

Corporate Law and Its View Point of Locking in Capital

Authors : Saad Saeed Althiabi

Abstract : This paper discusses the corporate positioning and how it became popular as a way to systematize production because of the unique manner in which incorporation legalized organizers to secure financial capital through locking it in. The power to lock in capital comes from the fact that a corporate exists as a separate legal entity, whose survival and governance are separated from any of its participants. The law essentially creates a different legal person when a corporation is created. Although this idea has been played down in the legal learning of the last decades in favor of the view that a corporation is purely something through which natural persons interrelate, recent legal research has begun to reassess the importance of entity status. Entity status, under the law and the related separation of governance from input of financial capital through the configuration of a corporation, sanctioned corporate participants to do somewhat more than connect in a series of business transactions.

Keywords : corporate law, entity status, locking in capital, financial capital

Conference Title : ICLS 2015 : International Conference on Law and Society

Conference Location : Montreal, Canada

Conference Dates : May 11-12, 2015