**ADDIS ABEBA UNIVERCITY OF**

**COMMERCE COLLEGE**

**CYBER SECURITY**

**ASSIGNMENT**

**NAME: NATHNAEL SEMERE**

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**General Partnership (Articles 183-189)**

**Article 183** introduces the fundamental concept of a general partnership by emphasizing that the partners are jointly and severally liable for the partnership’s obligations. This means that each partner can be held fully responsible for any debts or liabilities incurred by the partnership. Importantly, even if the partners make an internal agreement to limit their liability, such an agreement cannot be enforced against third parties who have dealings with the partnership. This provision ensures that third parties, such as creditors and clients, are fully protected when engaging with the partnership, knowing that all partners are equally accountable for the partnership’s obligations.

**Article 184**. According to this article, the name of the partnership must include the names of all or at least two of the partners, followed by the words “General Partnership.” This naming convention ensures transparency, clearly indicating the business structure to anyone who deals with the partnership. Furthermore, the name of the partnership must not include the names of individuals who are not partners, as this could mislead third parties regarding who is responsible for the business’s obligations. If a partner whose name is part of the partnership name exits the business, the name of the partnership must be changed accordingly. Additionally, if a person who is not a partner knowingly allows their name to be used in the partnership’s name without objecting, they assume full liability for the partnership’s obligations, just like a true partner. This provision prevents individuals from benefiting from the association with the partnership without assuming the corresponding risks.

**Article 185** details the formation of the partnership, specifically the requirements for the memorandum of association, which is the foundational document of the partnership. The memorandum of association must include several key elements, such as the firm’s name, the location of its head office and branches, if any, the names, addresses, and nationalities of the partners, the business purpose, and the contributions each partner is making. This document must also specify how profits and losses will be shared among the partners, who will manage the partnership, and the powers and duties of the managers. The memorandum serves as the legal framework for the partnership, ensuring that all partners are clear on their rights, duties, and the operational structure of the business.

**Article 186** discusses the nature and extent of contributions that each partner is expected to make to the partnership. Contributions can take various forms, including cash, property (movable or immovable), skills, trademarks, patents, or even the use of property. The ownership or use of property can be contributed, providing flexibility in how partners can invest in the partnership. Unless otherwise agreed upon, all contributions are presumed to be equal, and their nature and extent should align with the partnership’s business purpose. Valuation of contributions, particularly those in kind, should be mutually agreed upon by the partners. If it is later discovered that a contribution in kind has been overvalued, the contributing partner must pay the difference in cash. If the partner cannot pay the difference, their share in the partnership will be adjusted accordingly. This ensures fairness in the distribution of ownership and responsibility within the partnership.

**Article 187** outlines the guarantee obligations of partners who contribute in kind. A partner who contributes property must fulfill the obligations of a seller under the Civil Code, meaning they must guarantee that the property is free from defects and that they have the right to transfer it to the partnership. If a partner contributes only the use of property, they must fulfill the obligations of a lessor, ensuring that the property is fit for its intended use. If a partner contributes a debt, they are responsible as a debtor would be under a loan agreement. These provisions ensure that all partners uphold their responsibilities to the partnership and that the contributions they make are reliable and valuable to the business.

**Article 188**. When ownership of property is contributed to the partnership, the risks associated with the property transfer to the partnership in accordance with the Civil Code’s provisions on sales. However, if only the use of property is contributed, the risks generally remain with the contributing partner unless the partnership is at fault. This article clarifies how risks are allocated within the partnership, depending on the type of contribution made.

**Article 189** addresses the liability of partners who fail to make their agreed contributions on time. Such partners are liable to pay interest or penalties from the date their contribution was due, ensuring that the partnership does not suffer from delays in capital or resources that could hinder its operations. This provision enforces the importance of timely contributions and holds partners accountable for their commitments to the partnership.

