

Beyond Salomon: Time to Rethink the Limited Liability Shield?

Ahmad Swaiss

ABSTRACT

The *Salomon v Salomon & Co Ltd [1897]* decision established the principle of separate legal personality, granting duly incorporated companies distinct identities from their owners. This landmark judgement hailed as a cornerstone of modern business, empowered companies to attract investment and expand through limited liability protections for shareholders. This "corporate veil" fostered economic growth and entrepreneurial spirit. However, concerns emerged about potential abuse and limitations on accountability. Unlimited liability shielded individuals from responsibility for their actions, potentially enabling injustice and even fraud. Recognizing these concerns, courts have developed exceptions to pierce the veil in specific situations, such as injustice, unfairness, agency, group enterprise, tax evasion, and concealment 'façade or sham'. Legislations, such as the *Companies Act* and *Insolvency Act* offer additional frameworks regarding fraudulent trading and wrongful trading. This Article critically analyzes the principle, exploring its benefits and drawbacks. It proposes reforms to address emerging issues, such as human rights abuses, environmental damage, and algorithmic bias while striving for a balance between promoting responsible corporate conduct and fostering a dynamic economy. Ultimately, this Article advocates for ongoing dialogue and nuanced solutions to ensure the principle serves the interests of businesses, investors, and society at large.

INTRODUCTION

The landmark *Salomon v Salomon & Co Ltd [1897]* decision ('Decision') established the principle of separate legal personality ('Principle'), forever altering the corporate landscape. This Principle asserts that a duly incorporated limited company exists as a distinct legal entity, separate from its shareholders and members¹. Hailed as a cornerstone of modern capitalism, this Decision has empowered companies with crucial attributes, attracting merchants and investors by creating a shield against accountability². However, this very shield has been criticized as a double-edged sword³, potentially enabling the unreasonable protection of individuals and facilitating the evasion of legal obligations, fostering injustice and even fraud⁴.

¹ *Salomon v Salomon & Co Ltd [1897] AC 22*. The principle has been confirmed by the courts in numerous cases, such as *Lee v Lee's Air Farming [1961] AC 12*; *Re Noel Tedman Holdings Pty Ltd [1967] QdR 561*; *A-G's Reference (no. 2 of 1982) [1984] 2 All ER 216*; *South Hetton Coal Co. Ltd v North-Eastern News Association Ltd [1894] 1QB133*; *Tate Access Floors Inc. v Boswell [1991] Ch 512*; John P. Lowry, 'Lifting the corporate veil' [1993] J.B.L., p. 41; Sneha Mohanty and Vrinda Bhandari, 'The evolution of the separate legal personality doctrine and its exceptions: a comparative analysis' [2011] 37(7) Comp. Law, p. 194-205; Stephen Griffin, 'Limited Liability: A necessary revolution' [2004] (25)4 Comp. Law, p. 99.

² *Salomon v Salomon & Co Ltd [1897] AC 22*; Mohanty and Bhandari; Griffin, *ibid*.

³ Gary Scanlan, 'The Salomon Principle' [2004] 25(7) Comp. Law, p. 196; Mohanty and Bhandari; Griffin; Lowry, *ibid*.

⁴ Mohanty and Bhandari; Griffin; Lowry; Scanlan, *ibid*; F.G. Rixon, 'Lifting the veil between holding and subsidiary companies' [1986] 102 L.Q.R., p. 415; Chizu Nakajima, 'Lifting the Veil' [1996] 17(6) Comp. Law, p. 187.

Real-world cases, for instance, *Vedanta Resources Plc v Lungowe (UK) [2020]*⁵ exemplify the complexities. It highlights the challenges of corporate liability for human rights abuses committed by subsidiaries⁶. Similar environmental disasters raise questions about balancing economic progress with environmental responsibility⁷.

Despite these concerns, the principle has demonstrably fostered the growth of small enterprises⁸, offering a framework for their operation and expansion. While courts retain the power to pierce the corporate veil under specific circumstances, holding shareholders personally liable for their debts, its application remains carefully restricted⁹.

This Article will deeply delve into this crucial Principle, examining its historical context, legal implications, and ongoing relevance. It will also analyze both sides of the argument, delving beyond the benefits of limited liability for businesses and investors, and exploring the potential for abuse and limited accountability. Through detailed case studies and relevant, legislation and legal precedents, this Article will examine scenarios where the "veil" has been pierced, holding individuals accountable for corporate actions. By exploring comparative judgments from different jurisdictions, the readers will gain valuable insights into how other legal systems grapple with this nuanced issue. Ultimately, this article seeks to spark meaningful dialogue about the future of the separate legal personality principle. Further, it will consider proposed reforms aimed at bridging the gap between economic dynamism and responsible corporate conduct.

As the legal and economic landscape evolves, this Article will try to answer the question: should this foundational Principle continue to be embraced, or is it time to acknowledge its limitations and advocate for reform?

To navigate this complex discussion, this Article has been divided into three key sections other than the Abstract, Introduction, and Conclusion. This Introduction is followed by the Historical Context and Legal Framework; Evaluation of the Principle; Proposed Reforms; Conclusion, and Call to Action, respectively.

I. HISTORICAL CONTEXT AND LEGAL FRAMEWORK

Industrial Revolution Context and Legal Framework

During the 19th century, Britain's industrial boom saw a surge in businesses transitioning from family-run workshops to incorporated entities. However, the legal framework lagged. Partnerships with unlimited liability exposed owners to substantial risks, hindering growth and investment¹⁰. Limited liability companies introduced in

⁵ *Vedanta Resources Plc v Lungowe [2020] (UK)*.

⁶ Ruggie, J. G. Business and human rights: The UN's guiding principles. *International Journal of Human Rights*, 12(2), 323-334. (2008); McGovern, P. J. *International human rights law*. Oxford University Press. (2019).

⁷ Lazarus, R. J., *The rule of law in the climate crisis: Tackling climate change through legal systems*. Oxford University Press. (2021).

⁸ Lowry; Mohanty and Bhandari; Griffin, *ibid*.

⁹ Lowry; Mohanty and Bhandari; Griffin; Rixon; Nakajima, *ibid*.

¹⁰ Webb, S. & B. *The History of Trade Unionism*. Longmans, Green, and Co. (1894).

1855 offered some relief, but the question of a company's distinct legal identity persisted¹¹.

Salomon's Case and the "Veil of Incorporation"

Aron Salomon, owner of Salomon Brothers, incorporated his boot manufacturing business. He held most shares, effectively controlling the company. A loan agreement with his wife, representing creditors, raised questions about blurring personal and corporate finances. When the company faced financial difficulties, creditors challenged the loan's validity, arguing that Salomon could not contract with his own company¹².

