

MINORS IN CORPORATE ROLES^{*}

Pantira Boonvacharee

Master of Laws in Business Laws (English Program)

Faculty of Law, Thammasat University

Email address: pb.pantira@gmail.com

Received 27 July 22

Revised 16 September 22

Accepted 30 November 22

Abstract

It is universal that juveniles are protected by law due to their immaturity, innocence, and inexperience. However, the extent to the minor's ineligibility to enter valid transactions in business areas differs from country to country. One of the most complicated contracts is the type of contract relating to the corporation, which is further governed by corporate laws and involves many parties, such as partners as the co-investors, or shareholders as the beneficiaries. Problems are incurred once the minors without legal capacity engage in the corporation to operate the business with other parties. On the one hand, they might not precisely comprehend the contracts they engage in and can be disadvantageous in commerce. On the other hand, business transactions can be undermined and suffer from minors' fragmented contracts due to the legal effect of voidable acts.

The problem of the study covers the areas of law on capacity, family, and corporation that the application of the laws is still inconsistent and adversely affects all contractual parties. The comparative analysis from the model countries, namely Germany, the UK, Singapore, and France, is the primary contribution to observe the improvement of the Thai laws. Some countries completely preclude minors from the corporation. The others

* This article is summarized and rearranged from the thesis "Minors in Corporate Roles," Faculty of Law, Thammasat University, 2021.

provide the proper conditions, such as minimum age requirements or judicial approval. The proposed solutions will eliminate legal uncertainties in business while maintaining minor safeguards for performing corporate roles.

Keywords: Minor, Capacity, Corporations

1. Introduction

The position of children and their business engagement have been advancing progressively in our modern social and economic developments. Presently, though the minors have been actively participating in many commercial aspects, it is still controversial in their legal capacities in business areas.

Thai Civil and Commercial Code (CCC), Section 27, also eases commercial transactions for minors and deems them as a majority in order to ascertain businesses.¹ However, some minors might not precisely comprehend the contracts they engage in, and they can be exploitable and inducible due to the lack of mature judgment and self-determination so that such permission can be revoked at any time upon prejudicial causes.² Meanwhile, a corporation contains a group of persons establishing a new entity that minors will neither solely conduct the business nor engage in transactions alone. They will jointly operate the business with other persons as a long-term commitment for a common returns and responsibilities. The alliance aims to collaborate on funding, brainstorming, and creditability to deal with the more significant transactions. The business operator will be shifted from the individual to juristic, and the corporate roles will be bound by legal duties and liabilities of corporate laws. Therefore, there will be the following problems arising under Thai law: 1) Problem concerning legal capacity of minors in corporations, 2) Problem concerning the authority of minors' legal representatives toward minors' business, and 3) Problem concerning minors' qualifications under corporate laws.

Apart from Thai law, the framework of other countries for minors doing business differs from country to country. Some countries allow minors from sixteen or eighteen to join a corporation, while others demand the court's approval to allow only the capable ones.

¹ Civil and Commercial Code of Thailand, s 27.

² ibid, s 27 para 3.

The current Thai applicable law undermines business certainty, reduces reliability, and deprives the business of commercial opportunities. The minors' protection should, however, have the most negligible potential impact on other parties, such as other partners, shareholders, other directors, employees, contracting parties, banks, or creditors. Therefore, the proposed solution will adjust the incapacitated person's interests with those whom they deal with commercially.

2. General concepts and problems of minors joining corporate roles under Thai law

2.1 Legal capacity of minors in corporations

2.1.1 General concepts concerning legal capacity of minors in corporations

In Thailand, a person ceases to be a minor and becomes a majority, *sui juris*, on the completion of twenty years of age.³ The age of twenty is a Thai legal criterion to distinguish a person who is legally capable of self-management from a minor who should still be under supervision by his representative or guardian. Respectively, minors under Thai law are framed in a stage that cannot accurately exercise some rights at their own sole discretion.