**Limited Partnership (Articles 212-220)**

**Article 212** defines a limited partnership by distinguishing between general partners and limited partners. The general partners bear full responsibility for the partnership’s obligations, meaning their personal assets can be used to satisfy the partnership’s debts if necessary. In contrast, limited partners are only liable up to the amount they have invested in the partnership. This division of liability provides limited partners with a degree of security, allowing them to participate in the business without exposing themselves to the full risks that the general partners undertake.

**Article 213**. The firm-name must include the names of at least two general partners, followed by the words “Limited Partnership.” This naming convention helps third parties recognize the nature of the business and understand that there are different classes of partners within the organization. Importantly, if a limited partner’s name is included in the firm-name, that partner assumes the same liability as a general partner. This provision protects third parties who might otherwise be misled into believing that a limited partner is fully responsible for the partnership’s obligations. By ensuring transparency in the firm’s name, the code seeks to prevent misunderstandings and protect the interests of both the partners and external stakeholders.

**Article 214** outlines the requirements for the memorandum of association of the partnership, which must include all the particulars required under Article 185 of the Code, along with the designation of each partner as either a general or limited partner. The memorandum of association is the foundational document that governs the operation of the partnership. It serves as a contract between the partners, detailing their respective rights, duties, and the structure of the business. By specifying who the general and limited partners are, the memorandum clearly delineates the scope of liability for each partner, ensuring that all parties are fully aware of their responsibilities and protections within the partnership.

**Article 215**, which applies the provisions of Article 186 concerning contributions to the limited partnership. However, it adds a critical limitation: limited partners cannot contribute their skills as a form of capital. This restriction is in place to ensure that limited partners maintain their passive role in the partnership, contributing only financially and not through active management or specialized skills. This distinction is crucial because it helps preserve the limited liability status of these partners by preventing them from becoming too involved in the business operations, which could blur the lines between limited and general partners.

**Article 216** addresses the rights and obligations of general partners, applying the same rules that govern partners in a general partnership. General partners in a limited partnership have the same responsibilities and liabilities as those in a general partnership, meaning they are fully accountable for the partnership’s obligations. Unless the memorandum of association or a decision by the partners appoints a non-member as a manager, only general partners can serve as managers.

**Article 217** introduces the concept of conflict of interest among general partners. It prohibits general partners from engaging in transactions on behalf of third parties or themselves that are related to the business carried on by the partnership, unless they have the approval of the other partners. Additionally, a general partner cannot be a partner with joint and several liability in another firm that conducts similar business. These restrictions are designed to prevent conflicts of interest that could harm the partnership or its partners, ensuring that general partners remain fully committed to the success of the partnership without being distracted by competing interests.

**Article 218**. Limited partners, while enjoying restricted liability, still have certain responsibilities, such as paying their pledged contributions in full. Creditors of the partnership can compel limited partners to fulfill their financial commitments if necessary. However, limited partners are protected from having to repay dividends received in good faith after the approval of the partnership’s balance sheet. Furthermore, limited partners are prohibited from taking on managerial roles, even under a power of attorney. If a limited partner violates this prohibition, they could become jointly and severally liable with the general partners for any obligations arising from their actions. However, limited partners are not considered to be acting as managers when they participate in consultations, provide advice, inspect the firm’s books, or engage in other non-managerial activities. This article ensures that limited partners maintain their passive role while still allowing them to be involved in certain aspects of the business without risking their limited liability status.

**Article 219** deals with the transfer of shares within the partnership. Shares in the partnership cannot be transferred to third parties without the consent of all general partners and a majority of the limited partners. This provision ensures that the existing partners have control over who joins the partnership, maintaining the integrity and stability of the business. However, the memorandum of association may set a different consent threshold if the partners agree to do so. A general partner who transfers their shares remains liable for obligations incurred by the partnership prior to the transfer unless the creditors agree to the assignment of those obligations. This clause protects creditors by ensuring that they can still pursue the original general partner for debts incurred before the transfer, even if the general partner is no longer part of the partnership.