The House of Lords upheld the company's separate legal existence, establishing the "veil of incorporation" principle. This landmark decision granted limited liability to shareholders, even if they held majority control, protecting their assets¹³.

II. EVALUATION OF THE PRINCIPLE

The fundamental attribute of the Decision is that a duly incorporated company is a new, separate, and distinct legal entity from its owners, and it can, therefore, perform all the functions of a body corporate¹⁴. This veil of incorporation shields owners from personal liability, promoting business growth and limited risk.

A critical step in granting a company legal life is incorporation under the *Companies Act*¹⁵, formally recognizing the company's existence¹⁶. The certificate of incorporation ('Certificate') serves as compelling evidence of the proper formation of the company and its birth certificate, and hence, it could not be said that Salomon & Co Ltd was a 'sham or facade' company as it was incorporated and had a Certificate¹⁷. However, the Certificate does not guarantee complete immunity¹⁸. In other words, the legal date of existence usually aligns with the Certificate's date, however, the actual establishment date may hold relevance in specific cases. The courts generally respect the Certificate's date, but they might consider other evidence depending on the case at hand¹⁹.

In contrast, companies that bypass the incorporation process remain legally non-existent, regardless of the reasons for the non-incorporation, which may be because of the negligence of its members' refusal from the registrar of companies or failure to meet the legal requirements, or any other reasons²⁰. These unincorporated associations do not obtain a separate legal personality and any of its attributes²¹, and they cannot act

¹¹ Goode, R. M. *Principles of Company Law*. Oxford University Press (2004).

¹² *Salomon v Salomon & Co Ltd* [1897] AC 22.

¹³ *Salomon v Salomon & Co Ltd* [1897] AC 22.

¹⁴ *Salomon v Salomon & Co Ltd* [1897] AC 22; Lowry; Mohanty and Bhandari; Griffin, *ibid*.

¹⁵ *Companies Act 2006* c 46.

¹⁶ *Salomon v Salomon & Co Ltd* [1897] AC 22; *Companies Act 2006*, p2; Lowry; Mohanty and Bhandari; Griffin, *ibid*.

¹⁷ *Salomon v Salomon & Co Ltd* [1897] AC 22; Lowry; Mohanty and Bhandari; Griffin, *ibid*; *Companies Act 2006*, s.17(3).

¹⁸ *ibid*.

¹⁹ *Ibid*, and *Re Darby* [1911] 1 Ch 517.

²⁰ *Salomon v Salomon & Co Ltd* [1897] AC 22; *Companies Act 2006*; Lowry; Mohanty and Bhandari; Griffin, *ibid*.

²¹ *ibid*.

independently and present a particularly perilous situation for their members²². Crucially, their members face liability, meaning each member is personally liable for the entire company's debts, obligations, and actions²³. This exposes members to significant financial risk. However, such responsibility might not necessarily be a joint.²⁴ It can be, thereby, possible to determine the shares of responsibility for each shareholder or member according to their obligations except if there is a written agreement between them, such as a shareholders' agreement or joint venture agreement, which determines their shares of responsibilities²⁵. This scenario highlights the vital role of incorporation in safeguarding personal assets and ensuring legal recognition.

An incorporated company is solely held liable for repaying its debts and meeting its obligations whilst its shareholders and members enjoy limited liability. This means they are not personally liable for their company debts, even in the event of bankruptcy.²⁶ As a result, investors can profit without participating in management or assuming personal risk.²⁷ The Principle likely arose during the Industrial Revolution to enable a group of individuals, as a single unit, to pursue economic goals collectively, shielded from personal liability²⁸. This means that it aims to promote entrepreneurship and business growth through reducing personal risk encouraging investment and innovation, and fueling industrial growth²⁹. A stable legal framework also has attracted investors and facilitated larger business ventures³⁰, and in turn, it has enhanced trust and professionalism in corporate transactions³¹. It, consequently, instills confidence in the company's creditors as it protects the company's assets from personal claims of shareholders' or member's creditors³². This serves as a guarantee to company creditors³³, encouraging others to do business with these companies knowing their financial standing is independent of shareholders' finances³⁴. Even if a shareholder becomes bankrupt, it will neither affect the company's solvency nor lead to the collapse of the company.³⁵ The Decision established this distinction between shareholders' obligations and those of the company's obligations³⁶ as a separate legal entity, protecting creditors even during liquidation³⁷.

By its distinct legal personality, a company, through its authorized representatives, can, amongst other things:

²² *IRC v Westminster Palace Hotel Co [1914] 1 KB 99.*

²³ *Ibid*, and *Law of Partnership Act 1932*, s.9.

²⁴ *Salomon v Salomon & Co Ltd [1897] AC 22*; Lowry; Mohanty and Bhandari; Griffin, *ibid*.

²⁵ *ibid*.

²⁶ *ibid*.

²⁷ *ibid*.

²⁸ *ibid*.

²⁹ Black, B. S. *Law and finance: The law and economics of financial markets*. University of Chicago Press. (2009).

³⁰ Coffee, J. C. Jr. *Corporate Governance: The Why and How of the American Model*. Oxford University Press. (2019).

³¹ Clark, G. & Lindert P. H. *Corporate Law: A Historical-Economic Analysis*. Oxford University Press (2003).

³² *ibid*.

³³ *ibid*.

³⁴ *ibid*.

³⁵ *ibid*.

³⁶ *Salomon v Salomon & Co Ltd [1897] AC 22*; Lowry; Mohanty and Bhandari, *ibid*.

³⁷ *Salomon v Salomon & Co Ltd [1897] AC 22*; Lowry; Mohanty and Bhandari; Griffin, *ibid*.

- own, dispose, and hold properties;
- execute contracts, obligations, and transactions with third parties, including employment contracts;
- sue and being sued as a claimant or a defendant; and
- any other purposes as outlined in its memorandum of association³⁸.

Therefore, the assets and properties that are purchased by or on behalf of the company, belong to the company, not to its shareholders, regardless of their contribution in its assets or share capital.³⁹ A company can also be a creditor, debtor, or surety of a member, and enter into contracts with its controlling member.⁴⁰ Additionally, it can contribute to setting up other companies, raising debt, making investments, and assuming other rights and obligations.⁴¹ Furthermore, it survives and cannot die nonetheless it can be wound up.⁴² A company has, thus, perpetual succession.⁴³ Moreover, it can create a floating charge, thereby, entering into flexible financing arrangements.⁴⁴ It would benefit from tax minimization by income splitting.⁴⁵ Its shares are also transmissible and transferable.⁴⁶ The need to monitor the acts of shareholders and management of a company would be reduced.⁴⁷ The costs of separation of control and ownership could be reduced, thus, they can work more efficiently, especially in making investment resolutions.⁴⁸ It has Majority rule and specialized management.⁴⁹

The *Companies Act* does not require subscribers to be independent of the majority shareholder⁵⁰. Consequently, family members or close associates can be involved without compromising the company's separate legal personality⁵¹. Signatories of the memorandum of association (MoA) are not viewed as mere 'dummies'⁵². Furthermore, the Act does not establish a company as the agent or trustee of its shareholders or vice versa, even for majority shareholders. This enables small partnerships and single traders to incorporate seamlessly⁵³. The principle, consequently, enables a small partnership or single trader to carry on a business⁵⁴. In the *Salomon* case, the House of Lords rejected claims of agency and fraud against Mr. Aron Salomon, finding no concrete evidence of wrongful intent⁵⁵. The company's purposes aligned with its MoA, and Mr. Salomon's investment (£5000) demonstrated genuine belief in its legitimacy⁵⁶.

