

Company

A **company**, abbreviated as **co.**, is a [legal entity](#) representing an association of people, whether [natural](#), [legal](#) or a mixture of both, with a specific objective. Company members share a common purpose and unite to achieve specific, declared goals. Companies take various forms, such as:

- [voluntary associations](#), which may include [nonprofit organizations](#)
- [business entities](#), whose aim is generating profit
- financial entities and [banks](#)
- programs or [educational institutions](#)



A modern corporate office building in [Münster](#), North Rhine-Westphalia, Germany



An office building of [Nokia Corporation](#) in [Hervanta, Tampere, Finland](#)

A company can be created as a legal person so that the company itself has [limited liability](#) as members perform or fail to discharge their duty according to the publicly declared [incorporation](#), or published policy. When a company closes, it may need to be [liquidated](#) to avoid further legal obligations.

Companies may associate and collectively register themselves as new companies; the resulting entities are often known as [corporate groups](#).

Meanings and definitions

A company can be defined as an "artificial person", invisible, intangible, created by or under law,^[1] with a discrete [legal personality](#), [perpetual succession](#), and a [common seal](#). Except for some senior positions, companies remain unaffected by the death, insanity, or [insolvency](#) of an individual member.

Etymology

The English word *company* has its origins in the [Old French](#) term *compagnie* (first recorded in 1150), meaning a "society, friendship, intimacy; body of soldiers",^[2] which came from the [Late Latin](#) word *companiono* ("one who eats bread with you"), first attested in the [Lex Salica](#) (English: [Salic Law](#)) (c. 500 AD) as a [calque](#) of the [Germanic](#) expression *gahlaibo* (literally, "with bread"), related to [Old High German](#) *galeipo* ("companion") and to [Gothic](#) *gahlaiba* ("messmate").

Semantics and usage

By 1303, the word referred to [trade guilds](#).^[3] Usage of the term *company* to mean "business association" was first recorded in 1553,^[4] and the abbreviation "co." dates from 1769.^{[5][6]}

Companies around the world

China

In [China](#) companies are often [government](#) run or some government supported. Others may be foreign companies or [export-based corporations](#). However, many of these companies are government [regulated](#).

United Kingdom

In [English law](#) and in legal jurisdictions based upon it, a company is a [body corporate](#) or corporation company registered under the [Companies Acts](#) or under similar legislation.^[7] Common forms include:

- [Private companies limited by guarantee](#)
- [Community interest company](#)
- [Charitable incorporated organisation](#)
- [Private companies limited by shares](#) - the most common form of company
- [Public limited companies](#) - companies, usually large, which are permitted to (but do not have to) offer their shares to the public, for example on a [stock exchange](#)

In the United Kingdom, a [partnership](#) is not legally a company, but may sometimes be referred to (informally) as a "company". It may be referred to as a "[firm](#)".

United States

In the [United States](#), a company is not necessarily a corporation. For example, a company may be a "[corporation](#), [partnership](#), association, [joint-stock company](#), [trust](#), [fund](#), or organized group of [persons](#), whether incorporated or not, and (in an official capacity) any receiver, trustee in bankruptcy, or similar official, or liquidating [agent](#), for any of the foregoing".^{[8][9]}

Types

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- **A company limited by guarantee (CLG):** Commonly used where companies are formed for non-commercial purposes, such as clubs or charities. The members guarantee the payment of certain (usually nominal) amounts if the company goes into [insolvent liquidation](#), but otherwise, they have no economic rights in relation to the company. This type of company is common in [England](#). A company limited by guarantee may be with or without having [share capital](#).
 - **A company limited by shares:** The most common form of the company used for business ventures. Specifically, a limited company is a "company in which the liability of each shareholder is limited to the amount individually invested" with corporations being "the most common example of a limited company".^[9] This type of company is common in [England](#) and many [English-speaking countries](#). A company limited by shares may be a
 - [publicly traded company](#) or a
 - [privately held company](#).
 - **A company limited by guarantee with a share capital:** A hybrid entity, usually used where the company is formed for non-commercial purposes, but the activities of the company are partly funded by investors who expect a return. This type of company may no longer be formed in the UK, although provisions still exist in law for them to exist.^[7]
 - **A limited liability company.** "A company—statutorily authorized in certain states—that is characterized by limited liability, management by members or managers, and limitations on ownership transfer", i.e., L.L.C.^[9] LLC structure has been called "hybrid" in that it "combines the characteristics of a corporation and of a partnership or sole proprietorship". Like a corporation, it has limited liability for members of the company, and like a partnership it has "flow-through taxation to the members" and must be "dissolved upon the death or bankruptcy of a member".^[10]
 - **An unlimited company with or without a share capital.** A hybrid entity, a company where the liability of members or shareholders for the debts (if any) of the company are not limited. In this case doctrine of a veil of incorporation does not apply.

Less common types of companies are:

- **Companies formed by letters patent.** Most corporations by letters patent are [corporations sole](#) and not companies as the term is commonly understood today.
- **Charter corporations.** Before the passing of modern companies legislation, these were the only types of companies. Now they are relatively rare, except for very old companies that still

survive (of which there are still many, particularly many British banks), or modern societies that fulfill a quasi-regulatory function (for example, the [Bank of England](#) is a corporation formed by a modern charter).

- **Statutory companies.** Relatively rare today, certain companies have been formed by a private statute passed in the relevant jurisdiction.

When "Ltd" is placed after the company's name, it signifies a limited company, and "PLC" ([public limited company](#)) indicates that its shares are widely held.^[11]

In the legal context, the owners of a company are normally referred to as the "members". In a company limited or unlimited by shares (formed or incorporated with a share capital), this will be the [shareholders](#). In a [company limited by guarantee](#), this will be the guarantors. Some [offshore jurisdictions](#) have created special forms of [offshore company](#) in a bid to attract business for their jurisdictions. Examples include "[segregated portfolio companies](#)" and restricted purpose companies.

However, there are many sub-categories of company types that can be formed in various jurisdictions in the world.

Companies are also sometimes distinguished for legal and regulatory purposes between [public companies](#) and [private companies](#). Public companies are companies whose shares can be publicly traded, often (although not always) on a [stock exchange](#) which imposes [listing requirements/Listing Rules](#) as to the issued shares, the trading of shares and future issue of shares to help bolster the reputation of the exchange or particular market of an exchange. Private companies do not have publicly traded shares, and often contain restrictions on transfers of shares. In some jurisdictions, private companies have maximum numbers of shareholders.

A [parent company](#) is a company that owns enough voting stock in another firm to control management and operations by influencing or electing its board of directors; the second company being deemed a subsidiary of the parent company. The definition of a parent company differs by jurisdiction, with the definition normally being defined by way of laws dealing with companies in that jurisdiction.

See also

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- [Corporate personhood](#)

- [List of company registers](#)
- [List of largest employers](#)
- [Lists of companies](#)
- [Stewardship](#)
- [Types of business entity](#)

References

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10. *root. "Limited Liability Company (LLC) Definition - Investopedia" (<http://www.investopedia.com/terms/l/lc.asp#ixzz2CEzgE239>) . Investopedia. Archived (<https://web.archive.org/web/20121127013955/http://www.investopedia.com/terms/l/lc.asp#ixzz2CEzgE239>) from the original on November 27, 2012. Retrieved November 14, 2012.*
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Further reading



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External links



Look up **Company** in Wiktionary, the free dictionary.

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