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**ONE PERSON COMPANY IN ASIA AND EUROPE:
A COMPARATIVE STUDY**

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ABSTRACT

The introduction of One Person Company (OPC) has revolutionized the concept of Company operations around the world. Many countries have witnessed significant growth in their economy and Gross Domestic Products (GDP) as a result of the development of OPC. The concept of OPC received much reception because it allows one person to operate a company that has a corporate personality distinct from him. This paper is a comparative study of OPC practices in Asia and Europe with focus on legal entity, incorporation procedure, minimum share capital, appointment of a nominee and conversion of OPC. By using the doctrinal data gathering approach, the researchers examine the relevant journals, articles, books, papers, and Internet sources with a view to achieve the objective of the study. In choosing the sample States, the article further uses the GDPs as a yardstick for selecting

the participating countries. The reason for adopting the GDP as the criterion is because it provides an economic snapshot of a nation which is used to calculate the size of an economy and its growth rate. The findings of the research paper reveal that the economies around the world were boosted since the inception of the OPCs. Countries like the United Kingdom, Singapore and China witnessed 3.5 percent growth in their economy since inception of OPCs. Establishing and operating Businesses have become easy because the single shareholder need not go through the tedious process of documentations, getting minimum requirements for partners as is applicable for other forms of company operations.

Keywords: One person company, legal entity, comparative study, Asia, Europe.

INTRODUCTION

One Person Company (OPC) is also known as Single Person Company (SPC) in some Jurisdictions. It is a modern type of business that allows one person to establish and run a company without any legal impediment. OPC challenges the conventional practice of company operations where at least two persons are needed for a company to be formed.

Despite OPC's overwhelming development and benefits to enhance the economy's growth, many countries are yet to domesticate it as part of their company law practice. This is because, notwithstanding the copious benefits attached to its practice, it is not entirely devoid of challenges which may include; a person, who undertakes to form an OPC, cannot incorporate more than one OPC. Secondly, a minor cannot be a nominee in an OPC nor be allowed to hold a beneficial interest in an OPC. Also, an OPC cannot convert into a private or public company on its motion (Tyagi, 2012).

The Concept of OPC could be traced back to the English case of *Saloman v. Saloman* (1897) AC 22, where Mr Saloman was the sole owner of the leather boots before he turned the business into a limited liability company, thus allowing each of his children owning one share. It is worth referring to the earlier Court of Appeal's judgment against Mr Salomon, where it held that he violated the privileges of

establishing a limited liability company by allowing the company to be a “mere nominee and agent” of himself. Therefore, he was bound to indemnify the company’s debts. However, the House of Lords unanimously ruled that in applying the statute, it means that a company should be considered independent from its incorporators. Later, it was statutorily recognised in 1925 before other countries followed suit (Amin, 2018).

This paper, therefore, examines the concept of OPC and its practices in various jurisdictions that is in Asia and Europe with emphasis on legal entity, incorporation procedure of OPC, minimum share capital, the appointment of a nominee and conversion of OPC.

In accomplishing the research objective, five countries from each continent (Asia and Europe) are selected to form the sample size, and the technique employed in selecting such sampling is the Gross Domestic Product (GDP) of each continent, where the top five countries are selected for this study. GDP refers to the total monetary or market value of all finished goods and services produced within a Country’s border in a specific period. GDP is used worldwide as the primary measure of output and economic activity. Considering GDP provides “an economic snapshot” of a country which is used to estimate the size of an economy and growth rate, hence, the reason for using the GDP in the methodology as a yardstick for selecting the participating countries for the study. Therefore, this study adopted the analytical method and the comparative method. This method was similarly applied in a comparative study by Al Nasser et al. (2022).

MEANING OF ONE-PERSON COMPANY

The definition of OPC could be lifted from its literal definition. It is a company with only one person as member (Miso, 2021). OPC is also defined as a company with one corporate shareholder entity where legal and financial liability is limited to the company (Behrens, 2002).

OPCs are regulated by same laws that regulate private companies. OPCs are easily recognized with the inscription of “OPC” at the end of its name just like other companies use “Plc” or “Ltd”. So far, the introduction of OPC has unleashed the entrepreneurial talent of

the emerging people in business, especially to the start-up ventures (Gesell & Hulle, 2006).

An OPC is more like a Corporatized type of sole proprietorship (Orhnial, 1987) except that it is distinct from sole proprietorship in the following ways:

1. It has separate legal entity from the owner. It distinguishes between its promoter and the company (Arkadiusz, 2007).
2. The liability of company is limited and does not extend to the owner of the company. OPC may be either a company limited by share, limited by guarantee, or an unlimited Company (Cheffins, 1999).
3. The corporation status improves the business's creditworthiness, opening up more funding opportunities. It has access to credits and credit facilities from governments, corporate bodies and individuals; loans from individuals, banks and other corporate bodies;
4. The company can be succeeded by a nominee in the case the owner dies.