**Article 220** clarifies that the provisions of Articles 187-211 of the Code apply to limited partnerships as appropriate, unless they conflict with the specific rules governing limited partnerships. This means that many of the general rules for partnerships, such as those related to management, dissolution, and the rights of partners, also apply to limited partnerships, providing a comprehensive legal framework for their operation.

**Limited Liability Partnership (Articles 221-233)**

**Article 221** defines a Limited Liability Partnership as a business entity formed by two or more individuals to provide professional services or related complementary services. The partners’ liability is limited to the amount of their contributions, shielding their personal assets from the partnership’s liabilities. The term “professional service” refers to services provided under a professional license granted by a recognized authority, while “complementary service” includes related services necessary to provide the primary professional service. This structure is particularly beneficial for professionals like lawyers, accountants, and architects, who can pool their resources and expertise without exposing themselves to unlimited liability.

**Article 222**. The LLP is granted a legal personality distinct from its partners, meaning it can own property, enter contracts, and sue or be sued in its own name. Importantly, the LLP’s existence is not affected by changes in the status of its partners, such as death, bankruptcy, or departure. This ensures the continuity and stability of the business, allowing it to operate independently of the individual circumstances of its members.

**Article 223** addresses the name of the partnership, which must be agreed upon by the partners and should reflect the purpose of the partnership. The name must not infringe on the rights of other traders, organizations, or third parties. It must include the words “Limited Partnership” to clearly indicate the nature of the business. This requirement ensures transparency and informs third parties about the limited liability status of the partnership, thereby protecting their interests.

**Article 224** stipulates that only professionals licensed by the appropriate authority or other LLPs providing related services may become partners in the LLP. The general manager of the partnership must be a licensed professional in the field in which the LLP operates. This ensures that the partnership is managed by someone with the necessary expertise and qualifications, aligning with the professional nature of the LLP.

**Article 225**, which requires it to include all particulars mandated by Article 185 of the Code, along with each partner’s license number and profession. The memorandum of association serves as the foundational document of the LLP, outlining the terms of the partnership and ensuring that all partners are properly licensed professionals, thereby maintaining the integrity and professionalism of the LLP.

**Article 226** states that the rules regarding contributions from Article 186 of the Code apply to LLPs as well. Partners in an LLP may contribute money, property, or other assets, but their liability remains limited to the value of these contributions. This allows partners to invest in the LLP while protecting their personal assets from any liabilities the LLP might incur.

**Article 227** deals with conflicts of interest, allowing partners to engage in similar business activities or be involved in another firm with a similar business purpose only with the consent of all partners. This provision ensures that partners remain committed to the LLP and do not undermine its interests by participating in competing businesses without the approval of their fellow partners.

**Article 228** outlines the extent of liability for the LLP.

The partnership is jointly and severally liable, without limit, with any partner or employee who causes damage through intentional, fraudulent, or negligent actions while performing their duties. However, the partnership is not liable if the injured party was aware that the person causing the damage was not authorized to act on behalf of the LLP. For all other obligations, the LLP alone is liable, unless otherwise specified. Additionally, the LLP is required to have insurance coverage to compensate for damages resulting from professional faults committed by its partners or employees. This provision protects both the partnership and third parties by ensuring that there is a mechanism in place to address potential liabilities.

**Article 229** addresses the departure of a partner from the partnership. A partner may leave the LLP by giving three months’ written notice or under certain circumstances such as death, bankruptcy, or revocation of their professional license. A partner who leaves without proper notice is liable for any damage caused to the partnership. Furthermore, a departing partner remains responsible for debts and liabilities incurred before their departure, protecting the LLP from sudden financial losses due to a partner’s exit. The partnership is required to update the commercial register to reflect the departure of any partner.

