

CPA PROFESSIONAL: CORPORATE LAW

Aim

On completion of this module students will have a knowledge of Irish Law, its application and relevance to a member of the profession as a provider of auditing services, advisor or accountant within an organisation.

Corporate Law as an Integral Part of the syllabus

The legal principles learnt in this subject will be relevant to students throughout their professional accountancy studies. In particular, this syllabus is an essential co-requisite for the study of Financial Reporting, Advanced Taxation, Audit & Assurance and Managerial Finance, and is an essential component for the further study of Advanced Financial Reporting, Advanced Audit & Assurance, and Advanced Tax Strategy.

Syllabus and Subject Dependencies

LEVEL	SUBJECT					
CPA Foundation	Financial Accounting	Management Fundamentals	Taxation		Management Accounting	
CPA Professional	Financial Reporting	Corporate Law	Advanced Taxation	Audit & Assurance	Performance Management	Managerial Finance
CPA Strategic	Advanced Financial Reporting	Strategy & Leadership	Advanced Tax Strategy	Advanced Audit & Assurance	Data Analytics for Finance	Strategic Corporate Finance

Minimum Intended Learning Outcomes

On successful completion of this module, students will be able to:

- Discuss the main sources of Irish law
- Explain and apply the laws of contract, tort, sale of goods and services and data protection
- Interpret the law of agency, distinguishing between principal and agent and their respective rights and duties
- Demonstrate the application of elements of company and partnership law in relation to how business entities and partnerships are formed, structured and regulated, as well as their commercial relationships including the various classifications of company capital and the rules governing its maintenance and distribution
- Advise on the role of company officers, including the appointment appointment, dismissal and duties of: directors, the auditor, and the company secretary
- Discuss the appointment, rights and duties of receivers, liquidators and examiners and outline the implications of their appointment on key stakeholders.
- Interpret and advise on law of employment, including rights and duties of employers and employees.

Indicative Syllabus

		Competency Level
Sources of Law	<ul style="list-style-type: none"> • The sources of law • The legal system in operation • EU law 	1 1 1
Law of Contract, Tort, Sale of Goods & Services, Employment & Data Protection	<ul style="list-style-type: none"> • Formation of a contract • Formalities of a contract • Discharge of a contract and remedies • Principles of tort • Consumer rights • General data protection regulation 	2 2 2 2 2 2
Law of Agency	<ul style="list-style-type: none"> • Agency relationships, duties and liability 	2
Company Formations & Partnerships	<ul style="list-style-type: none"> • Business organisations • Partnerships • Company formations • Membership of a company • Share capital • Borrowings 	2 2 2 2 2 2
Company Law - Officers & Meetings	<ul style="list-style-type: none"> • Directorships • Company secretary & auditor • Proper books of account, annual returns, company accounts • Company meetings • Office of the Director of Corporate Enforcement 	2 2 1 1 1
Examinerships, Receiverships & Liquidations	<ul style="list-style-type: none"> • Liquidations • Receiverships • Examinerships 	2 2 2
Law of Employment	<ul style="list-style-type: none"> • Contracts of employment • Rights and duties of employers and employees • Termination, dismissal and redundancy • Leave – rights and entitlements 	2 2 2 2

Learning Guide

Sources of Law

- Discuss the main sources of Irish law; common law and equity, judicial precedent and case law, statute law. Describe the role of the Constitution of Ireland. Reconstruct development of Irish company law and EU law
 - Explain the legal system in operation in Ireland – doctrine of separation of powers, basic institutions of the State, the requirements of natural and Constitutional justice, structure of the courts, civil and criminal divisions, solicitor/barrister relationship, functions of the Attorney General and the Director of Public Prosecutions, interpretation of statutes
 - Outline EU Law – the treaties, institutions, decisions, recommendations, and opinions of the Union. Distinguish between regulations and directives.
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Laws of contract, tort, sale of goods and services and data protection

- Describe and illustrate the formation of a contract, including electronic contracts, – capacity, offer (versus invitation to treat), acceptance, intention to create legal relations, consideration, content, terms, representations, and exclusion clauses
 - Understand and apply the formalities of a contract to include contract terms and electronic contracts
 - Discuss and demonstrate the performance of a contract, discharge and remedies for breach of contract
 - Describe principles of tort, negligence including professional negligence, passing off, remedies and defences
 - Advise on consumer rights under the sale of goods and supply of services legislation with reference to the Consumer Protection Act 2007
 - Discuss and apply the General Data Protection Regulation - outline the rules for processing and storing data, the principles of data protection and the rules regarding providing access to data.
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The Law of Agency

- Demonstrate an understanding of the creation and termination of agency relationship, as well as authority, rights and duties of agents and principals
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Company formations, partnerships and their commercial relationships

