



Parliament of Rosava

Companies Act 2022

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Part I

General Introductory Provisions

Preamble

An Act to standardise company law, and make sure the private, charity and public companies in the Republic are able to function well, and within law, order and in the interests of the public. The companies shall be accountable to the public, while retaining as much freedom as they can to do business and do it well-- may it be within the limits of the amount of power that shall be granted to a non-elected official.

Definition of Company

- (1) A Company, within the Companies Act, unless context requires otherwise, is a legal entity recognized by the Republic of Rosova, declared in proper manner as outlined by this document, having a charter, and a company declaration,
 - (a) Unless registered prior to the acceptance of this act by the Parliament and her members,
 - (b) With an approval and record within the Ministry of Interior and her archives.

Types of Companies

Private Companies

- (1) A private company, unless context requires otherwise, is a company owned by private citizens, and is not working directly for the interest of an organ of the Republic,
- (2) A limited liability company, whose charter limits the legal liabilities of the company solely to the legal entity of the company,
- (3) An unlimited liability company, whose charter does not limit the legal liabilities of the company, thus putting the burden of the legal bonds and responsibilities of the company to its representative and owners.

- (4) An unincorporated business, which has not been registered according to the procedures of this act, but still conducts business within the Republic. They are subject to the same limitations and standards as a private company.¹

¹ Added with the Amendment a1-ama1

Charity Companies

- (1) A charity company, unless context requires otherwise, is a private or public company with a cause other than of profit,
- (2) A charitable company, whose charter limits the legal liabilities of the company solely to the legal entity of the company,
- (3) A charitable organisation, whose charter does not limit the legal liabilities of the company, thus putting the burden of the legal bonds and responsibilities of the company to its representative and owners.

Public Companies

- (1) A public company, unless context requires otherwise, is a company directly owned and operated by an organ of the Republic,
- (2) A public company is classified as, depending on its ownership;
 - (a) A parliamentary company, for the Parliament of Rosava,
 - (b) A standard public company, for the Ministries, and any administration working under the Ministries or lower,
 - (c) A municipal public company, for Municipalities.

Part II

Company Formation

Company Declaration

- (1) In order for the company to be declared, it must release;
 - (a) A company charter-- as described by this act, if not a charterless company as described by this act,
 - (b) A company formation statement, submitted to, and approved by, the Ministry of Interior, or its dedicated subdivision, in the channels described by the Ministry, that includes;
 - (i) The statement of the type of the company as described by this act,
 - (ii) The owners of the company, and the percentage or fraction which they own,
 - (iii) The representative of the company, and the address of the representative, for the communication and legal responsibilities of the company,
 - (iv) The mission statement, and the range of business which the company intends to conduct,
 - (v) If any, land asset² declaration.
- (2) After the publishing of the charter and the approval of the company formation statement by the Ministry of Interior, or its dedicated subdivision, the Ministry of Interior must archive both documentation, and release a confirmation of formation letter, which afterwards the company has been incorporated, and can legally be classified under this act, as a company.

Company Charter

- (1) Company charter, or the charter, unless context requires otherwise, is the constitution of a company, where the working manner of a company is described, in detail, as well as the legal obligations of the owners and representative both, the owners of the company, their percentage of fractions, and the ability of those ownerships to be traded and divided, its ability to hire employees and their manners of payment, whether be strict numbers of manner of the process of payment, with amount decided on a per-case basis where it must be reported to the Ministry of Interior or a dedicated subdivision.
- (2) A charterless company may be formed by specifying so within the company formation statement, where aspects of a company normally specified within a Company Charter will be assumed as following;

² Land Asset: Any pieces of Land the company owns.

- (a) The legal obligations of the representatives and owners will be in alignment with the definition of the company type as described within their Company Formation Statement,
- (b) The Company will be owned in the manner laid out by the Company Formation Statement, and the owners will retain the rights to sell, trade and buy fractions of the company as they wish,
- (c) The manner of payment to the employees be disclosed in a separate document.

Part III

Prohibited Company Behaviour

Anti Competitive Actions

- (1) Anti competitive actions, unless context requires otherwise, is a company using capital, knowledge, reputation or any other resource to unfairly harm competitive markets, and increase the barrier to entry in unlawful manners such as;
 - (a) The intentional lowering or increasing of prices for products or services for the purpose of driving out competition, either in the same market or another, or effecting the market price of the products in the same market or another,
 - (b) The annexation to all availability to an essential resource, service or product, and using the exclusive availability of that resource, service or product to profit excessively,
 - (c) The intentional increasing in the capital, resources, manpower etc, that is required to enter a market in an otherwise unnecessary fashion,
 - (d) Using government resources, products, services or authority to gain an unfair advantage over other companies.
- (2) A company exercising anti competitive actions may be, with the actions of a People's Court, or by an appeal approved, the Supreme Court,
 - (a) The disincorporation or fracturing of a company,
 - (b) The nationalisation of a company,
 - (c) A direct order or restriction imposed upon a company.

Abuse of Persons

- (1) No company is to violate a person's rights guaranteed under the Constitution, and may be subject to legal consequence,
- (2) All companies are to follow guidelines published by the Ministry of Social Services or its dedicated subdivision, for the minimum compensation of its employees and contractors,

Endangering National and Public Interests

- (1) No company may go against the National and Public interests of Rosava, or take any action that may endanger the National Security of the Republic.

Part IV

Company Disincorporation

Company Disincorporation

- (1) Company disincorporation, unless context requires otherwise, is the process of the disbanding of a company.
- (2) A company must submit a letter to the Ministry of Interior or its dedicated subdivision at least 3 days prior to the disincorporation.
- (3) A company going through the process must complete all of its legal obligations that haven't been completed, and must transfer all legal belongings to owners, use them as closures for legal obligations or liquify them.

Asset & Monetary Compensation

- (1) The order of the priority of compensation for a company is as follows;
 - (a) The compensation for legal obligations in the form of debt, and the payment of employees,
 - (b) The legal obligations of the company through agreements, contracts and deals,
 - (c) The legal obligations of the company towards the government,
 - (d) The legal obligations of the company towards its own owners.

Company Bankruptcy

Company Bankruptcy

- (1) Bankruptcy, unless context requires otherwise, is the state where a company is unable to compensate or repay its legal obligations with its capital, where they declare a state of bankruptcy at a People's Court in order to be relieved of their legal obligations.
- (2) After the court accepts the bankruptcy of a company, the company's assets must be liquefied to compensate or repay its legal obligations that it was previously unable to pay. The extent of whose assets will be liquefied depends on the liability type of the company.
- (3) In the case that the capital and the liquefied assets of the company is not enough for the compensations or repayments of its legal obligations, the company must file a 'bankruptcy relief', where the operation of the company must be transferred to a ministry through nationalisation, or a third party provided by the court to continue operations, where the profits are used towards the repayment or compensations.
- (4) In the case that the 'bankruptcy relief' is not viable due to the company's inability to produce revenue, depending on the case and if there was any negligence or ill intent on owners or representatives of the company, the court may choose to breach the limited liability of a company.