**Article 230** governs the share of a partner who leaves the partnership. If a partner leaves or dies without transferring their share to another approved partner or third party, the value of their share must be paid in cash to the entitled person. The calculation of this share considers the contributions made by the partner, any surplus assets, accumulated profits, and profits from ongoing business at the time of departure. This provision ensures that the departing partner or their heirs receive fair compensation while maintaining the partnership’s financial stability.

**Article 231** discusses decision-making within the LLP. Unless otherwise stated in the memorandum of association, amendments to this document require a two-thirds majority vote of the partners, while other decisions may be made by a simple majority. However, significant decisions such as changing the nationality or business purpose of the LLP require the approval of three-quarters of the partners. This ensures that major changes to the partnership’s structure or operations are made with broad consensus, preserving the partnership’s original intent and direction.

**Article 232** outlines the grounds for dissolution of the LLP. If the number of partners falls below two and no new partner is added within six months, the LLP must be dissolved unless an extension is granted by the registration authority. A partner who continues to operate the LLP after this period may become jointly and severally liable for the partnership’s debts and obligations. This provision ensures that the LLP maintains the minimum number of partners required by law, preserving its status as a partnership and protecting the interests of creditors and other stakeholders.

**Article 233** states that, unless otherwise provided, the provisions of Articles 187-211 of the Code apply to LLPs as well. This ensures that the general rules governing partnerships, such as those related to management, dissolution, and the rights of partners, also apply to LLPs, providing a comprehensive legal framework for their operation.

**Joint Venture (Articles 234-244)**

**Article 234** defines a joint venture as a business organization established by an agreement among two or more persons. Since the JV lacks legal personality, it is not recognized as a separate entity from its partners. As a result, it does not have the capacity to own property, enter into contracts, or sue or be sued in its own name. This informal structure allows partners to collaborate without the complexities of forming a formal business entity.

**Article 235** states that if the existence of a JV becomes known to third parties, it will be treated as a general partnership concerning those third parties. This means that once the JV is disclosed, the partners could be subject to the same liabilities and responsibilities as in a general partnership, including joint and several liability for the debts of the JV. To avoid unintended legal consequences, partners in a JV must carefully manage the confidentiality of the JV’s existence.

**Article 236** addresses the matter of contributions. The rules from Article 186 of the Code, which pertain to contributions in other business organizations, apply to JVs as well. Unless otherwise agreed, each partner retains ownership of their contribution to the JV. This provision ensures that partners maintain control over their individual investments unless they agree to transfer ownership to the JV.

**Article 237** provides that shares in a JV can only be transferred with the agreement of all partners unless the partners have agreed otherwise. This requirement for unanimous consent helps to preserve the original partnership agreement and prevent unwanted changes in the ownership structure of the JV.

**Article 238** deals with the management of the JV. Management can be entrusted to one or more managers, who may or may not be partners in the JV. If no manager is appointed, all partners will share the management responsibilities equally. This flexibility allows partners to decide the most suitable management structure for their specific venture.

**Article 239** elaborates on the powers and duties of the manager. The scope of the manager’s authority and responsibilities should be clearly defined in the agreement between the partners. However, this agreement cannot be enforced against third parties who are not aware of its terms. The manager is required to provide an account of his management to the partners, and any agreement that relieves the manager from this duty is invalid. Additionally, the partners have the right to supervise the manager’s activities to ensure they align with the JV’s objectives.

**Article 240** allows for the dismissal of a manager who is a partner if there is good cause. This provision protects the JV from potential mismanagement by allowing the partners to remove a manager who is not fulfilling their responsibilities or acting in the best interests of the JV.

**Article 241** outlines the relationship with third parties. Only the manager is known to third parties and is solely responsible for the JV’s debts and liabilities. A partner who is not a manager is only liable to the manager to the extent specified in the agreement between the partners. If a non-managing partner participates in the management, they become jointly and severally liable with the manager for the JV’s obligations to third parties. This article emphasizes that every partner should conduct business with third parties in their own name only, limiting the exposure of the JV to potential liabilities.