Other advantages of OPC over other forms of company include the simplicity in forming and running the company. It requires only one shareholder who can also be the director of the company. The single shareholder is empowered to make any decision that will bind the company which if it were in other type of company, Board of Directors or Annual General Meeting would be required.

Notwithstanding, OPCs are associated with a few disadvantages. It is difficult to say whether the owner of the company is permitted to be a creditor of the same company. Also, a person, who undertakes to form an OPC, cannot incorporate more than one OPC. Secondly, a minor cannot be a nominee in an OPC nor be allowed to hold a beneficial interest in an OPC. Also, an OPC cannot convert into a private or public company on its motion (Tyagi, 2012).

THE BASIS FOR THE ANALYSIS OF OPC IN THE VARIOUS JURISDICTIONS

For this research and in an attempt to logically represent the intent of this study, the researchers have pointed out the significant issues

that form the basis for the analysis of OPC in the various selected jurisdictions:

1. Incorporation Procedures
2. Share Capital and Transmission of Shares
3. Transmission of Shares
4. Convertibility Requirement
5. Nominee Requirement

ONE PERSON COMPANY IN VARIOUS JURISDICTIONS

One Person Company in Asia

Though the concept of an OPC is still very new in Asian entrepreneurship and thus, brings about a dynamic and positive change in corporate legal practice. As such, it will take time for such a new concept to be incorporated with complete efficiency. However, as time goes on, OPC will have a sparkling future and be embraced as the most successful business concept (Hang, 2002). The reason behind its adoption and reception is the abridged nature of the formalities of its incorporation and, at the same time, less paperwork (Sun & Zhu, 2004). As a result, small entrepreneurs will grow in Asian entrepreneurship, be it weavers, traders, artisans, or small to mid-level entrepreneurs. In upcoming years, the impact of an OPC will be remarkable, and it is a promising future for Asian Entrepreneurship. There will be suitable Foreign Investments, Joint Ventures, and mergers (Singh, 2013).

In light of the above, this subheading examines the concept of OPC and its operations in Asia, with focus on countries like Bangladesh, India, China, Singapore, and Malaysia. The research selects three countries from North Asia and two from South Asia based on their economy and Gross Domestic Product (GDP). However, this selection of the countries using their GDPs is not the paper's focus but it was purposely used to enable the researchers choose a sample population that is researchable and attainable (Trading Economics, nd).

One Person Company in Bangladesh

The Company Act of Bangladesh 1994 provides that at the end of the company name, OPC should be written for an indication of Limited

Company. However, the provision of this section does not apply to the case of NGO and Company limited by guarantee. Thus, the transferor of the shares shall submit the list of the concerned Director, Statement of Annual Capital, and Deed of Transfer, including Affidavit, to the registered office of the Registrar (RJSC). Afterwards, the transferor shall appear in person before the Registrar to reconfirm the authenticity of his signature. More so, if the transferor is a foreign national or resides abroad, the documents and affidavits relating to the transfer of shares shall be sent to RJSC after certification by the authorised officer of the concerned embassy (Iqbal, 2018). Furthermore, the amendment defines a “One Person Company” as a company with only one natural person as its shareholder. Based on the newly added section 11A(c) of the Company Act (2nd amendment), 2020, such OPC must include the word: One Person Company or OPC at the end of their names.

The proposed amendment inserts a separate chapter regarding the registration and management of OPCs. Based on the newly inserted Section 32B, any natural person may incorporate an OPC for any lawful object by signing his/her name into the memorandum as the shareholder. The section also states that one natural person cannot incorporate more than one OPC. The memorandum shall also contain the name of a nominee, so that in the event of death or incapacitation of the shareholder, shall be deemed the company’s shareholder. The nominee may withdraw his consent through a prescribed method and may also be replaced by the shareholder upon death or incapacitation (Tahseen, 2020). One of the fundamental developments this new legislation brought is the transmission of shares after the sole owner’s death. It allows the succession of shares by the next of kin of the sole owner or the person named as the company’s nominee in its memorandum and article. The procedure for such transmission is done by way of a formal application to the Registrar of the company, attaching the requisite documents such as death certificate, evidence of nomination or next of kin, company’s documents (memorandum and article of association) and evidence of payment of the required fees. Upon the application, the Registrar will investigate the nomination by exercising due diligence. Once the Registrar is satisfied, he will issue a certificate of transmission, transferring all the deceased’s shares to the nominee or next of kin.