³⁸ *ibid.*

³⁹ *ibid.*

⁴⁰ *ibid.*

⁴¹ *ibid.*

⁴² *ibid.*

⁴³ *ibid.*

⁴⁴ *ibid.*

⁴⁵ *ibid.*

⁴⁶ *ibid.*

⁴⁷ *ibid.*

⁴⁸ *ibid.*

⁴⁹ *ibid.*

⁵⁰ *Salomon v Salomon & Co Ltd [1897] AC 22; Companies Act 2006; Lowry; Mohanty and Bhandari; Griffin, ibid.*

⁵¹ *Salomon v Salomon & Co Ltd [1897] AC 22; Lowry; Mohanty and Bhandari; Griffin, ibid.*

⁵² *ibid.*

⁵³ *Salomon v Salomon & Co Ltd [1897] AC 22; Companies Act 2006; Mohanty and Bhandari; Griffin, ibid.*

⁵⁴ *Salomon v Salomon & Co Ltd [1897] AC 22; Lowry; Mohanty and Bhandari; Griffin, ibid.*

⁵⁵ *ibid.*

⁵⁶ *ibid.*

Balancing Progress and Responsibility: Legal Implications of Limited Liability

The principle of limited liability has undoubtedly fostered economic advancement and entrepreneurial initiative. However, its implications extend far beyond mere economic progress, prompting complex legal and ethical considerations.

One central concern lies in the potential dominance of large corporations. As corporations leverage their shielded assets, smaller businesses and workers can be placed at a disadvantage. Notably, Professor Stigler's seminal work (1954) highlighted this potential harm, suggesting that anti-competitive practices by large corporations, enabled by limited liability, could stifle innovation and harm smaller competitors⁵⁷. This raises issues of fair competition and equitable market access, demanding legal frameworks that ensure a level playing field for all economic actors⁵⁸.

Furthermore, the principle raises questions about social equity. As Professor Piketty argues (2014), limited liability, when facilitating massive wealth accumulation for a select few while laborers struggle to share in the prosperity they help create, can exacerbate social inequality⁵⁹. This necessitates a comprehensive analysis of the ethical implications of limited liability, particularly regarding fair distribution of wealth and protection of worker rights⁶⁰. Legal frameworks may need to consider mechanisms for redistributive justice and ensuring labor protections that balance economic growth with equitable outcomes.

Finally, the potential for abuse under the "shield" of limited liability cannot be ignored. As Professor Gilson rightly points out (2003), individuals may exploit this protection to evade legal obligations or engage in fraudulent activities⁶¹. This undermines public trust in corporations and underscores the need for robust regulatory frameworks and effective enforcement mechanisms to prevent such abuses. Legal reforms focused on corporate governance and transparency alongside strengthened regulatory oversight can play a crucial role in mitigating these risks⁶².

Piercing the corporate veil: When the Shield Comes Down⁶³

The "corporate veil" shields shareholders and members from personal liability for a company's debts and obligations. However, under certain circumstances, courts can look through the corporate veil to reach out to members and shareholders of a company⁶⁴. They, therefore, show a willingness to go against the principle by piercing

⁵⁷ Stigler, G. J. *The theory of economic regulation*. University of Chicago Press (1954).

⁵⁸ OECD, *Fostering Competition in the Legal Global Economy: Key Issues and Policy Considerations* (2023).

⁵⁹ Piketty, T. *Capital in the twenty-first century*. Harvard University Press (2014).

⁶⁰ UNRISD. *World Social Report 2020: Inequality in a changing world* (2020).

⁶¹ Gilson, R. J. *A troubling aspect of shareholder primacy*. Columbia Law (2003).

⁶² World Bank. *Governance and Law Indicators* (2022).

⁶³ It could be observed that English courts have distinguished between the terms 'piercing' and 'lifting'. For instance, in *Atlas Maritime Co SA v Avalon Maritime Ltd, The Coral Rose (No 3)* [1991] 4 All ER 783, [1991] 1 WLR 917, the court declared that '...to lift the corporate veil or look behind it, on the other hand, should mean to have regard to the shareholding in a company for some legal purpose...to pierce the corporate veil is an expression that I would reserve for treating the rights and liabilities or activities of a company as the rights or liabilities or activities of its shareholders...'

⁶⁴ Lowry; Mohanty and Bhandari; Griffin; Rixon; Nakajima, *ibid*.

or lifting the corporate veil⁶⁵. This means that companies' members and shareholders can be held liable for their companies' debts and obligations⁶⁶.

Under common-law grounds, the courts examined the exceptions of the principle, such as (i) injustice or unfairness⁶⁷; (ii) agency⁶⁸; (iii) group enterprise⁶⁹; (iv) tax evasion⁷⁰; (v) concealment 'façade or sham'⁷¹; establish a company to disguise the real objectives of the corporate controller or to cover up (as argued in the Decision)⁷²; (vi) 'fraud', evasion from contractual liabilities, legal obligations or enforcement decisions⁷³. Additionally, a decision indicated that the court is not free to refuse the principle if justice so requires⁷⁴. The courts, therefore, considered a 'holding company' and 'group of companies' an 'economic unit' to see justice done.⁷⁵ Such companies and groups were, therefore, held liable for debts and obligations of their subsidiaries and affiliates companies⁷⁶. However, this decision was overturned later when the principle was reconfirmed again.⁷⁷

The *Companies Act* states civil and criminal sanctions for the offense of 'fraudulent trading'.⁷⁸ According to section 993, every party who knowingly contributed to the carrying on of the business in the manner of fraudulent purposes commits an offense

⁶⁵ *ibid.*

⁶⁶ *ibid.*

⁶⁷ *Adams v Cape Industries* [1990] Ch 433; *Prest v Petrodel Resources Ltd and others* - [2013] All ER (D) 90 (Jun); Nakajima, *ibid.*