**Article 242** lists the grounds for dissolution of the JV.

The JV can be dissolved under several conditions, including unanimous agreement among the partners, a request for dissolution by one partner if no fixed term is specified, the acquisition of all shares by one partner, the death, bankruptcy, or incapacity of a partner (unless the agreement provides for continuation), or a decision by the manager if granted such authority in the partnership agreement. This article ensures that the JV can be dissolved when it no longer serves its intended purpose or when critical changes occur among the partners.

**Article 243** provides for the expulsion of a partner. If dissolution is requested due to the fault of one partner, the court may expel the at-fault partner instead of dissolving the JV. The partnership agreement may also specify grounds for expulsion. A partner who is expelled is entitled to receive the value of their share as of the date of expulsion. This mechanism allows the JV to continue its operations by removing problematic partners while ensuring fair compensation for the expelled partner.

**Article 244** states that, unless otherwise specified, the provisions relating to general partnerships in the Commercial Code apply to JVs as appropriate. This means that many of the rules governing general partnerships, such as those related to management, profit-sharing, and dissolution, also apply to JVs, providing a legal framework for their operation even though the JV itself does not have legal personality.

**Share Company (Articles 245-253)**

**Article 245** provides the definition of a share company. It is a company whose capital is fixed in advance and divided into shares, and the liabilities of the company are only met by its assets. The shareholders’ obligations are limited to the contributions they pledged to make to the company. This means that shareholders are not personally liable for the company’s debts and liabilities beyond their investment in shares, making it a popular structure for businesses seeking to raise capital while limiting personal risk.

**Article 246** mandates that a share company must have a name. The name should be agreed upon by the members and must not infringe on the rights of other traders, business organizations, or third parties. The name of the company must be followed by the words “Share company.” This ensures transparency and distinguishes the share company from other types of business organizations.

**Article 247** sets the minimum capital and par value of shares for a share company. The company’s capital cannot be less than 50,000 Ethiopian Birr, and the par value of each share cannot be less than 100 Ethiopian Birr. This requirement ensures that share companies have a sufficient capital base to operate, providing a safeguard for creditors and promoting the financial stability of the company.

**Article 248** discusses the roles of promoters and members in forming a company by public subscription. A promoter is someone who initiates the formation of the company, invites others to join by preparing a prospectus, and generally acts to establish the company. Promoters are responsible for any damage incurred if the company is not formed. Promoters can be one or more individuals or legal entities, and they do not need to be shareholders. However, a share company must have at least five shareholders, which promotes broad ownership and helps distribute risk among multiple parties.

**Article 249** outlines the incompetence of certain persons to act as promoters. Individuals who have been convicted of crimes such as breach of trust, theft, or other similar offenses in connection with their duties as promoters, directors, or other managerial roles in a business organization are prohibited from acting as promoters in the formation of a share company by public subscription. This provision aims to protect the integrity of the formation process and ensure that only trustworthy individuals are involved in the critical early stages of a company’s establishment.

**Article 250** details the liabilities of promoters. Promoters are jointly and severally liable to those with whom they contracted, as well as to shareholders and third parties, for several key matters, including commitments made during the formation of the company, ensuring full subscription of the company’s capital, the accuracy of statements made to the public, and the legality of the formation process. If the company is not formed, promoters must refund the paid-up contributions with interest to subscribers who request it. This article underscores the importance of due diligence and transparency during the formation of a share company and holds promoters accountable for their actions.

**Article 251** concerns the commitments and expenses incurred by promoters during the formation of the company. The company must take over these commitments and expenses if they were necessary for its formation or if they are approved by the general meeting of subscribers. However, if the company is not established, the subscribers are not liable for these commitments and expenses. This provision protects subscribers from unforeseen liabilities and ensures that promoters bear the initial risk associated with forming the company.

