate statutes
Formation	Filing of articles / certificate of incorporation with the competent state authority; bylaws regulate internal organisation
Right to conduct affairs	Board of directors manages or directs the management of the corporation
Representation	Officers and other authorised agents act for the corporation; allocation of authority depends on state law and corporate documents
Liability of shareholders for corporate obligations	Limited: shareholders are generally not personally liable for corporate debts solely by reason of being shareholders
Separate legal personality	Yes
Registration	Required under the law of the state of incorporation
Organs / notes	Shareholders elect the board of directors; the board appoints officers. C corporation and S corporation are principally federal tax classifications, not distinct state-law corporate forms. Benefit corporation status exists in states that authorise it.

LECTURE F

The European Company

Societas Europaea: basic concept

- EU public limited-liability company with separate legal personality.
- Council Regulation (EC) No 2157/2001; Directive 2001/86/EC on employee involvement.
- Minimum subscribed capital: EUR 120,000.
- EU rules are supplemented by national public-company law of the registered-office state.

Four main routes to create an SE

- Cross-border merger of qualifying public limited-liability companies.
- Formation of a holding SE by qualifying companies.
- Formation of a subsidiary SE by qualifying entities.
- Conversion of an eligible national public limited-liability company with a qualifying cross-border subsidiary.

Registered office and cross-border transfer

- Registered office and head office must be in the same Member State.
- Registered office can move to another Member State without liquidation.
- The SE retains legal identity, but the supplementary national law changes.
- Procedural safeguards protect shareholders, creditors and employees.

Governance: one-tier or two-tier

- Two-tier: management organ and separate supervisory organ.
- One-tier: administrative organ with executive arrangements under applicable rules.
- Shareholders' general meeting remains an essential organ.
- Employee involvement is addressed through negotiations and applicable standard rules.

SE: the central lesson

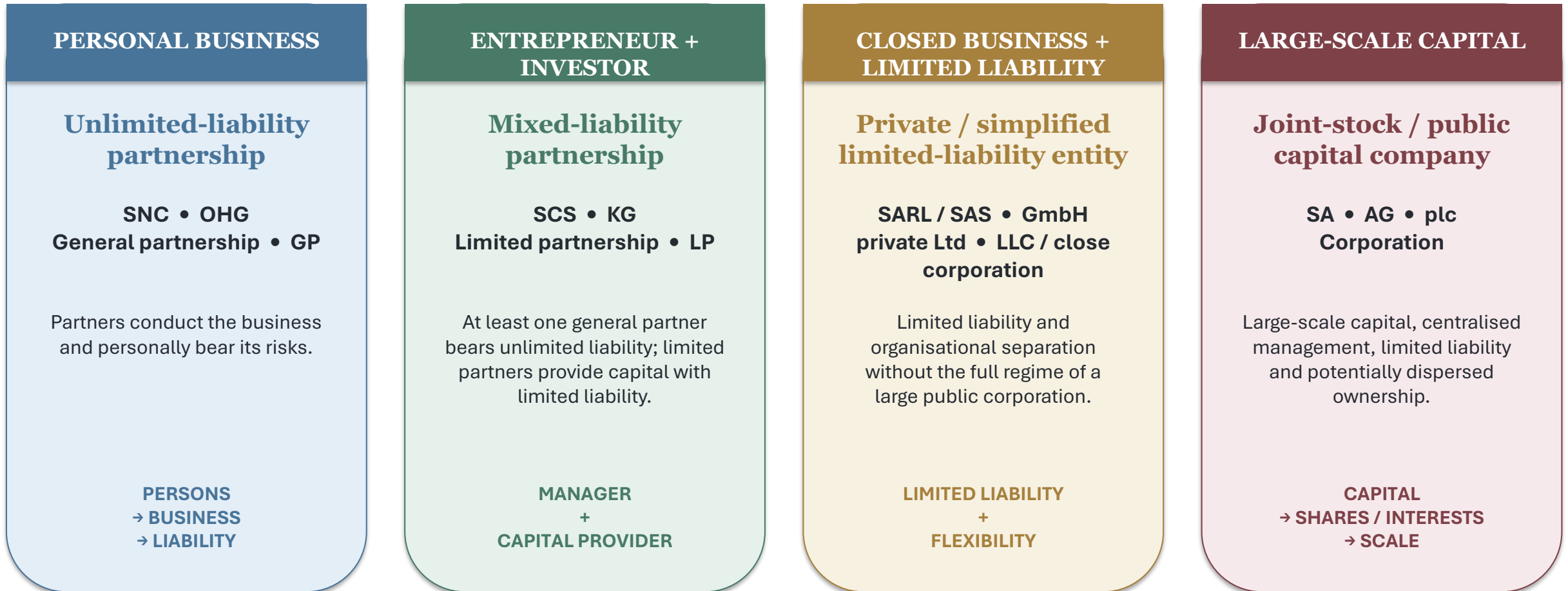
- A European legal form does not eliminate national company law.
- Cross-border restructuring and mobility are key advantages.
- Governance choices reflect both continental one-tier and two-tier traditions.
- The SE illustrates legal integration without complete legal uniformity.

LECTURE G

Comparative synthesis

G Common functional architecture of company law

Different legal forms – similar economic and organisational functions



Additional recurring model: LIMITED-LIABILITY / PROFESSIONAL PARTNERSHIP → PartG / PartG mbB • LLP • LLP

COMPARATIVE LAW: functional convergence despite doctrinal diversity

G From person-based to capital-based organisation

Key dimensions differentiating the principal functional types

	PERSONAL PARTNERSHIP	MIXED-LIABILITY PARTNERSHIP	PRIVATE / CLOSED LIMITED-LIABILITY COMPANY	LARGE / PUBLIC CAPITAL COMPANY
Owners' liability	Unlimited	General: unlimited Limited: limited	Limited	Limited
Management	Partners	General partner(s)	Managers / directors; owners may remain influential	Specialised management / board
Ownership vs management	Owners $\approx$ managers	Partial separation	Possible separation	Structural separation
Legal separateness / personality	Variable by jurisdiction	Variable by jurisdiction	Generally separate entity / legal personality	Separate legal personality
Statutory minimum capital	Generally none	Generally none	None / low / jurisdiction- dependent	More likely; jurisdiction- dependent
Transferability / ownership	Personal; restricted	Generally restricted	Closed / relatively restricted	Potentially transferable / dispersed
Continuity	More dependent on partners	Intermediate	High	High
Governance	Contractual flexibility	Contractual; role-based	Flexible corporate governance	More institutionalised / formalised
External equity / markets	Very limited	Passive investor possible	Private external capital	Potential access to public capital markets

owner-management → separation of ownership and management | personal liability → limited liability | contractual governance → institutionalised governance

The distinction is multidimensional: legal form follows different combinations of liability, governance, ownership, continuity and financing.

Final takeaway: functional convergence

- Personal cooperation → general partnership.
- Entrepreneur + investor → mixed-liability partnership.
- Closed business + limited liability → private or simplified company.
- Large-scale capital → joint-stock or public company.
- Different doctrinal forms often solve the same economic problem.