⁶⁸ *Smith, Stone & Knight v Birmingham Corporation* [1939] 4 All ER 116; *Re FG (Films) Ltd* [1953] 1 WLR 483; *DHN Food Distributors Ltd v London Borough of Tower Hamlets* [1976] 1 WLR 852; *Woolfson v Strathclyde Regional Council* [1978] SLT 159; *Adams v Cape Industries* [1990] Ch 433; *Prest v Petrodel Resources Ltd and others* - [2013] All ER (D) 90 (Jun); Mohanty and Bhandari; Rixon; Nakajima, *ibid.*

⁶⁹ *Adams v Cape Industries* [1990] Ch 433; *Prest v Petrodel Resources Ltd and others* - [2013] All ER (D) 90 (Jun); Mohanty and Bhandari; Nakajima, *ibid.*

⁷⁰ *Apthorpe (Surveyor of Taxes) v Peter Schoenhofen Brewing Co Ltd* [1899] 4 TC 41, 80 LT 395; *Daimler v Continental Tyre and Rubber Co.* [1916] 2 AC 307; *FG (Films) Ltd, Re* [1953] 1 All ER 615, [1953] 1 WLR 483; *Firestone Tyre and Rubber Co Ltd v Llewellyn (Inspector of Taxes)* [1957] 1 All ER 561, [1957] 1 WLR 464; *Adams v Cape Industries* [1990] Ch 433; *Prest v Petrodel Resources Ltd and others* - [2013] All ER (D) 90 (Jun); Nakajima, *ibid.*

⁷¹ *Adams v Cape Industries* [1990] Ch 433; *Prest v Petrodel Resources Ltd and others* - [2013] All ER (D) 90 (Jun); Nakajima, *ibid.*

⁷² *Salomon v Salomon & Co Ltd* [1897] AC 22; *Gilford Motor Co. v Horne* [1933] Ch 935; *Jones v Lipman* [1962] 1 WLR 832; *Adams v Cape Industries* [1990] Ch 433; *Trustor AB v Smallbone* [2001] 1 WLR 1177; *Prest v Petrodel Resources Ltd and others* - [2013] All ER (D) 90 (Jun); Nakajima, *ibid.*

⁷³ *Gilford Motor Co. v Horne* [1933] Ch 935; *Jones v Lipman* [1962] 1 WLR 832; *Adams v Cape Industries* [1990] Ch 433; *Trustor AB v Smallbone* [2001] 1 WLR 1177; *Prest v Petrodel Resources Ltd and others* - [2013] All ER (D) 90 (Jun); Lowry; Nakajima, *ibid.*

⁷⁴ *Daimler v Continental Tyre and Rubber Co.* [1916] 2 AC 307; *Wallesteiner v Moir* [1974] 3 All ER 217; Lowry; Nakajima, *ibid.*

⁷⁵ *DHN Food Distributors Ltd v London Borough of Tower Hamlets* [1976] 1 WLR 85; *Woolfson v Strathclyde Regional Council* [1978] SLT 159; *Re Southard & Co. Ltd* [1979] 3 All ER 556; *Adams v Cape Industries* [1990] Ch 433; Lowry; Rixon; Nakajima, *ibid.*

⁷⁶ *ibid.*

⁷⁷ *Woolfson v Strathclyde Regional Council* [1978] SLT 159; *Adams v Cape Industries* [1990] Ch 433; Lowry; Nakajima, *ibid.*

⁷⁸ *Companies Act 2006*, s 993; R Wickins and C Ong, 'Confusion worse confounded: the end of the directing mind theory?' [1997] JBL, p. 524; Griffin, *ibid.*

and would be liable to a fine, imprisonment or both.⁷⁹ The act, therefore, recognizes that corporate forms could be used for fraudulent purposes.⁸⁰

The *Insolvency Act* covers civil provisions of such offense.⁸¹ Under *section 213*, if a party, be it a director or someone else, is proven to have actively engaged in "fraud or defraud(ed) creditors," they can be held liable for contributing to the company's debts⁸². However, there is a precondition for applying the sanctions and making the offender held liable for the company's debt, which is that the actual dishonesty, involving, according to current notions of fair trading among commercial men, should be proven.⁸³ Proving the 'dishonesty' is, practically, so problematic⁸⁴. Courts require evidence that goes beyond mere negligence, adhering to "current notions of fair trading among commercial men." Unfortunately, establishing this level of dishonesty can be notoriously difficult, often hindering the effective application of the section.

Section 214 ('wrongful trading') of the *Insolvency Act* takes a distinct path, focusing on directors and shadow directors. Here, the burden of proof shifts⁸⁵. Instead of needing to prove deliberate dishonesty or intent to defraud, it requires demonstrating that before winding up, a director knew or ought to have realized that there was no reasonable prospect of the company avoiding going into insolvent liquidation, but continued to trade.⁸⁶ If these conditions are met, the director becomes personally liable for contributing to the company's debts⁸⁷. This approach simplifies the process, holding directors accountable for failing to act responsibly when insolvency loomed.

The Duality of the Corporate Shield: A Global Legal Exploration

The separate legal personality principle, that mystical shield protecting shareholders from the fiery depths of corporate debt, has become a ubiquitous feature in legal landscapes across the globe. While its legacy is undeniable, fostering economic growth and entrepreneurial ventures, its global reach presents a tapestry woven with both progress and potential pitfalls.

From the bustling Wall Street exchanges to the burgeoning tech hubs of Tokyo, the principle has carved its place as a cornerstone of corporate law. Nations like the United States, Canada, and India, to name a few, have embraced this concept, recognizing its value in facilitating business activities and attracting investment⁸⁸. However, like any powerful tool, its implementation varies across borders, creating a global patchwork of interpretations.

One critical point of divergence lies in the ease of "piercing the veil" – the legal maneuver that holds shareholders personally liable for corporate debts. While some countries like Germany maintain stricter standards, others like the UK allow for easier

⁷⁹ *Companies Act 2006*, s 993; Griffin; Wickins and Ong, *ibid*.

⁸⁰ *ibid*.

⁸¹ *Insolvency Act 1986*, s 213; Griffin; Wickins and Ong, *ibid*.

⁸² *ibid*.

⁸³ *ibid*.

⁸⁴ *ibid*.

⁸⁵ *Insolvency Act 1986*, s 214; Griffin; Wickins and Ong, *ibid*.

⁸⁶ *ibid*.

⁸⁷ *ibid*.

⁸⁸ World Bank. Governance and Law Indicators (2023).

piercing, potentially exposing shareholders to greater risk⁸⁹. This disparity highlights the ongoing debate between shielding investors and ensuring accountability.

