BUSINESS LAW

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Introduction

In the current competitive market of the sheer modernization, the business organisations ought to maintain an adherence with the business law of the country to ensure growth of business without interruption. The common law and statutes of UK business law can help a business to go by legitimate process. This assignment will deal with different sources of UK law along with the laws that always have to be followed. Apart from that, the government role in decision making process is also discussed along with the impact of contract, company and employment law on business. This assignment also deals with alternative dispute resolution system along with solutions for insolvency and liquidation.

LO1 & LO2

P1: Different sources of law and laws that business ought to comply with

The UK law is made of four prime sources that the legislation, common law, European Union Law and The Human Rights Convention of the European Union. The legislation are the written accounts of law that are passed in parliament as statutes. The Welfare Reform Act 2012 can be considered as an example of the legislative statute whereas the statutes are important to be followed in all daily life operations of a business. Apart from that, the case laws or common law is another source of UK law that are made of the verdicts given by court in different cases (Adams, 2016). The statements of the judiciary system are divided into three categories to formulate the common law and they are judgement based on similar issue, equal judgment and fairness judgment. The case between Lister vs. Lasely Hall (2001) is a case law that can be used in future cases on similar kind of issues. The EU law directives generate many materials for the UK law as the devolution process of EU had imbued many directives in UK law to make legal compounds for the country. Apart from that, The Working Time Regulation 1999 by EU is such an example (Allen, 2015). The human rights conventions of EU has also generated many directives that are sourced for making legal guidelines of UK based on the rulings about the human rights.

The civil law of UK ought to be complied with for primary business purposes whereas the business law ought to be followed coherently by the business organisations. In addition to the business law of UK, the companies also have to maintain the guidelines of the employment law for the purpose of recruiting the candidates in legitimate process (Andrews, 2015). The contract law of UK needs to be maintained by the companies for procuring agreement with different business organisations along with different employees of the organisation. The labour law of UK is also important for eradicating every chances of breaching the legal guidelines through providing proper rights to the employees in the workplace. The business organisations also have to follow the taxation law for maintaining sheer transparency in the financial transactions and management of the company. The parliament law is a main material of the legal spectrum of UK and hence the companies have to follow the parliament statutes (Baker *et al.* 2014). The common laws generated from court verdict are also important for the business organisations to be followed.

P2: Role of government in law making and the application of law in justice courts

The process of law making starts with ide notification of an issue in agendas or public purpose that is addressed for finding solutions by the introduction of a new law. The ministry takes advices from experts and the bills are presented after the decision of the cabinet ministers. The bills are presented in green and white paper to make arguments first in the House of Common and later to the House of Lords for better scrutiny. The government persuades the house to get maximum support for the approval of the bill to make the law (Logue *et al.* 2014). On the contrary, any tax related law and public expenditure law can be passed without approval of house members. The members can incur amendments for nullifying the gaps before providing approval votes. The minister furnishes finer details and reads that out in the houses for final approval. After this, the bill is sent to the monarch to get the Royal Assent to turn the bill into a law of UK.

The judiciaries interpret the statutes for case explanation purpose with the use four different canons for legislation and statutes. The textual canon and interpretation canon are used for the purpose of application of statutes whereas the judges use the substantive application for the special cases with special instances. The deference canon is also applied for making alignments between the verdicts of the courts along with the guidelines of the statutes (Elliott *et al.* 2008). The criticism canon is also very much important to make arguments for the processing of the legal cases whereas the judiciaries use the common law for making precedents in the case analysis. The common law is used to make arguments for procuring a positive legal decision. The case laws can be very much identical with the statutes as the judiciary uses the common canons for making comparison between them. The common canon is used to make comparisons between issues of previous cases and the current cases to use that for supporting or denying the legal arguments.