According to Section 392C of the Company Act (2nd amendment), 2020, the OPC must have a minimum paid-up capital of BDT 50 lakh

(which is equivalent to 13,116.47 USD) but not more than BDT 10 crore and an annual turnover of at least BDT 2 crore but not more than BDT 100 crore in the previous financial year. If the OPC exceeds these upper limits, they may be registered as private or public limited companies upon fulfilling the specified requirements. For any changes brought to the memorandum of the OPC, the Registrar must be notified based on the specified procedure (Avtar, 2015).

Further, the OPC is required to submit its balance sheet and financial records within 180 days of the end of a financial year along with the necessary documents to the Registrar. The audit and winding up of the OPC shall be done in the same procedure as under the pre-existing provisions. The amendment states that the share may only be transferred to another natural person in the transfer of shares (Ramaiya, 2015).

The Bangladeshi amendment purports to create separate rules for OPCs (Kapoor, 2016). Separate legislation is required in Bangladesh to deal specifically with the rising trends in corporate legal practice, mainly to deal with issues relating to multinationals and OPCs, thereby embracing the developments in the company practice.

The procedure for incorporating an OPC is a bit cumbersome because it is the same criteria required for registering all other forms of companies, which range from availability check and reservation of name, share capital requirement, consents/approvals and permits, payment of requisite fees, investigation, satisfying all condition precedents and issuance of a certificate of incorporation. In addition, these procedures require time, effort, and money making them tedious, particularly for individuals.

Under the OPC in Bangladesh, a single individual owner may hold a meeting in the company's name and pass a valid resolution for and on behalf of the company. In doing so, the sole owner may act as the director and secretary of the company. In establishing an OPC, a natural or artificial person can be the company's sole owner, as the case may be.

One person can validly form an OPC in Bangladesh. Once the company is afloat, the sole owner may choose to convert it to public

limited liability, private limited liability company, company limited by guarantee or even an unlimited liability company, as the case may be. Worthy of note is that at the moment, there is no standard constitution regulating OPC in Bangladesh, even though there are plans on ground to do the same. Finally, there is no limitation as to the borrowing capacity of an OPC.

One Person Company in Singapore

In Singapore, the Company Act was amended in 2004 to enable companies' use for small and one-person businesses. It is now possible to form a company with only one member and one director; the sole director may also be its sole member (Yeo et al., 2008).

OPC may be registered as a private company with one member and may also have at least one director, and once an OPC is registered; there is no provision for converting such OPC, for instance, from a private limited company to a company limited by guarantee except where the company's turnover exceeds the minimum requirement. Under the Singapore Companies Amendment Act 2017, adequate safeguards in case of death/disability of the sole person should be provided through the appointment of another individual as nominee director who shall step in the shoes of the sole owner in the event of death or incapacitation. According to Accha (2013), on the demise of the original director, the nominee director will manage the company's affairs till the date of transmission of shares to the legal heirs of the demised member. Therefore, OPC has to be suffixed with the name of one-person companies to distinguish them from other companies.

Section 34 of the Singapore Company Act, 2017 permits one person to form a single-member company by filing with the Registrar at the time of incorporation, a nomination in the prescribed form indicating at least two individuals to act as nominee director and alternate nominee director. As part of the incorporation requirements, an individual must file the statutory documents, share capital compliance, name reservation, and evidence of payment of the requisite incorporation fees (Jianlin, 2008).

OPC in Singapore is a company where the capital is wholly owned by a single natural or corporate person (Kabiru, 2015). The proprietor of

the company shall be liable only to the extent of the capital allocated for the company. Furthermore, the Company Act of 2017 has not addressed some specific issues such as:

- a. Only an individual or even a legal person can form a one-person company.
- b. A single member can form a company without limiting the paid-up capital or some ceiling.
- c. Suppose the turnover of the one-person company exceeds certain limits, whether it should be converted into private/public limited. Unfortunately, this is not often the case in most selected jurisdictions because the practice is that once the turnover exceeds the minimum requirement, the company is compelled to convert to other forms of business, notwithstanding the will and interest of the sole owner.

Worthy of note is that the minimum capital requirement for establishing an OPC is the general minimum share capital for all companies in Singapore, of which half of the said share capital must be reserved. However, there is no standard constitution regulating the practice of OPC in Singapore, and at the moment, there is no effort put in place to ensure the attainment of the said constitution. More so, the borrowing capacity of OPC is half of the company's share capital and shall not exceed the same unless approved by the Registrar of companies. Finally, the company's sole owner alone with another seat on behalf of the company passes a valid resolution while acting either as the sole director, secretary or both.