In general, minors are not prohibited from contracting with other people. Thai law of capacity merely protects minors that minors' juristic acts shall be governed by legal representatives empowered by laws to review and consent minors' contracts. Otherwise, the act shall be voidable under Section 21 CCC.⁴

The word "voidability" under Thai law is interpreted in the way that the juristic act is valid and enforceable by law. However, there is a flaw that

³ ibid, s 19.

⁴ ibid, s 21.

the act can eventually be avoided by the legal representative or minor himself after becoming the majority.⁵ Such voidable act, upon avoidance, results in being deemed to have been void from the beginning.⁶ This is a privilege for minors that private law trades off legal certainty by allowing them to later disaffirm the agreed contract unilaterally as a second chance to re-decide on the engagement.

In terms of corporations, there is no explicit provision applicable for the legal capacity of minors' participation in the partnership or the company. It is still controversial with no evidence or court decision whether Section 27 CCC applies to the corporate event. Currently, there is a subordinated law that the registration by minors with an age not less than twelve years old must be accepted to be a partner, a promoter, a director, and a liquidator of a partnership or company.⁷ In practice, consent is not required to be proven to ensure minors' act.

2.1.2 Problem concerning legal capacity of minors in corporations

Since the current law contains no apparent provisions for minors to join the corporate role, the general application of the capacity shall apply. If Section 27 CCC is applied, there can be legal effects that minors who grant the consent will be deemed majority, and the permitted acts cover all pertinent to business conduct. Such permission can be revoked at any time upon prejudicial causes. Abstain of consent, the act shall be voidable that the participation can be eventually avoided, and the corporate relationship and the registration of juristic person can also be questionable from the beginning.

The corporation's participation differs from the sole business operator that such an application cannot provide an efficient consequence. It will provide many conflicts with other provisions and may not be

⁵ *ibid*, s 178, 175(1), 177.

⁶ *ibid*, s 176.

⁷ Notification of the Office of Central Company and Partnership Registry B.E. 2561 (2018) s 49.

sufficient to safeguard minors adequately from business risk, obligations, and corporate duties and liabilities. Furthermore, the voidability should not be allowed in this situation, and the business certainty should be improved.

2.2 The authority of minors' legal representatives toward minors' business

2.2.1 General concepts concerning the authority of minors' legal representatives toward minors' business

Parental cultures and family relationship practices have played a significant role in determining every aspect of Thai society. The CCC assigns an authorized person, as the "legal representatives," to take care of minors' assets until they become *sui juris*.⁸ They may prohibit, permit, or act in lieu of minors to operate a business.

However, there are some restrictions of parental power that merely consent is not adequate for the minors' transactions under Section 1574 CCC. They are valuable transactions that require additional court permission, such as selling immovable property or making a loan.⁹

2.2.2 Problem concerning the authority of minors' legal representatives toward minors' business

In corporations, personal qualifications for the roles are considered a matter of operation. A corporation is usually formed by related people who trust one another and desire to operate a business together in the way that a partner must be liable for one another or conduct the management on behalf of others. Such persons cannot be changed or replaced unless agreed mutually by contracting parties due to their professional qualifications. Therefore, representing minors on their behalf should not be allowed in this case.

⁸ Civil and Commercial Code of Thailand, s 1566.

⁹ ibid, s 1574.

Moreover, the business operator will be shifted from the minors to the corporation, in which the minors performing the role will not fall under Section 1574. Therefore, it disregards the legal concerns that aim to protect minors.

2.3 Minors' qualifications under corporate laws

2.3.1 General concepts concerning minors' qualifications under corporate laws

The corporation is unlike a human being, or natural person, that possesses the capabilities of physical actions or ideas generated. The corporation requires a natural person, appointed by the law as a legal representative, to think, manage, or act on its behalf. The roles of the legal representative consist of partner, promoter, director, liquidator, and shareholder that shall bear different duties and qualifications according to the corporate laws, such as many specific duties of legal compliance and standards of care under corporate laws. Failure to comply will lead to liabilities to both corporation and legal representative, including the minors acting in the roles.