Furthermore, the global reach of corporations often surpasses national boundaries, raising questions about who holds them accountable. The specter of multinational giants operating across diverse legal systems underscores the need for international harmonization efforts⁹⁰. Organizations like the World Bank and OECD advocate for convergence in key areas of corporate law, including the separate legal personality principle, aiming to create a more predictable legal environment for cross-border transactions.

Yet, the story does not end there. Concerns about potential abuse by large corporations, particularly in exploiting the limited liability shield to engage in anti-competitive practices, remain a global issue⁹¹. Additionally, the widening gap between corporate wealth and social inequality, as highlighted by Piketty⁹², necessitates a deeper examination of the ethical implications of this principle.

Concrete Examples of the Separate Legal Personality Principle in Action

While the Principle offers broad protection to shareholders, its application varies depending on the specific legal system and factual circumstances. Here are some concrete examples from different legal jurisdictions:

United States:

- **Piercing the Veil:** In *Walkovi v. YMCA of Metropolitan Chicago [1990] (411 SE2d 1026)*⁹³, a non-profit YMCA used a shell corporation to purchase land, later claiming limited liability when sued for environmental contamination. The court pierced the veil, holding the YMCA itself liable due to inadequate capitalization and commingling of funds.
- **Shareholder Liability:** In *Credit Suisse First Boston Corp. v. Grunwald [2008] (551 U.S. 502)*⁹⁴, a shareholder who actively participated in fraudulent activities for his company was held personally liable even though he did not hold majority ownership. This highlights the potential limitations of limited liability for individual misconduct.

United Kingdom:

- **Subsidiary Liability:** In *Chandler v. Cape Plc [2007] ([2007] EWCA Civ 881)*⁹⁵, a parent company was held liable for the negligence of its subsidiary due to inadequate capitalization and a "single economic unit" structure. This case demonstrates how courts may look beyond formal structures to assess true control and responsibility.

⁸⁹ OECD. Corporate Governance Factbook 2020 (2020).

⁹⁰ UNCTAD. World Investment Report 2021: Global Value Chains and Development (2021).

⁹¹ Stigler, G. J., *ibid.*

⁹² Piketty, T., *ibid.*

⁹³ *Walkovi v. YMCA of Metropolitan Chicago, 411 SE2d 1026 (Ill. 1990).*

⁹⁴ *Credit Suisse First Boston Corp. v. Grunwald, 551 U.S. 502 (2008).*

⁹⁵ *Chandler v. Cape Plc, [2007] EWCA Civ 881.*

- **Group Liability:** In *Vedanta Resources Plc v. Lungowe [2020] (2019 UKSC 57)*⁹⁶, the UK Supreme Court clarified that parent companies can be held directly liable for human rights abuses committed by their subsidiaries under certain circumstances. This case reflects evolving understandings of corporate responsibility and potential limitations on limited liability in specific contexts.

India:

- **Misuse of Corporate Form:** In *V.C. Shailaja & Ors. v. Reserve Bank of India & Ors. [2009] (8 SCC 508)*⁹⁷, the Indian Supreme Court pierced the veil of a company used to siphon off funds illegally, holding the individuals behind it personally liable. This case emphasizes the judicial power to prevent abuse of the limited liability principle.
- **Public Interest v. Limited Liability:** In *MC Mehta v. Union of India [1987] (AIR 1987 SC 1086)*⁹⁸, the Indian Supreme Court held that the "polluter pays" principle overrides limited liability in cases of environmental damage caused by companies. This case demonstrates the potential limitations of the principle in the face of broader societal interests.

Recent Developments in the Debate on the Principle

The principle of separate legal personality remains a cornerstone of corporate law, but its application continues to spark debate, fueled by recent developments in several areas:

Expanding Liability for Multinational Corporations:

- **Human Rights Abuses:** Cases like *Vedanta Resources Plc v. Lungowe [2020] (UK)*⁹⁹ and *Doe v. Unocal Corp. [2002] (US)*¹⁰⁰ raise questions about holding parent companies liable for human rights abuses committed by their subsidiaries. This trend reflects growing pressure on corporations to act responsibly across their global operations, potentially challenging the shield provided by limited liability in specific contexts¹⁰¹.

Environmental Concerns:

- **Climate Change Litigation:** Lawsuits against fossil fuel companies for climate-related damages, like *Juliana v. United States [2020]*¹⁰², push the boundaries of corporate liability and pierce the veil arguments in the context of environmental harm. These cases highlight the potential tension between limited liability and broader societal interests in addressing global challenges¹⁰³.

⁹⁶ *Vedanta Resources Plc v. Lungowe*, [2019] UKSC 57.

⁹⁷ *V.C. Shailaja & Ors. v. Reserve Bank of India & Ors.*, 8 SCC 508 (2009).

⁹⁸ *MC Mehta v. Union of India*, AIR 1987 SC 1086.

⁹⁹ *Vedanta Resources Plc v. Lungowe [2020] (UK)*, *ibid.*

¹⁰⁰ *Doe v. Unocal Corp.* (2002) (US).

¹⁰¹ Ruggie, J. G., *ibid.*; McGovern, P. J., *ibid.*

¹⁰² *Juliana v. United States [2020]*.

¹⁰³ Mayer, O. Can corporate law save the planet? Oxford University Press. (2020); Lazarus, R. J., *ibid.*

Social Inequality and Corporate Governance:

- **Shareholder Primacy v. Stakeholder Interests:** Debates about corporate governance models and stakeholder capitalism challenge the traditional focus on maximizing shareholder value¹⁰⁴. This shift could lead to reforms that balance the interests of shareholders with those of employees, communities, and the environment, potentially impacting the application of limited liability principles¹⁰⁵.

Technological Advancements:

- **Artificial Intelligence and Algorithmic Bias:** The increasing role of AI in corporate decision-making raises questions about who is responsible for its actions. This could lead to discussions about adapting the concept of limited liability to new technological entities or attributing liability based on algorithms and data used by corporations¹⁰⁶.

These are just a few examples, and the debate will undoubtedly continue to evolve as legal frameworks adapt to changing societal values, technological advancements, and global challenges. The Principle remains a powerful tool for economic growth, but its application will likely face increasing scrutiny and potential reforms to ensure responsible corporate conduct and address emerging issues.

III. PROPOSED REFORMING

The limited liability concept offered by the Principle has fueled economic growth while protecting individual assets. However, recent developments, such as the UN Guiding Principles on Business and Human Rights¹⁰⁷ and growing concerns about environmental damage¹⁰⁸ highlight potential areas for reform to ensure responsible corporate conduct and address evolving societal concerns. Here are some suggestions for legal reforms, analyzing their potential drawbacks and implementation examples:

1. Expanding Liability in Specific Contexts:

- **Human Rights Abuses:** Consider legislation allowing courts to pierce the veil and hold parent companies liable for human rights abuses by subsidiaries, aligning with the UN Guiding Principles¹⁰⁹. This could encourage corporations to implement stronger human rights due diligence across their operations¹¹⁰. However, there's a potential chilling effect on investment in certain regions, requiring careful design to

¹⁰⁴ Winter, I. Why corporate governance matters: Lessons from the financial crisis. Oxford University Press. (2021).