One Person Company in China

In China, under the Company Amendment Act, 2018, one person can apply to open a limited company with a minimum capital of 100,000 Yuan (equivalent to 15,105.28 USD). The amended law of China under Article 8 of the Company Amendment Act 2018 prescribes that the owner should pay the investment capital at one time & bars him from opening a second company of the same kind. In most countries, the law governing companies enables a single member to have more than one nominee, unlike in China, where the requirement for a nominee is restricted to one. The nominee will act on behalf of the

sole owner in the event of death or incapacitation resulting from ill health or mental infirmity. Furthermore, the minimum paid-up capital requirement is paid in full. Such share capital provided under Article 8 of the Company Amendment Act, 2018 may include a share in kind, whose value is estimated by professional experts. The annual return of OPC in China must be signed by the company secretary, or where there is no company secretary, by the company's director. Section 108 of the Company Amendment Act, 2018 of China provides that an OPC needs to have a minimum of one director. It can have directors up to 15 which can also be increased by passing a special resolution like any other company (Horvath, 2003).

To hold Board Meetings, in the case of OPC which has only one director, it shall be sufficient compliance if all resolutions required to be passed by such a Company at a Board meeting are entered in the minutes-book, signed and dated by the member and such date shall be deemed to be the date of the Board Meeting for all the purposes. Furthermore, under the Company Amendment Act 2018, once an OPC threshold exceeds the share capital limit for a public limited liability company, such a company shall be automatically converted. Also, the procedure for incorporating an OPC is to apply to Commission via an application form attached with the documents containing the proposed share capital, description of assets, means of identification, business permit (for foreigners) and the statutory forms. Furthermore, the law requires a nominee to be provided by the business owner, who shall be the next of kin in the event of death or incapacitation of the sole owner.

One Person Company in India

Section 2(62) of the Companies Act 2013 recognises OPC in India. Under the Companies Act, 2013 of India, OPCs may nominate another person who will take over the business if the owner of the OPC dies. An OPC can be started with a minimum paid-up capital of Rs 1,000,000 (equivalent to 1,339.81 USD) and may either be a company limited by share, a company limited by guarantee, or an unlimited company (Tyagi, 2012).

In order to get incorporated, Section 3 of the Companies Act 2013 provides that the OPC must follow the requirements prescribed under

the section. The memorandum must also include the nominee's name other than the sole promoter who shall run the company in case of some contingency (Dang & Sharma, 2015). The nominee's consent form must be filed with the Registrar during the formation/incorporation of OPC along with its Memorandum and Articles. This consent may also be withdrawn in the prescribed manner (Singh, 2013).

In India, the general rule applicable to OPC under the Company's Act 2013 is that it cannot be converted to invest in non-banking activities or securities of other corporate bodies. However, it can convert into a private or public company once it has existed for a minimum of 2 years, or its paid-up capital has increased beyond Rs. 500,000 (equivalent to 669.91) or its average turnover has exceeded Rs. 2,000,000 (equivalent to 2,680.38 USD). These conditions and bars stifle an entrepreneur's desire to expand and diversify his business (The Institute of Company Secretaries of India, 2014).

Upon the sole owner's death, all interests in the company vest in the nominee, who must transmit them to the deceased's legal heirs. Also, the borrowing capacity of an OPC is subject to the memorandum and article of association. It can be extended upon application to the Registrar of the company. Furthermore, a natural or artificial person can be the company's sole owner, but a natural person must carry out the company's management if an artificial person owns the company.

One Person Company in Malaysia

SPC is a unique feature provided by the Companies Act 2016 (CA 2016) which took effect on 31st January 2017. Section 97 of the Act allows for an individual to incorporate a company, with himself being the owner and, at the same time, the director. Section 374 of the Malaysia Company's Act 1965 provides that the minimum age is now relaxed to 18 years old, while there is no compulsory age for retirement (Gupta, 2014). This limit enables and encourages both a young person and an elderly retiree to embark on business by setting up an SPC, which also enjoys the advantage of the separate legal entity concept. Section 156 of the Malaysian Company's Act 2016 provides for a single person to own the company, one director and one shareholder, with a maximum of 50. The law has not expressly provided share capital before incorporating the company. However,

it provides for the minimum share capital for establishing a private limited liability company which shall also be subject to conversion where the threshold exceeds the minimum share capital upon application to the Registrar of companies.