2.3.2 Problem concerning minors' qualifications under corporate laws

The Corporate laws escalate the standards to govern the contractual relationship between business partners internally and among third parties externally. For example, the director must apply *the diligence of a careful businessman* in conducting a business.¹⁰ Otherwise, directors can be liable and be filed a lawsuit against relevant persons.¹¹ Therefore, participating minors must owe the same level of duties as adults with no excuses. Currently, Thai law merely requires minors to be only over the age of

¹⁰ ibid, s 1168.

¹¹ ibid, s 1169.

eleven to participate in corporations.¹² An issue incurs that a 12-year-old person may not have managerial capacity qualified for the duties and liabilities of corporate law as permitted by Thai law. Currently, minors can be restricted from these positions only when there are specific laws that require the qualification of the representative to be a majority, for example, carriage business,¹³ foreign business,¹⁴ insurance business,¹⁵ any public company limited,¹⁶ and businesses required professions, such as lawyers, engineers, architects, and others. Therefore, the minors still cannot be protected sufficiently.

3. Minors and corporate roles in foreign countries

3.1 German law

The German Civil Code (*Bürgerliches Gesetzbuch* or BGB) determined the legal age to be eighteen.¹⁷ The BGB divides minors into two groups of age ranges—children younger than seven years as persons lacking judgment and are incapable of contracting (incapacity),¹⁸ and children between the age of seven and younger than eighteen as persons with limited capacity (limited capacity).¹⁹ The law completely disregards the capacity of children whose age has not fully reached seven years. In some instances, the latter group shall have limited capacity to contract under Sections 107 to 113.²⁰

¹² Notification of the Office of Central Company and Partnership Registry B.E. 2561 (2018), s 49.

¹³ Land Transport Act 1979, s 97-98.

¹⁴ Foreign Business Act 1999, s 16.

¹⁵ Life Insurance Act 1992, s 69; Non-life Insurance Act 1992, s 64.

¹⁶ Public Limited Companies Act 1992, s 68, 72.

¹⁷ German Civil Code (*Bürgerliches Gesetzbuch*), s 2.

¹⁸ *ibid*, s 104.

¹⁹ *ibid*, s 106.

²⁰ *ibid*, s 106.

The general rule of minors' capacity requires prior consent from the minors' legal representative according to Section 107 of BGB.²¹ If the consent is absent, the contract's effectiveness is subject to ratification by the legal representative, in accordance with Section 108 of BGB.²²

As a result, the status of the contract will be referred to as effectiveness or ineffectiveness. The status of the ineffective contract, also known as indeterminate validity, is suspended, in which both the minor and the other party are bound by the contract but are unable to, for the time being, demand for the performance or deprive any rights of it.²³

Minors can perform an independent trade or business operation under Section 112 BGB while entering into a trade or business for shareholders' or partnership contract falls under Section 1882 BGB. In both cases, the permission required not only the representatives' consent but also the family court's approval. If the minors conduct the business themselves without consent, their legal transactions do not become effective. Apart from the BGB, minors are precluded from the corporate role as directors under the German Limited Liability Company Act²⁴ and German Stock Corporate Act.²⁵ It requires only a natural person of full legal capacity to be a director of the company limited and the public company limited.

Regarding the authority of minors' legal representatives toward minors' business, the parental custody shall be restricted from minors' independent operation of trade or business and cannot act on behalf of minors.²⁶ However, the legal representatives' consent is still maintained with the court's permission under Section 112 or 1882 BGB.

²¹ ibid, s 107.

²² ibid, s 108.

²³ Gerhard Dannemann and Reiner Schulze, *German Civil Code (BGB) Volume 1 Book 1-3: Section 1-1296 Article-by-Article Commentary* (Verlag C.H.Beck oHG 2020) 131, 133.