P3: Impact of company law, employment law and contract law on business

The contract law imposes sheer influence on the practices of business dealings and the agreements with employees. The business organisations are liable to follow the rules of the UK contract law for procuring the business agreements with other companies and the external entities or employees. In case of violation of the contract law, the competent authorities can even terminate the trade license of the entity (Finkelstein *et al.* 2014). The section 12 of the Contracts Act 1999 of UK deals with the process of making agreement to hire employees as per the standards of contract law to maintain compliance. In the case of BT and Sarah, the section 19 of Contracts Act 1999 can be used by Sarah to sue BT for billing for the entire package whereas the first service was incomplete and breach of aspired legal performance by the engineer. On the other hand, BT was supposed to make their engineer to come back and finish the performance on that day whereas they should only charge the bill for three weeks and this activity has breached the contract law for failure in promised performance of a contract (Quinn *et al.* 2008).

The Companies Act 2006 is very important for the business activities from the very starting up process to later development. The internal and external business activities are controlled with the guidelines of the company law. The process of business registration along with starting a business depend on the guidelines of the section 1-8 of the Companies Act 2006 of UK (Freedland *et al.* 2016). This law also generates obligation for companies to maintain the transparent legitimacy of the financial management of the companies and the business organisations are liable to follow the guidelines to avoid legal punishments.

The employment law compels the companies to provide the rights to the employees as the employers are liable to maintain health and safety compliance in workplace as per the section 2 of the Workplace Health and Safety Act 2010 of UK. The Equality Act 2010 compels the employers to act equally without any partiality to all recruiting process by eradicating all discriminative activities (Freyens *et al.* 2013). The Employee Rights Act 1996 provides the employer responsibilities to aid and safeguard employees with provision of development through training and fair appraisal and motivation system.

LO3 & LO4

P4: Appropriate legal solutions for termination of contract, insolvency and liquidation

The wrongful termination and unfair contract termination can be countered through using the business law acts and guidelines of the UK judicial system. The employees are ought to be provided with advance or in lieu notice before contract termination as per section 151 of Employee Regulation Act 1996. The employee can sue the employer for the purpose of reinstatement or reengagement with sustainable compensation as a remedy for legal violation (Greckhamer *et al.* 2016). The section 107 of the Employee Regulation Act 1996 provides the chance to the employees to get replacement with dignity in case of failure by the company to follow the proper guideline for termination. In addition to that, the termination process as per law ought to be always followed by or accompanied with a sustainable amount of compensation and advance notice for the employee.

The Insolvency Act 1986 provides the companies with guidelines for managing the process of inability to repay debts of the market. The companies formed under the Companies Act 2006 can use the process of insolvency to escape the issues. The insolvency law focuses on helping the companies to escape the difficulties by distributing the debt liability among the stakeholders, employees and creditors of the company (Honeyball *et al.* 2006). The company assets are also sold off for making repayment of the debts based on debt priority. The process of liquidation helps a company to bring end by distributing assets for the management of insolvency. The Bankruptcy Act 1542 enables the companies to manage insolvency through declaring as bankrupt for performing liquidation to repay the debts. The Joint Stock Companies Winding-Up Act 1844 procures ease in insolvency process to perform liquidation after failing in repayment process. The process of liquidation can be the most appropriate process through government monitoring or monitoring by the court appointed administrator to generate liquid money through selling assets. The provision of petitions is also available for administrator to perform liquidation as per article 4 and section 160, 165 of the Insolvency Act 1986 (Bowers *et al.* 2006).

The Blackhorse Limited can use many process to avoid the compulsory winding-up of the business. The initial process is repaying the debt whereas failing it can leave the processes like informational agreements with the creditor for slowly paying 100000 to sustain the business. The section 23 of the Joint Stock Companies Winding-Up Act 1844 depicts the provision of adjournment request for allowing sustainable time to make repayments based on third party funds and asset sale or through putting up a company voluntary arrangement (Marson *et al.* 2015). The most acceptable process can be placing the company in voluntary liquidation for implementing a full strategy to deal with the ramifications of liquidation such as the redundancies, lease terminations and the personal guarantees.