Furthermore, the Malaysian Companies Act 2016 provides provisions for the shareholders to participate and vote in company meetings and shareholder ballots. Turki and Mohd Ali (2019) observed that the Malaysian Companies Act of 2016 allows shareholders to dismiss board members at any time during their term in office. A shareholder can be natural or corporate. According to Miao (2012), the Malaysian New Company Act 2016 contains some of the effects that sprung from registering an SPC, which includes:

1. That the name of the nominee must be stated in the memorandum and article of association of the company, which may either be one or two persons who shall act for and on behalf of the sole owner in the event and death and incapacitation; a director may, while acting alone with other shareholders in the company or the secretary of the company, pass a valid resolution in the name of the company. However, where the director acted alone, the resolution passed must be communicated to other shareholders within a reasonable time. This will give them an opportunity to raise requisitions before the implementation of the said resolution;
2. Incorporating an OPC is very tedious because it is the same procedure for incorporating a private limited liability company and;
3. There is no standard constitution of OPC, and it has not provided for the borrowing capacity of OPCs in Malaysia.

One Person Company in Europe

In order to try to find the best solution to the currently unresolved problems related to the member States' non-harmonized practice in the regulation of OPC, in 1988, the Commission of the European Community proposed a new directive (Twelfth Council Company Law Directive, 1989). The Commission gave the reason for introducing such standard measures which was "to improve access of the greatest

number of small enterprises to incorporation, thus improving the protection of third parties, to facilitate succession, improve management and promote self-employment in a harmonized legal framework” (Commission Proposal for a Twelfth Council Directive, 1988). Therefore, the researchers select the following countries based on the strength of their economy, most notably, the level of their Gross Domestic Products (GDPs).

One Person Company in Germany

Even before enacting the Twelfth Company Law Directive for German legislation, the concept of OPC was not alien to Germany (Cambell, 1983). Although, an incorporated company changing its status to a single member company had long been permitted before, formation by artificial and natural persons was only allowed from 1980. OPC in Germany can be formed without limitations on its object. OPC under Section 289 of the Germany Companies Act also enjoys a separate legal personality and is deemed a commercial undertaking with limited liability, even if it does not pursue a commercial purpose.

Private companies in Germany, including OPC, must have a minimum share capital of 25,000 Euros (equal to 29,529.50 USD), out of which at least half must be contributed to a bank, while their public counterparts must have 50,000 Euros (59,059.00 USD). Furthermore, the statutory requirement for a company agreement cannot be applicable in the case of a single member since no two or more shareholders can express their will to agree in a contract form (Muller, 2009).

Furthermore, if a single shareholder forms the company, it is no longer required that such shareholder furnish security for the outstanding amount of the share capital if he does not elect to pay the capital in full (Cambell, 1983). Also, there is no restriction on how many times a natural person being a single member/shareholder, can have the same status in other companies in Germany (Zumbansen, 2002). In Germany, a single owner may conduct and pass a valid resolution without the other statutory requirements of notice of meeting, secretary, and other members and officers of the company. The individual shareholder can act as the secretary, director and member of the company, and any such resolution passed in that capacity is valid and subsisting. The Companies Act of Germany further provides for the appointment of a nominee director or shareholder to replace the single owner in eventualities, even though he is not considered a

member or officer of the company for whatever reasons except in the absence of the sole shareholder.

Furthermore, OPC may be converted if public companies' maximum share capital exceeds the threshold. A nominee appointed in the memorandum and article of association of the company shall be required within a reasonable time after the sole owner's death to transmit all the interest in the company to the legal heirs of the deceased.

OPC is established through an application submitted by the sole potential owner or his representative to the Registrar of companies which shall include its name, purposes, the data of its founder, duration, how it will be managed, the address of its head office, branches, the amount of its capital and the company's liquidation rules.

Finally, the standard legislation regulating OPCs in Germany is the Company Law Directive and the Germany Company Act, which differs from the standard constitution regulating corporate practice in Germany. Also, the borrowing capacity of an OPC in Germany shall not exceed the company's minimum share capital, notwithstanding the company's memorandum and article of association.

One Person Company in the United Kingdom

Wooldridge (2001) observed that it served as a solution to the regime without single-member company regulation. Hence, there was no need on the United Kingdom (UK) side to enter a new Directive concerning OPCs because of being familiar with the concept of nominee shareholders. The appointment of a nominee shareholder can avoid disclosure of his/her data due to public record obligation. Although, the company seems to have only one shareholder and it furthers functions with two other members (Dine, 1992).