- Describe the various forms of business organisations: sole traders, partnerships (limited, unlimited), companies (private, public, limited, unlimited, limited by guarantee, and designated activity companies)
 - Discuss the separate legal personality of the company, the veil of incorporation, ultra vires rule and designated activity and public limited companies, liability of a company in respect of unauthorised or irregular transactions, in both tort and criminal law. The doctrine of apparent authority and the rule in Royal British Bank v. Turquand.
 - Describe partnership agreements. Discuss the formation, termination and dissolution of partnerships. Outline partners' rights, liabilities and authority.
 - Describe and outline company formation, registration and associated documents. Discuss the advantages and disadvantages of incorporation, the veil of incorporation
 - Advise on membership of a company – becoming a member, capacity to be a member, register of members, disclosure of interests in shares, rights and duties of a shareholder.
 - Describe share capital, different classes of shares, capital, variation of rights of classes of shareholders, including, flotation of a company. Explain nominal value of a share, share premium, discounts, allotment of shares, bonus and rights issue. Describe and explain the introduction to capital maintenance.
 - Understand and explain calls, liens, forfeiture and surrender of shares. Discuss transfer and transmission of shares and share agreements. Explain the process and rules around dividends and distribution of profits.
 - Discuss borrowings, loan capital and debentures. Describe fixed and floating charges & distribution of assets
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Company Law – officers and meetings

- Advise on the formalities to be a director, duties, powers and responsibilities of directors, disqualification, restriction, and authority. Corporate offences and money laundering
 - Advise on the formalities to be a company secretary or auditor, duties, powers and responsibilities. The removal of an auditor.
 - Discuss the maintenance of proper books of account, annual returns and company accounts
 - Describe procedures for: company meetings including; notice, agenda, voting rights, quorum and records, as well as the distinction between AGM's and EGM's. Explain majority and minority rights.
 - Outline the role of the Office of the Director of Corporate Enforcement.
 - Discuss investigation of a company's affairs and liability arising from investigations.
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Learning Guide contd.

Examinerships, receiverships and liquidations

- Describe and assess the effects of a liquidation. Outline the formalities to be a liquidator, duties, powers and responsibilities, including accounts of a liquidator. Outline the various types of winding up, compulsory and voluntary winding up. Explain the order of payments of debts and charges on liquidation.
 - Describe and assess the effects of a receivership. Outline the formalities to be a receiver, rights, duties and powers of a receiver, including accounts of a receiver.
 - Describe and assess the effects of an examinership on shareholders, directors, creditors and employees, including potential liability to these. Outline the formalities to be an examiner, duties, powers and responsibilities, including the accounts of an examiner
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Law of Employment

- Describe, contrast and illustrate formation and terms of a contract of employment, contract of service and contract for services.
 - Discuss rights and duties of employers and employees.
 - Explain and distinguish between termination and unfair, constructive and wrongful dismissal and redundancy,
 - Outline rights and entitlements for maternity, paternity, adoptive and parental leave and force majeure.
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Companies Act 2014

See Examinable Material Document, on pages 84 to 89 for details of the Companies Act applicable for this examination.

Learning Resources

Core Texts

TBD

Manuals

Griffith College – Corporate Law (Latest Edition)

Supplementary Texts and Journals

Office of the Director of Corporate Enforcement / Books 1 to 7 (setting out the principal duties and powers of companies, company directors, company secretaries, members and shareholders, auditors, creditors, liquidators, receivers and examiners), free to download from: www.odce.ie/publications/companylawguidance/informationbooks.aspx

Regan / Employment Law in Ireland 2nd Revised Edition/ Bloomsbury/ 2017 / ISBN-13: 9781847663764

Forde / Employment Law / Thomson Round Hall 2009 / 3rd ed/ ISBN-13: 978-1858005522

Useful Websites (as of date of publication)

www.ise.ie - Irish Stock Exchange.

www.irishstatutebook.ie - Irish Statute Book – Office of the Attorney General.

www.cro.ie - Companies Registration Office.

www.odce.ie - Office of the Director of Corporate Enforcement.

www.clrg.org - Company Law Review Group.

Examination Approach

Students are expected to demonstrate a preliminary critical understanding of, and the ability to apply, the legal principles and concepts that underpin Irish legal systems, business and corporate law - with a particular focus on the field of accounting. They will be expected to acquire core knowledge of legal concepts and principles, and analyse practical situations in order to apply that knowledge, while supporting their answers with relevant case law and statutory provisions. Students are also expected to demonstrate clear logical thinking, excellent written communication skills and the ability to integrate learning from this and other syllabi.

Examination Format

The examination is unseen, closed -book and 3 hours in duration. The paper has 4 questions. Question 1 & 2 are compulsory. Students are required to choose 2 questions from Questions 3 to 6.

MARKS ALLOCATION	MARKS
Question 1 (Compulsory)	30
Question 2 (Compulsory)	30
Choice of 2 questions out of Question 3, 4, 5 and 6. (20 marks are allocated to each question)	40
Total	100