Course title: The law of Business Organizations in Europe
Language of instruction: English
Professor: José Ramón Salellas
Professor’s contact and office hours: 7-8 pm, Wednesdays, 40.139 (ramon.salelles@upf.edu).
Course contact hours: 45
Recommended credit: 3 US credits-5 ECTS credits
Course prerequisites: It is recommended to have satisfactorily completed law courses on corporations, or courses on business organizations. Additionally, a general introduction to accounting or management may contribute to a better completion of the course.
Language requirements: English

Course focus and approach: The course focuses on the corporate form of business organizations from a legal perspective, emphasizing the policy issues underlying the European regulation.

Course description: The course is aimed at the study of the most frequent legal forms of business organization within the European Union (corporations), taking into account the efforts undertaken in Europe to unify the legislation of the different Member States.

The course examines the relevant models of organization in a comparative perspective, looking at national and European legislation, and considering the experience in the United States. Corporate decision making process and financial structure will be examined. In addition, the course pays particular attention to the role that plays the rules of corporate governance, their different application, and the consequences of the financial crisis on these practices.

Policy issues will be emphasized, and economic and cultural arguments will be taught to provide the students with accurate analytical tools in order to examine different legal solutions.

Learning objectives: The main learning objectives of the course refer to:
1) Identification and evaluation of the European process of unification of the legislation referred to business organizations.
2) Identification of the different models of organization and of their main characteristics in a comparative perspective, that takes into account the experience in the United States.
3) Identification of the role that the rules of corporate governance play in the performance of business organizations.
4) Understanding the procedural and material effects of relevant corporate transactions such as mergers.
Course workload: The type of workload is referred to the preparation of readings consisting of legal literature, legislation, and cases. A packet of materials will be distributed.

Methods of instruction: The course is based on the work of the students on materials previously assigned for each session. It is promoted the participation of the students and the discussion of the different issues, giving special emphasis on policy aspects.

Method of assessment: Grading is based on class participation (10%) and two in-class exams, one of them at the mid of the semester, representing 40% of the total grade, and the other at the end of the semester, representing 50% of the total grade.

Absence policy: Excused absences will only be justified by an official medical report or probable family emergency. Any other reason will not justify an absence to class or changing the date of an exam. The absence policy is the following:

- 3 absences: Student loses one point out of ten.
- 4 absences: Student loses two points out of ten.
- 5 absences or more: Student receives an “Incomplete” for the course.

Classroom norms:
- No food or drink is permitted in class
- Students will have a ten-minute break after one-hour session.

Weekly schedule:

WEEK 1


WEEK 2


WEEK 3
3. European case law concerning freedom of establishment and of investment.


4. Legal entity and the formation of the company. Incorporation requirements: disclosure and public registers. Piercing the corporate veil.


WEEK 4
5. Instrument of constitution and statutes. Shareholders agreements.


WEEK 5
7. Shareholders and the general meeting. The control of corporate decisions.

8. Board of directors. Competences and structures. The codes of
corporate governance. The decisive influence of the American Law
Institute Principles on the European developments. The singularity of
the codetermination system within the European Union: the German
case.

Cadbury, A., Corporate Governance and Chairmanship. A personal


Waas, B., “Codetermination at Board Level in Germany”, ECL, 2009,

WEEK 6
9. The position of directors. Remuneration systems and the financial
crisis. Liability rules and conflicts of interest.

Bebchuck, L. y Fried, J., “Executive compensation as an agency

WEEK 7
10. Financial organization. The regulation of legal capital and the
review of its functions. Distributions to shareholders. Financial
assistance.

Enriques, L. y Macey, J., “Creditors versus capital formation: the case
against the European legal capital rules”, Cornell Law Review, 2001,
pp. 1165-1204.


WEEK 8
11. Increase and reduction of capital.


WEEK 9
12. The unification process within the European Union on accounting.
The annual accounts and the accounting duties. Balance sheet, profit
and loss account and the notes on the accounts.

June 1983.

WEEK 10
13. The statutory role of auditors.

14. Mergers: merger by acquisition and by the formation of a new company. Legal procedure and effects.

Third Directive, 78/855, 8 October 1978, on mergers.

WEEK 11

15. Cross-border mergers.


16. Division of companies.

**Required readings**: Course reading pack prepared by the professor.

**Recommended bibliography:**