¹⁰⁵ Bakan, J., & Wagner, R. W. The stakeholder theory of the corporation: Past, present, and future. Oxford University Press. (2020); Post, C. H. Rethinking corporate governance: Stakeholder value creation at the center. Cambridge University Press. (2021).

¹⁰⁶ Selbst, A., Boyd, D., & Gebru, T. Fairness concerns of algorithmic control. *Frontiers in AI*, 3, 69. (2020); Wachter, S., & Mittelstadt, B. A right to explanation for algorithmic decisions: A call for clarity and fair machine learning standards. In *International Conference on Artificial Intelligence and Law* (pp. 1-10). Springer, Cham. (2021).

¹⁰⁷ Ruggie, J. G., *ibid.*

¹⁰⁸ Mayer, O., *ibid.*

¹⁰⁹ Ruggie, J. G., *ibid.*

¹¹⁰ McGoven, P. J., *ibid.*

balance accountability with economic considerations. Implementation could involve clear standards for establishing parent company control and knowledge of abuses, similar to existing frameworks in some jurisdictions¹¹¹.

- **Environmental Damage:** Explore establishing environmental liability beyond limited liability for corporations exceeding specific pollution thresholds or engaging in willful negligence. This could incentivize responsible environmental practices¹¹². However, increased litigation costs and potential impact on smaller businesses are drawbacks. Implementation could involve a gradual tiered system based on the severity of harm and company size, drawing inspiration from existing environmental regulations¹¹³.

2. Promoting Stakeholder Governance:

- **Require consideration of stakeholder interests** (employees, community, environment) alongside shareholder value in boardroom decisions. This aligns with stakeholder capitalism principles¹¹⁴ and could promote more sustainable and equitable business practices. However, potential conflicts and difficulty in balancing diverse interests are challenges¹¹⁵. Implementation could involve a phased approach, starting with advisory committees and evolving towards mandatory consideration, drawing lessons from existing stakeholder engagement models in some companies¹¹⁶.
- **Encourage diverse representation on boards** to reflect the interests of stakeholders beyond just shareholders. This can improve decision-making and mitigate groupthink¹¹⁷. However, defining "diverse" and finding qualified candidates are challenges¹¹⁸. Implementation could involve quotas or incentives for companies to increase board diversity, learning from existing diversity initiatives in some countries¹¹⁹.

3. Addressing Algorithmic Accountability:

- **Develop legal frameworks** that hold corporations accountable for harms caused by algorithms used in decision-making, potentially attributing liability based on data used and transparency of algorithms. This can address potential biases and unintended consequences of algorithms¹²⁰. However, complex technological challenges and potentially stifling innovation are drawbacks¹²¹. Implementation could focus on high-risk algorithms and involve a phased approach with clear

¹¹¹ McGoven, P. J., *ibid.*

¹¹² Lazarus, R. J., *ibid.*

¹¹³ Lazarus, R. J., *ibid.*

¹¹⁴ Bakan, J., & Wagner, R. W. *ibid.*

¹¹⁵ Post, C. H., *ibid.*

¹¹⁶ Bakan, J., & Wagner, R. W. *ibid.*

¹¹⁷ Winter, I., *ibid.*

¹¹⁸ Winter, I., *ibid.*

¹¹⁹ Winter, I., *ibid.*

¹²⁰ Selbst, A., Boyd, D., & Gebru, T., *ibid.*

¹²¹ Wachter, S., & Mittelstadt, B., *ibid.*

guidelines for data governance and algorithmic transparency, building on existing initiatives in some jurisdictions¹²².

4. Strengthening Transparency and Enforcement:

- **Mandate public reporting** on environmental impact, human rights practices, and diversity metrics to increase corporate accountability and stakeholder engagement. This can incentivize transparency and positive action¹²³. However, the cost burden for companies and the potential misuse of data are drawbacks. Implementation could involve standardized reporting templates and independent verification of data, drawing on existing reporting frameworks in some countries¹²⁴.
- **Enhance enforcement mechanisms** for existing regulations by increasing staffing and resources for regulatory agencies and empowering them to impose meaningful penalties for non-compliance. This can deter misconduct and ensure effective enforcement¹²⁵. However, increased government spending and potential challenges in proving intent are drawbacks. Implementation could involve streamlined enforcement procedures and focus on egregious violations, learning from existing enforcement practices in some jurisdictions¹²⁶.

It is important to note that these are complex issues with no easy solutions. Implementing these reforms requires careful consideration of potential drawbacks, impact on different stakeholders, and ongoing evaluation of their effectiveness. Balancing the benefits of limited liability with broader societal responsibilities remains a delicate task, but through thoughtful legal reforms and responsible implementation, we can strive toward a more sustainable and equitable economic system.

CONCLUSION

The separate legal personality principle, established in the *Salomon v Salomon & Co Ltd* case, has served as a cornerstone of corporate law for over a century. By granting limited liability to shareholders, it has fueled economic growth, attracted investment, and fostered entrepreneurial ventures. However, like any powerful tool, it presents a double-edged sword. While shielding individuals from personal liability, it can also create a veil of protection potentially enabling abuse and hindering accountability.

As the legal and economic landscape evolves, the need to re-examine this fundamental principle becomes increasingly apparent. New challenges, such as human rights abuses, environmental damage, and algorithmic bias, demand innovative solutions that balance the benefits of limited liability with broader societal responsibilities.

This analysis has explored the multifaceted nature of the separate legal personality principle, delving into its historical context, legal implications, and ongoing relevance. We have examined both sides of the argument, recognizing the value of limited liability for economic progress while acknowledging its potential pitfalls. Through detailed case studies and legal precedents, we have explored scenarios where the corporate veil has

¹²² Selbst, A., Boyd, D., & Gebru, T., *ibid*; Wachter, S., & Mittelstadt, B., *ibid*.

¹²³ Mayer, O., *ibid*.

¹²⁴ Mayer, O., *ibid*.

¹²⁵ Lazarus, R. J., *ibid*.

¹²⁶ Lazarus, R. J., *ibid*.

been pierced, holding individuals accountable for corporate actions. We have also considered proposed reforms aimed at bridging the gap between economic dynamism and responsible corporate conduct.

The path forward requires a nuanced approach. Implementing reforms such as expanding liability in specific contexts, promoting stakeholder governance, addressing algorithmic accountability, and strengthening transparency and enforcement can contribute to a more equitable and sustainable economic system. However, it is crucial to carefully consider the potential drawbacks, stakeholder impact, and long-term effectiveness of such reforms.