The UK has chosen a relatively simple approach for the implementation procedure: Adopting the Companies (Single Member Private Limited Companies) Regulations, 1992. Sections 46 and 47 of the Companies Act 2006 have extended single-member provisions on public companies. In the general part on company formation (what is expected for private and public companies being otherwise regulated separately within the Act), it is allowed to be formed by one or more persons. The exact formulation is used as in German legislation. There

is no longer a need to use a nominee shareholder to gain an advantage over an ostensible OPC (Fraser, 1994). The minimum share capital for starting OPC in the UK is 25,000 Euros (equivalent to 29,253.25 USD), of which at least 25 percent of the nominal amount of any premium must be paid up at the time of incorporation. OPC in the UK has a separate legal personality distinct from its owner (shareholder), and the shareholder's liability is limited to the amount unpaid, if any, that remains unpaid on that shareholder's share. The company's meetings of whatever kind may be validly conducted and concluded by the individual shareholder. Noteworthy, in the conduct of meetings, a sole shareholder may convey and conduct a valid meeting and equally pass a valid resolution without the other statutory requirements of notice of meeting, presence of secretary and other members and officers of the company. The individual shareholder can act as the secretary, director and member of the company, and any such resolution passed cannot be challenged on the ground of lack of capacity. The German Companies Act also provides for the appointment of a nominee director or shareholder to replace the single owner in the event of death or incapacity, whether temporarily or permanently. OPCs in Germany may be converted if the maximum share capital exceeds the threshold for public companies. The law provides the minimum share capital for incorporating a private limited company to be the share capital for incorporating an OPC.

Finally, the Company Act 2006 is the principal legislation regulating OPC practices in the UK, distinct from the standard constitution regulating OPC in Germany. However, the two legislations work hand in hand in complementing each other to ensure the smooth running of corporate practice in Germany. The law is silent on the borrowing capacity of OPCs in Germany.

One Person Company in France

In the France Act on Business Companies, there are no restrictions that a natural person in how many companies can be single-member. Therefore, a single-member company in France can be the sole shareholder. However, the only problem that may arise is where one member has been liquidated in the chain, especially if it is an 'abusive pyramid' because the whole chain will probably be destroyed. It is the same when a single-member parent company is liquidated. Therefore, its value should be determined to include the subsidiary's value as its functional part (Lalovis & Skopljak, 2008).

The law has not expressly provided a minimum share capital for someone to incorporate an OPC. However, the practice is that the threshold shall not be less than the minimum share capital for incorporating a private limited liability company though it may exceed the same. The procedure for incorporating an OPC is virtually the same as that of a private limited liability company except for the endorsement requirement, which the law provides for two or more private limited liability companies.

Where the OPC exceeds the threshold for an OPC or private limited liability company in France, such OPC is statutorily required to be automatically converted to other forms of business such as a public company, a company limited by guarantee or company unlimited, as the case may. The law further provides for the appointment of a nominee in the memorandum and article of the association. Furthermore, the nominee shall be responsible for the transmission of shares after the sole owner's death, thereby creating an avenue for a succession of shares by the next of kin of the sole owner or the person named as the company's heir.

In a single-member limited liability company, the only member shall exercise the powers of the general meeting and bring the decisions in the competence of the meeting (in this part, the Act has implemented the Directive's words literally). However, according to Bundesregierung (2008), there is a possibility that he/she gives authorization to somebody else delegating the voting rights; if the founding act or statute of members does not regulate otherwise (for one meeting, only one authorization can be given only to one person under the Act).

Also, a sole director who is equally the sole owner can summon an Annual General Meeting, Statutory meeting and extraordinary meetings and make resolutions in any of the said meetings which shall be binding and valid without the requirement of a secretary, other shareholders or the auditor. He can sign the resolution and file same at the Commission. The French Company Act requires only one person to act as a shareholder and this person can be of any nationality, and corporate shareholders are allowed. A maximum of 50 shareholders are allowed, and if there are fewer than 25, no annual general meeting of shareholders is required. The share capital of OPC can be freely determined by the bye-laws and can amount to a symbolic EUR1 (1.91 Dollars). Noteworthy is that both natural and

artificial persons are allowed to form an OPC. However, a natural person must manage the company when an artificial person owns an OPC. The France Act on Business is the parent legislation regulating all forms of business in France, including OPCs, and as it is, there is no standard constitution regulating OPCs in France aside from the various companies' directives and legislation. Also, the law is entirely silent on the borrowing capacity of an OPC.

One Person Company in Italy

Single Member Companies or one-person businesses with limited liability is derived from the government Action Program for Small and Medium-sized Enterprises (Schmidt, nd). This action program is designed to stimulate the establishment of such enterprises. The single-member Company Directive required all Member States, including Italy, to recognise single-member companies formed or emerged later by acquiring all shares by one member. Before, the existence of single-member companies was not generally accepted in Europe (Schmidt, nd). This disapproval was somehow due to the attempts to limit abuse of Limited Liability Companies which was taken to oppose the liability of traders via minimum member requirements. These requirements have always attracted circumvention and could not be upheld.