P5: Justification for the provided solutions

The legal claim to get reinstatement along with compensation can be considered as the most profound solution for unfair dismissal of contract. The employers ought to perform the solution of advanced termination notice for countering the employee claims of termination through illegal process. This can be most feasible for no chances of making counter retaliation for the process of unfair dismissal. The advance notice process is very much legal as per the case of Sharp vs. Western Excavating and ECC Limited (1977) along with the section of 7(1) of the Employee Regulations Act 1996 for eradicating the provisions of sudden termination of contract as the provision of in lieu notice is always safe and compliant with law (Partington *et al.* 2003).

Apart from the liquidation process, Blackhorse Limited can also use administrator, receivership and compulsory voluntary agreement but none of these are as effective as liquidation. The administrative receivership takes huge time with complex process that is not possible for Blackhorse to stall the debt repayment process. The culture of administration replaces the management with administrators to stabilize the organisational economy for repaying the debts (Slapper *et al.* 2003). The voluntary agreements of the company can be quite useful for Blackhorse as they can make the credit long term payment by paying 50% of the debt to the creditors. But the most useful process can be the process of liquidation for solving the insolvency problem by writing off the outstanding debt through halting all the legal process in Blackhorse Limited. The employees of Blackhorse Limited can make claims of the payments of redundancy through the process of cancelling the leases by reducing the involvements in the operational cost of the company. The process of liquidation can help Blackhorse to avoid the court proceedings and judicial turmoil with the process of voluntary liquidation for eradicating insolvency (Ware *et al.* 2016).

P6: Legal solutions based on a different legal framework

The Alternative Dispute Resolution system of ADR can be a profound process of solving business disputes with agreements of litigation. This can be used for mitigating the disputes between two contractual parties with involving comparatively less cost that court process. This can be very advantageous for the purpose of making quick settlements for valuing the interest of the contractual parties by maintain utmost secrecy in the process (Poterba *et al.* 2014). The process of negotiation of ADR can be helpful for quickly solving the issues as this process has internal self-counselling method that is not approved by the law in many countries like UK. The purpose is to keep the problem secret for maintaining the brand image in public. The mediation process is done with mediators who listens to both concerns and provide an impartial result based on the evidences. The conciliator provides advices to the parties whereas it cannot provide any legal judgement. The process of arbitration is the most popular and legally accepted process as the UK spectrum has courts of arbitration for solving problems outside the main judicial spectrum through litigation (Cabrelli *et al.* 2016). The public sector companies of UK generally adopts the process of ombudsman but the requirement of huge investment in this process prevents the private enterprises to use this effective process.

In case of Orange Computers and Mathew, the salaries of 2015 and 2016 cannot be claimed by Mathew as he willingly agreed to the contract of variation of terms to forego the salary. And hence, there is no legal process except the willingness of the company to revive the salary of last two years. On the other hand, the claim of Mathew to get salary in 2017 can be supported with section 2 of the Contracts Act 1999 of UK as the forego was decided on the poor financial condition whereas the financial revival of the company can nullify that term to start providing salaries. The Muslim Arbitration Tribunal is legally accepted in UK courts whereas the section 6 of the Arbitration Act 1996 of the Sharia Law provides empowerment to business parties to come to a mutual understanding (Oslington *et al.* 2013). The section 8 of the Arbitration Act 1996 provides liabilities to disputed contractual parties to make solutions of the problem. The section 66 of the act can make mutual agreement between the company and Mathew to resume the salary process as the company is earning profit now in business. The arbitration can be easily used by them to make decisions through the mechanism of litigation for modifying the foregoing of salary term in the agreement. The Sharia arbitration law can provide a fast solution with cost effective process for Orange and Mathew to make a mutual solution over the problem of salaries that will be accepted too in the mainstream judiciaries of UK (Davies *et al.* 2016). Apart from that, it can also help Orange Computers Limited to safeguard their brand image in the market by maintaining the legal problem over salary with an employee as a top secret of confidentiality.

Conclusion

This assignment has illustrated the sources for the legal system of UK in addition with laws followed by the business entities. The influences of the contract law, employment and company law are depicted here through making examples whereas the legal solutions are provided with justifications based on the provided cases of insolvency, contractual dilemma and termination of contract. This assignment has also focused on the process of alternative dispute resolution to solve business disputes as per Sharia Law of UK to solve the cases of Mathew wage dispute.

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