**Article 252** describes the role of founders in establishing a share company. Individuals can establish a share company among themselves without offering shares for public subscription, provided they meet the requirements of the Commercial Code. The founders of a share company must be at least five in number, and they assume certain obligations similar to those of promoters, particularly concerning the capital subscription and formation process. This allows for the creation of private share companies without public involvement while still ensuring compliance with legal requirements.

**Article 253** addresses the benefits allocated to promoters. Promoters may receive a share of the profits for a period not exceeding three years from the date the company starts making profits, but this share cannot exceed twenty percent of the net profits as shown in the balance sheet. The specifics regarding the amount and payment method must be outlined in the Memorandum of Association. Promoters are not entitled to any other special benefits from the company beyond this provision, although they can still receive benefits in their capacity as shareholders. The benefit provided under this article must be paid in cash and cannot be distributed in the form of shares. This ensures that promoters are fairly compensated for their efforts in establishing the company while maintaining a clear distinction between their roles as promoters and shareholders.

**Private Limited Company (Articles 495-503)**

**Article 495** provides the definition of a private limited company. It is a business organization where the capital is fully paid in advance and divided into shares. The members are not personally liable for the company’s debts, provided they have paid up their contributions. Shares in a private limited company are not open for public subscription, emphasizing its private nature. Additionally, the company may not have fewer than two or more than fifty members, and it is prohibited from issuing transferable securities. This structure is well-suited for family businesses or small enterprises where the owners wish to retain control and limit outside influence.

**Article 496** establishes the capital requirements for a private limited company. The minimum capital for such a company is 15,000 Ethiopian Birr, and each share must have a par value of at least 100 Ethiopian Birr. All shares must be of equal par value, ensuring fairness and uniformity in ownership rights among members. This relatively low capital requirement makes private limited companies accessible to small and medium-sized enterprises.

**Article 497** mandates that a private limited company must have a company name that reflects its business purpose. The name must be followed by the words “Private Limited Company,” clearly indicating the company’s legal structure. This requirement ensures transparency and helps distinguish private limited companies from other types of business organizations.

**Article 498** addresses the scenario where the number of members in a private limited company falls below two. If this occurs and no new member joins within six months, the company must be dissolved. However, the company can avoid dissolution by converting into a one-person private limited company within the same period by amending its memorandum of association. This provision offers flexibility in maintaining the continuity of the business while adapting to changes in membership.

**Article 499** outlines the general conditions necessary for the formation of a private limited company. The company is considered established once its capital is fully paid up and the memorandum of association is registered in the commercial register. If the shares are sold for cash, the par value of the shares must be deposited into a blocked bank account opened in the name of the company before its registration. This requirement ensures that the company has a solid financial foundation from the outset.

**Article 500** specifies the required contents of the memorandum of association. The memorandum must include detailed information such as the names, nationality, and addresses of the members; the company name, head office, and branches; the business purposes of the company; and the amount of capital along with a statement that it is fully paid. Other important details include the number of shares held by each member, the distribution of profits, the number and powers of directors and managers, and the relationship between the company’s management, the company, and its members. This comprehensive documentation is crucial for ensuring clarity and preventing disputes among members.

**Article 501** defines valid contributions for a private limited company. Contributions can be made in cash or in kind (excluding services), as specified in Article 186 of the Commercial Code. This flexibility allows members to contribute various forms of capital, making it easier to raise the necessary funds to start the company.

**Article 502** focuses on contributions in kind. When a member makes a contribution in kind, the memorandum of association must specify the nature, value, and number of shares allocated in return for the contribution.

The method of valuation is determined by the shareholders. Shareholders are jointly and severally liable to third parties for the accuracy of the valuation at the time of payment. If it is later discovered that the contribution was overvalued, the contributing member must pay the difference in cash, with all shareholders being jointly and severally liable for this payment. Additionally, the manager and the board of directors (if any) are responsible for ensuring the proper registration of contributions in kind and the issuance of title deeds in the company’s name. This article ensures that all contributions are accurately valued and recorded, protecting both the company and third parties from potential losses.