The Directive makes it easy for the sole owner in OPC to hold general meetings. The company's sole owner single-handedly exercises the powers conferred on the general meeting in the company organization. One only needs to record decisions in writing made in the company by a single individual (Braun, 2009). Any national provisions on convening a meeting and the duty to elect a meeting chairperson must give way. The only firm requirement is that the decisions made by the sole owner when exercising general meeting powers must either be entered in a record of minutes or be reduced to writing (Braun, 2009). This arrangement suggests that a single individual may own and manage his/her company in Italy and can pass a valid resolution for the company. Such a resolution may be made without the necessary presence of a secretary or other shareholders, even though nothing stops them from participating in a meeting and passing the company's resolutions.

A single-member company in Italy has a simple organisational structure, fewer management layers, and high decision-making

efficiency with flexible operation and management advantage, enabling its substantial competitiveness and survival ability in the severe competitive marketplace (Horvath, 2003). In Italy, the liability of the sole shareholder is separate from that of the corporate company except that in cases of fraud or financial mismanagement, the veil of incorporation will be removed to hold the sole owner liable to the company. The Companies Act also requires the appointment of a nominee director or shareholder who shall be required to act in the absence of the sole owner. The nominee director or shareholder may be appointed before, during or after the company's incorporation. The procedure for incorporating an OPC in Italy include; registration of the shareholder with Italian Tax Authorities, Execution of document (such as Memorandum and Article of Association), issuance of VAT Number and issuance of a certificate of incorporation by the Registrar of companies. The minimum share capital for starting an OPC in Italy is 1,000 Euros (equivalent to 1,181.55 USD) which must be entirely paid before the incorporation deed is executed. Additionally, where the turnover of the OPC exceeds the limit for private and public companies by 10 percent, the Registrar of companies reserves the right to convert such OPC into either a private or public company with more than one shareholder.

In Italy, the companies Act does not provide for the establishment of OPCs. However, the Twelfth Directive on a single-member company provides for the establishment and requirements for OPCs in Italy. Hence, it remains the enabling law regulating OPC in Italy until legislation is passed. The Directive further provides that the borrowing capacity of OPCs in Italy is determined by the Memorandum and Article of Association of the Company.

One Person Company in Russia

Under Article 2 of the Russian Companies' Amendment Act 1998, a business company can be founded by an individual or several individuals. There is no restriction on only a natural person who can form OPC in Russia (Horvath, 2003). Article 14 of the Companies Amendment Act 1998 provides that both natural and corporate persons can establish OPC. Also, under the Russian Companies Act of 1995 and the Companies Amendment Act of 1998, there is no fixed requirement for share capital to establish a single-person company. Single Member Companies must meet all the requirements regulated by the relative provisions of company laws of Russia (Cheffins, 1999). However,

it also comes with the benefit of legal protection, thus reducing the risk of the single owner through limited liability and incorporation. A key advantage for an owner of an incorporated business in Russia is the idea of a separate legal identity, which brings with it the right of a shareholder to limit liability. The registration procedure for OPC begins by delivering a memorandum and application of association; it has a similar role as the incorporation document but does not have a synonym in the continental regime. In Russian law, the memorandum and articles of association constitute the company's statute together (Cleff, 2011).

An OPC can be transformed into a Joint Stock Company by holding a meeting to resolve the transformation. However, OPC cannot be converted merely because the threshold exceeds the minimum requirement for a private limited liability company, except where a resolution is passed. The law is silent on the requirement for a nominee director who shall act in place of the sole owner in the event of death or incapacitation. The law did not also provide for the transmission of shares vested on the nominee who shall subsequently transmit such interest in shares to the successive heirs of the deceased in the event of the sole owner's death. However, nothing in the law prohibits the Registrar general from appointing a third party to transfer the interest in shares of the deceased person to his legal heirs.

A single individual, both alone or in conjunction with other shareholders, or the company's secretary may sit and pass a valid resolution in the company's name, which may bind all other shareholders if the resolution does not bother the company's shares. Also, where the sole owner is seated alone, he need not send notice of meeting or the agenda of the meeting but shall be required to communicate the resolution passed by him to the Registrar of Companies within a reasonable time from the date of the meeting and before implementation.

The Russian Companies Act has not recognized OPC as a form of business in Russia. This non-recognition was through Article 2 of the Russian Companies Amendment Act, 1998, which is also the enabling law in Russia as far as OPC is concerned. The law further provides that the borrowing capacity of OPC may either be determined by the Memorandum and Article of Association or by shareholders through a valid resolution passed in a general meeting.

The table 1 demonstrates OPC practice in the States under study concerning the legal entity, incorporation procedure of OPC, minimum share capital, the appointment of a nominee, and conversion of OPC.

