

# Introduction to Law

# Establishment of your company

## Corporate form:

Sole traders

Partnerships

limited liability companies and privat companies

## Employees:

## **Employment certification act:**

Applies to all employees,

whose employment has a duration of more than a month

and average weekly working hours exceed 8 hours

unless the obligation to provide employee information subject to this law contained in a collective agreement.

The information in § 2.2 must be given within 1 month after the employment relationship has begun

# Corporate forms

## Sole trade company:

Runned by one person

this person is liable personally **with** the companys assets and **with** his privat assets

The company creditors can collect there outstanding debt from the companys assets and from his personal assets as they like.

Advantage: easy to set up  
no co-owners to disagree with

Disadvantages: difficult to raise the necassary capital  
no border between privat and company capital\*

## Partnerships:

Several people run a company together

The participants are personally, jointly and severally and directly liable for the companys debt.\*

Advantage: easier to raise capital  
less dependant on the life and working ability of the individual owners

Disadvantages: conflicts between the partners  
admission of new partners  
liability \*

# Limited liability companies



The people behind the company have only limited liability. They – the shareholders/unit-holders - are only liable with their investment.

The company is liable with the share capital.

Setting up

by one or more people

regulated by legislation

The people behind the company (shareholders/unitholders) have to make documents concerning the company and the company shall be registered in the danish Commerce and companies agency.

**2 sizes** and 2 regulations (in the same law):

1. A/S must have a share capital of minimum dkr. 500.000,-

2. Aps must have a unit capital of minimum dkr. 50.000

A 3. kind : Entrepreneurship companies: 1 dkr.

# Contract of employment

## Demands for the formality of the contract:

All important matters:

Minimum:

1. the name and address of the employer and the employee
2. working place
3. description of the work or the title, rank, position job category
4. the start date
5. the length of the employment in cases where it is an indeterminate contract
6. the employee's rights in regard to paid leave
7. the length notice for both parties or the rules thereof
8. The agreed wages, pension, .. and payment dates
9. The normal daily or weekly working hours.
10. Which collective agreement governs the employment

other facts which the employee may not be in doubt

- Duty to undertake overtime
- competition and customer clauses
- 120 day rule
- dress code
- demand for license and own car
- Pension
- bonus
- Insurance
- special holidays / vacation days off
- e-mail and Internet policy

## **Fine - if the formality is not as required**

minimum dkr. 1,000, - if excusable and irrelevant

The amount corresponding the salary of 13 weeks

The amount corresponding 20 weeks salary if aggravating circumstances

## **Demands** for exam

### **Statement for**

Choise of corporate form !!!

Demands for employment contract !!!

# Scrutiny of the tendermaterial

Now we are talking about the specific case of construction!!

## Your specific project

Legal scrutiny:

Grab your:

- invitation to tender
- casespecification
- contractors checklist
- legal time line

## First of all:

You are working as a **MAIN** contractor

What is the distinction to be working as a **turnkey** contractor?

What is the distinction to be working as a **tradecontractor**?

Responsibility – payment – bankruptcy

As a maincontractor you have an **own production** on which you calculate a price and some **subcontractors** from whom you get a price

## Next time

Print out the casespecification

Print out the invitation to tender

Print out the legal timeline