**Article 503** states that a private limited company may issue only registered shares in the names of its members. This provision reinforces the private nature of the company by ensuring that ownership remains within the agreed group of individuals, and shares cannot be transferred to outsiders without the members’ consent.

**One Member Private Limited Company (Articles 534-544)**

**Article 534** provides the definition of an OPLC. It is a business organization incorporated by the unilateral declaration of a single person. The company has its own legal personality, separate and distinct from that of its sole member. The member’s liability is limited to the extent of their contribution, provided that the contribution is fully paid. This means that the member’s personal assets are protected from the company’s debts, offering significant protection to the business owner.

**Article 535** sets the capital requirement for an OPLC. The minimum capital for such a company is 15,000 Ethiopian Birr. This requirement ensures that the company has a sufficient financial base to commence operations, similar to other private limited companies, but is tailored to the smaller scale of a single-member business.

**Article 536** outlines the unilateral declaration necessary to incorporate an OPLC. This declaration must be made before an authority entrusted with the authentication of documents and entered into the commercial register. The declaration must include several key details, such as the fact that the company has only one member, the member’s personal information, the name of a nominee to act on behalf of the member in case of death or absence, the company’s name and purpose, the capital amount, and the management structure. This thorough documentation is essential to ensure the smooth operation and legal recognition of the company.

**Article 537** discusses the role of the nominee. An OPLC cannot be formed unless the nominee has declared their acceptance before an authorized document authenticator. The nominee acts as a safeguard, ensuring the company can continue to operate in the absence or incapacity of the member. However, a person can only serve as a nominee for one OPLC at a time, preventing conflicts of interest and ensuring focused responsibility.

**Article 538** provides the procedure for converting a sole proprietorship into an OPLC. A trader may convert their sole proprietorship into an OPLC, but they remain jointly and severally liable with the company for all debts incurred prior to the conversion. This provision allows entrepreneurs to transition their businesses to a more formal structure while maintaining responsibility for prior obligations.

**Article 539** prohibits an OPLC from forming another OPLC. If such a company is formed in violation of this rule, any interested party may apply to the court for its dissolution. Both the member and the company would be jointly and severally liable for any damages caused to third parties due to this violation. This article ensures that the OPLC structure remains simple and does not lead to complex chains of single-member companies.

**Article 540** addresses contributions in kind. If the member makes a contribution in kind, the nature and value of the contribution must be explicitly stated in the declaration. An auditor must be appointed to verify the value of the contributions, and their valuation will prevail if it is lower than that of the member. Both the member and the auditor are jointly and severally liable for any damage caused by overvaluation to third parties. This article ensures that contributions are fairly valued, protecting creditors and other stakeholders.

**Article 541** mandates that an OPLC must have a general manager. The general manager can be the member themselves or another person. The general manager’s powers and duties are similar to those of the manager of a regular private limited company, ensuring professional management of the company’s operations.

**Article 542** outlines the procedure for meetings and decision-making within an OPLC.

The sole member exercises the powers of the general meeting of shareholders, and decisions must be recorded in minutes within three weeks. Any resolution that changes matters in the unilateral declaration must be registered within a month. Even if these procedures are not strictly followed, the member and the company are jointly and severally liable for any damage caused to third parties by such violations, ensuring accountability.

**Article 543** details the liability of the member. While the member enjoys limited liability, they can be held personally liable if they engage in certain misconduct, such as intentionally jeopardizing the company’s interests, mingling personal and company assets, misleading creditors, or receiving excess dividends. This provision holds the member accountable for maintaining the integrity of the company’s operations and financial status.

**Article 544** discusses dissolution without liquidation. If an OPLC settles all its debts and obligations, its dissolution results in the universal assignment of all assets to the member without the need for liquidation. However, the member remains personally liable for any debts that arise after the dissolution. This allows for a straightforward winding up of the company while ensuring that creditors’ rights are protected.-