Table 1

OPC Practices in Various Countries

S/No	Countries	Legal Entity	Procedure of Incorporation	Minimum Share Capital	Nominee	Conversion
1.	Bangladesh	■	■	■	■	■
2.	Singapore	■	■	■	■	X
3.	China	■	■	■	■	■
4.	India	■	■	■	■	■
5.	Malaysia	■	■	■	■	
6.	Germany	■	■	■	■	■
7.	United Kingdom	■	■	■	■	■
8.	France	■	■	■	X	X
9.	Italy	■	■	■	■	■
10.	Russia	■	■	■	X	■

Key ■ shows that a particular country has incorporated the item in its law, while X shows that the law is silent or has no provision at all on the item.

COMPARATIVE DISCUSSION

From the discussion above, it is observed that matters about meetings of the OPC in all the jurisdictions, a single owner may conduct and pass a valid resolution without the other statutory requirements of notice of meeting, presence of secretary and other members and officers of the company. The individual shareholder can act as the secretary, director and member of the company, and any such resolution passed in that capacity is valid and subsisting.

Almost all the jurisdictions discussed, except the United Kingdom and Russia, allow the appointment of a nominee director or shareholder to replace the single owner in cases of eventualities. The replacement is possible even though such a nominee is not considered a member or officer of the company. The replacement is once the sole shareholder is absent; following that, he dies or becomes incapacitated. The laws

of Canada, Australia, New Zealand, the United Kingdom and Russia are silent on the appointment of a nominee. However, the nominee must give his consent, and such consent can be withdrawn by the nominee whenever he wishes. Additionally, as recognised in those jurisdictions discussed above, OPC is a separate legal personality from its owner (shareholder), and the shareholder's liability is limited to the amount unpaid.

Moreover, in some jurisdictions like Germany, UK, India, and Italy, OPCs may be converted if the maximum share capital exceeds the threshold for public companies. However, in India, it cannot be converted to invest in non-banking activities or securities of other corporate bodies.

OPC is formed either by a natural or legal (corporate body) person and, in some jurisdictions, by both. For example, in some jurisdictions like France and Germany, only a natural person can form OPC. On the other hand, countries like India, Malaysia, China, and Russia have clarified that both natural and legal person can incorporate OPC. In addition, for a natural person to form a company in Malaysia, such a person must be 18 years of age, while the other countries under study are silent on the age limit of a natural person to incorporate an OPC.

There is no minimum share capital requirement before incorporating OPC in some jurisdictions like Malaysia, France, and Russia. While the table below demonstrates the countries that prescribed a certain amount of money as minimum share capital before incorporation of OPC.

Table 2

Share Capital per Country under Study

S/No	Country	Country's Currency	Dollar Equivalent
1.	Bangladesh	BDT 50 Lakhs (5,000,000)	13,116.47 USD
2.	China	1, 00,000 Yuan	15,105.28 USD
3.	India	Rs 1,000,000	1,339.81 USD
4.	Germany	25,000 Euros	29,529.50 USD
5.	United Kingdom	The UK is 25,000 Euros	29,253.25 USD
6.	Italy	1,000 Euros	1,181.55 USD

From the table above, Italy has the lowest minimum share capital of 1,181.55 USD, followed by India with 1,339.81 USD and Bangladesh with 13,116.47 USD respectively. In contrast, the country with the highest minimum share capital for incorporating OPC is the United Kingdom, with 29,253.25 USD and Germany, with 29,529.50 US.

CONCLUSION

This study examined and inquired into the practices of OPCs in comparison with the relevant provisions of law regulating the operation of OPC in Asia and Europe. Despite adopting similar practices in most countries, particularly in law requirements in establishing an OPC, the practice varies from jurisdiction to jurisdiction. Also, while most developed countries have gone further in OPC practice, others are still at the proposal and testing stages. The overall intent of introducing OPC is to boost the home country's economy, thereby allowing entrepreneurs to venture into a formal corporate business independent of themselves without the tedious procedures and requirements for establishing a private or public limited company. The practice of OPC is notable for copious advantages, which, among others, include; less paperwork and procedures, the use of corporate name and seal, structured business organization and separate liability from the owner. This practice, however, is not devoid of disadvantages which may include; requirements of share capital (very high and fixed in some jurisdictions), a business may collapse upon the death of the sole owner, and a person cannot incorporate more than one OPC. Finally, it is hoped that the laws in various jurisdictions may facilitate the setting up of OPC. OPC unleashes individual entrepreneurs to grow to a higher peak and go cross-border through its legal entity recognition. As a result, the less privileged and weak entrepreneurs would become more robust, contributing to the economies of the nations and the world, thereby increasing their Gross Domestic Product (GDP).

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