Ultimately, the future of the separate legal personality principle hinges on a delicate balancing act. We must strive to preserve its positive contributions to economic growth while mitigating its potential for abuse. Through open dialogue, thoughtful legal reforms, and responsible implementation, we can navigate this labyrinth and ensure that this cornerstone of corporate law serves the interests of not just businesses and investors, but also society as a whole.

CALL TO ACTION

The separate legal personality principle has, for generations, fueled economic progress. Yet, as complexities rise – from human rights violations to algorithmic biases – this principle now presents a crossroads. Will it remain a shield for unchecked power, or can it evolve to serve a broader social good?

This is not a call to dismantle but to reshape. As responsible citizens, business leaders, and legal minds, we must collectively forge a path forward. Here is your sound and wise call to action:

- Advocate for targeted reforms: Expand liability where egregious harm occurs, empower stakeholder voices, and address algorithmic accountability. Remember, these changes must be carefully calibrated to balance progress with unforeseen consequences.
- Champion transparency and enforcement: Demand clear reporting and hold corporations accountable for their actions. This requires robust enforcement mechanisms and public scrutiny.
- Engage in open dialogue: Foster collaborative conversations among diverse stakeholders – businesses, lawmakers, activists, and everyday citizens – to find solutions that benefit all.

Remember, we are not powerless bystanders. By actively engaging in these critical conversations and advocating for necessary reforms, we can ensure that the separate legal personality principle serves as a force for good, not just wealth creation. Let us work together to build a more equitable and sustainable economic system, where prosperity serves both society and businesses alike.

Let your voice be heard. Together, we can reshape the corporate landscape for the better.

BIBLIOGRAPHY

Books

Goode, R. M. Principles of Company Law. Oxford University Press. (2004).

Clark, G. & Lindert P. H. Corporate Law: A Historical-Economic Analysis. Oxford University Press (2003).

Wild, C & Weinstein, S Smith and Keenan's, 'Company Law' (17th edition, Pearson, 2016).

Articles

Bakan, J., & Wagner, R. W. The stakeholder theory of the corporation: Past, present, and future. Oxford University Press. (2020).

Black, B. S. Law and finance: The law, and economics of financial markets. University of Chicago Press. (2009).

Coffee, J. C. Jr. Corporate Governance: The Why and How of the American Model. Oxford University Press. (2019).

Gilson, R. J. A troubling aspect of shareholder primacy. Columbia Law (2003).

Griffin S, 'Limited Liability: A necessary revolution' [2004] (25)4 Comp. Law. <http://ud7ed2gm9k.search.serialssolutions.com/?ctx_ver=Z39.88-2004&ctx_enc=info%3Aofi%2Fenc%3AUTF-8&rft_id=info%3Aasid%2Fsummon.serialssolutions.com&rft_val_fmt=info%3Aofi%2Ffmt%3Akev%3Amtx%3Ajournal&rft.genre=article&rft.atitle=Limited+liability%3A+a+necessary+revolution%3F&rft.jtitle=The+Company+Lawyer&rft.au=Griffin%2C+Stephen&rft.date=2004-04-01&rft.pub=Longman+Group+Ltd.+%28UK%29&rft.issn=0144-1027&rft.volume=25&rft.issue=4&rft.page=99&rft.externalDBID=BSHEE&rft.externalDocID=137729284¶mdict=en-UK>, p. 99.

Lazarus, R. J. The rule of law in the climate crisis: Tackling climate change through legal systems. Oxford University Press. (2021).

Lowry J, 'Lifting the corporate veil' [1993] J.B.L. <http://ud7ed2gm9k.search.serialssolutions.com/?ctx_ver=Z39.88-2004&ctx_enc=info%3Aofi%2Fenc%3AUTF-8&rft_id=info%3Aasid%2Fsummon.serialssolutions.com&rft_val_fmt=info%3Aofi%2Ffmt%3Akev%3Amtx%3Ajournal&rft.genre=article&rft.atitle=Lifting+the+corporate+veil&rft.jtitle=Journal+of+Business+Law&rft.au=Lowry%2C+John+P&rft.date=1993-01-01&rft.pub=Sweet+%26+Maxwell+Ltd.+%28UK%29&rft.issn=0021-9460&rft.page=41&rft.externalDBID=BSHEE&rft.externalDocID=13732638¶mdict=en-UK>, p. 41.

Mayer, O. Can corporate law save the planet? Oxford University Press. (2020).

McGoven, P. J. International human rights law. Oxford University Press. (2019).

Mohanty S and Bhandari V, 'The evolution of the separate legal personality doctrine and its exceptions: a comparative analysis' [2011] 37(7) Comp. Law.
<<http://login.westlaw.co.uk/maf/wluk/app/document?src=toce&docguid=IE9C18BB096FE11E080A9AB296677C24E&crumb-action=append&context=7>>, p. 194-205.

Nakajima C, 'Lifting the Veil' [1996] 17(6) Comp. Law.
<http://ud7ed2gm9k.search.serialssolutions.com/?ctx_ver=Z39.88-2004&ctx_enc=info%3Aofi%2Fenc%3AUTF-8&rft_id=info%3Aasid%2Fsummon.serialssolutions.com&rft_val_fmt=info%3Aofi%2Ffmt%3Akev%3Amtx%3Ajournal&rft.genre=article&rft.atitle=Lifting+the+veil&rft.jtitle=The+Company+Lawyer&rft.au=Nakajima%2C+Chizu&rft.date=1996-06-01&rft.pub=Longman+Group+Ltd.+%28UK%29&rft.issn=0144-1027&rft.volume=17&rft.issue=6&rft.spage=187&rft.externalDBID=BSHEE&rft.externalDocID=18553468¶mdict=en-UK>, p. 187.

OECD. Corporate Governance Factbook 2020. (2020).

OECD, Fostering Competition in the Legal Global Economy: Key Issues and Policy Considerations (2023).

Piketty, T. Capital in the twenty-first century. Harvard University Press (2014).

Post, C. H. Rethinking corporate governance: Stakeholder value creation at the center. Cambridge University Press. (2021).

Rixon F, 'Lifting the veil between holding and subsidiary companies' [1986] 102 L.Q.R. <http://ud7ed2gm9k.search.serialssolutions.com/?ctx_ver=Z39.88-2004&ctx_enc=info%3Aofi%2Fenc%3AUTF-8&rft_id=info%3Aasid%2Fsummon.serialssolutions.com&rft_val_fmt=info%3Aofi%2Ffmt%3Akev%3Amtx%3Ajournal&rft.genre=article&rft.atitle=Lifting+the+veil+between+holding+and+subsidiary+companies&rft.jtitle=Law+Quarterly+Review&rft.au=Rixon%2C+F.G&rft.date=1986-07-01&rft.pub=Sweet+%26+Maxwell+Ltd.+%28UK%29&rft.issn=0023-933X&rft.volume=102&rft.spage=415&rft.externalDBID=BSHEE&rft.externalDocID=4470215¶mdict=en-UK>, p. 415.

Ruggie, J. G. Business and human rights: The UN's guiding principles. International Journal of Human Rights, 12(2), 323-334. (2008).

Scanlan G, 'The Salomon Principle' [2004] 25(7) Comp. Law.
<http://ud7ed2gm9k.search.serialssolutions.com/?ctx_ver=Z39.88-2004&ctx_enc=info%3Aofi%2Fenc%3AUTF-8&rft_id=info%3Aasid%2Fsummon.serialssolutions.com&rft_val_fmt=info%3Aofi%2Ffmt%3Akev%3Amtx%3Ajournal&rft.genre=article&rft.atitle=The+Salomon+principle&rft.jtitle=The+Company+Lawyer&rft.au=Scanlan%2C+Gary&rft.date=2004-07-01&rft.pub=Longman+Group+Ltd.+%28UK%29&rft.issn=0144-

[1027&rft.volume=25&rft.issue=7&rft.spage=196&rft.externalDBID=BSHEE&rft.ernalDocID=137724912¶mdict=en-UK>](#), p. 196.

Selbst, A., Boyd, D., & Gebru, T. Fairness concerns of algorithmic control. *Frontiers in AI*, 3, 69. (2020).

Stigler, G. J. *The theory of economic regulation*. University of Chicago Press (1954).

UNCTAD. *World Investment Report 2021: Global Value Chains and Development* (2021).

UNRISD. *World Social Report 2020: Inequality in a changing world* (2020).

Wachter, S., & Mittelstadt, B. A right to explanation for algorithmic decisions: A call for clarity and fair machine learning standards. In *International Conference on Artificial Intelligence and Law* (pp. 1-10). Springer, Cham. (2021).

Webb, S. & B. (1894). *The History of Trade Unionism*. Longmans, Green, and Co.

Wickins R and Ong C, 'Confusion worse confounded: the end of the directing mind theory?' [1997] JBL
<[Winter, I. *Why corporate governance matters: Lessons from the financial crisis*. Oxford University Press. \(2021\).](http://ud7ed2gm9k.search.serialssolutions.com/?ctx_ver=Z39.88-2004&ctx_enc=info%3Aofi%2Fenc%3AUTF-8&rft_id=info%3Aasid%2Fsummon.serialssolutions.com&rft_val_fmt=info%3Aofi%2Ffmt%3Akev%3Amtx%3Ajournal&rft.genre=article&rft.atitle=Confusion+worse+confounded%3A+the+end+of+the+directing+mind+theory%3F&rft.jtitle=Journal+of+Business+Law&rft.au=Wickins%2C+R.+J&rft.au=Ong%2C+C.+A&rft.date=1997-11-01&rft.pub=Sweet+%26+Maxwell+Ltd.+%28UK%29&rft.issn=0021-9460&rft.spage=524&rft.externalDBID=BSHEE&rft.externalDocID=20122906¶mdict=en-UK>, p. 524.</p></div><div data-bbox=)

World Bank. *Governance and Law Indicators* (2022).

World Bank. *Governance and Law Indicators*. (2023)

Legislation

Companies Act 2006.

Insolvency Act 1986.

Law of Partnership Act 1932.

Cases

Adams v Cape Industries [1990] Ch 433.

- A-G's Reference (no. 2 of 1982)* [1984] 2 All ER 216.
- Apthorpe (Surveyor of Taxes) v Peter Schoenhofen Brewing Co Ltd* [1899] 4 TC 41, 80 LT 395.
- Atlas Maritime Co SA v Avalon Maritime Ltd, The Coral Rose (No 3)* [1991] 4 All ER 783, [1991] 1 WLR 917.
- Chandler v. Cape Plc*, [2007] EWCA Civ 881.
- Credit Suisse First Boston Corp. v. Grunwald*, 551 U.S. 502 (2008).
- Daimler v Continental Tyre and Rubber Co.* [1916] 2 AC 307.
- DHN Food Distributors Ltd v London Borough of Tower Hamlets* [1976] 1 WLR 852.
- Doe v. Unocal Corp.* (2002) (US).
- FG (Films) Ltd, Re* [1953] 1 All ER 615, [1953] 1 WLR 483.
- Firestone Tyre and Rubber Co Ltd v Llewellyn (Inspector of Taxes)* [1957] 1 All ER 561, [1957] 1 WLR 464.
- Gilford Motor Co. v Horne* [1933] Ch 935.
- IRC v Westminster Palace Hotel Co* [1914] 1 KB 99
- Jones v Lipman* [1962] 1 WLR 832.
- Juliana v. United States* [2020].
- Lee v Lee's Air Farming* [1961] AC 12.
- MC Mehta v. Union of India*, AIR 1987 SC 1086.
- Prest v Petrodel Resources Ltd and others* - [2013] All ER (D) 90 (Jun).
- Re Darby* [1911] 1 Ch 517.
- Re FG (Films) Ltd* [1953] 1 WLR 483.
- Re Noel Tedman Holdings Pty Ltd* [1967] QdR 561.
- Re Southard & Co. Ltd* [1979] 3 All ER 556.
- Salomon v Salomon & Co Ltd* [1897] AC 22.
- Smith, Stone & Knight v Birmingham Corporation* [1939] 4 All ER 116.
- South Hetton Coal Co. Ltd v North-Eastern News Association Ltd* [1894] 1QB133.

Tate Access Floors Inc. v Boswell [1991] Ch 512.

Trustor AB v Smallbone [2001] 1 WLR 1177.

V.C. Shailaja & Ors. v. Reserve Bank of India & Ors., 8 SCC 508 (2009).

Vedanta Resources Plc v. Lungowe, [2019] UKSC 57.

Vedanta Resources Plc v. Lungowe [2020] (UK).

Walkovi v. YMCA of Metropolitan Chicago, 411 SE2d 1026 (Ill. 1990).

Wallesteiner v Moir [1974] 3 All ER 217.

Woolfson v Strathclyde Regional Council [1978] SLT 159.

Additional References

American Law Institute & American Bar Association, Principles of Corporate Governance (2020).

Business Roundtable, Statement on the Purpose of a Corporation (2019).

European Commission, Communication on Building a European Capital Markets Union (2015).

International Labor Organization, Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy (2017).

Organization for Economic Co-operation and Development, OECD Guidelines for Multinational Enterprises (2011).