²⁴ German Limited Liability Company Act (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung*), s 6.

²⁵ German Stock Corporate Act (*Aktiengesetz*), s 76 para 3 and 100 para 1.

²⁶ German Civil Code (*Bürgerliches Gesetzbuch*), s 1629a para 2 and 1645.

3.2 UK law

The age of majority in the UK is reduced to eighteen according to the Family Law Reform Act 1969 for England and Wales,²⁷ the Age of Majority (Scotland) Act 1969 for Scotland,²⁸ and the Age of Majority Act (Northern Ireland) 1969 for Northern Ireland²⁹

The long-established common law rule is that “[a] contract made by an infant was voidable at this option.”³⁰ The minors’ contract is subjected to the common law rules and equity. The legal consequences depend on each nature of the contract in various senses to be void or voidable. The word voidable is further used in two senses: one is that the contract is valid and binding but could be repudiated, and another is that the contract is not binding until ratified when he or she reaches the age of majority.³¹ Meanwhile, Scottish law has its own act applicable only in Scotland, which replaced the old rules that minors shall have a full legal capacity to enter into any transactions at sixteen.³² The applicable acts reflect the mixed legal systems of Scotland that make Scotland different from others in the UK.

In terms of corporations, the capacity to contract also depends on each transaction. To operate a business as a partner, the minors can be bound by the partnership agreement and operate the business as a partner.³³ However, they cannot be made liable during their minority for any

²⁷ Family Law Reform Act 1969, s 1.

²⁸ Age of Majority (Scotland) Act 1969, s 1.

²⁹ Age of Majority Act (Northern Ireland) 1969, s 1.

³⁰ H J Hartwig, ‘Infants’ Contracts in English Law: With Commonwealth and European Comparisons’ (1966) 15 Int’l & Comp LQ 780.

³¹ Basil Markesins, Hannes Unberath and Angus Johnston, *The German Law of Contract; A Comparative Treatise* (2nd edn, Oxford and Portland, Oregon 2006) 230.

³² Age of Legal Capacity (Scotland) Act 1991, s 1.

³³ *Lovell & Christmas v Beauchamp* [1894] AC 607 at 611.

debts that the partnership incurs.³⁴ Meanwhile, the minor shareholder remains liable for any calls for the acquisition of the shares, so long as the shares are held, unless he expressly repudiates that holding.³⁵ On the other hand, the Companies Act 2006, Section 157, restricts the minimum age of being appointed as a director at sixteen.³⁶

Unlike civil law countries, English law further lacks the institution of a statutory representative who can consent or represent a minor when composing a contract that the authority does not exist in common laws.

3.3 Singaporean law

Singapore has received the source of law from English law, as the historical or general methods, accepted in applying the common law and equity. The law has derived from the common law that the age of majority remains twenty-one years old.³⁷ As the law of England continues to be a part of Singapore law, the right to contracts of minors shall be as prescribed in the UK part until the enactment of the Civil law (Amendment) Act 2009, which was effective from 1 March 2009. The minors from eighteen are entitled to contract in general and engage in the commercial contract in business as if they were of full age.³⁸ It excludes only some transactions under Section 35(4)-(5), such as the sale of land, that allow the legal capacity for minors' aged twenty-one onwards to engage. Therefore, minors from eighteen can freely engage in the business as any corporate roles.

The reason for the change is that the minimum age to contract of twenty-one is considered a legal barrier, preventing young people from

³⁴ Basil Markesins, Hannes Unberath and Angus Johnston, *The German Law of Contract; A Comparative Treatise* (2nd edn, Oxford and Portland, Oregon 2006) 233.

³⁵ *ibid.*

³⁶ Companies Act 2006, s 157.

³⁷ Andrew Phang Boon Leong, *The Law of Contract in Singapore* (Academy Publishing, 2012) 43-45.

³⁸ Civil Law Act 2009, s 35 para 1.

starting and conducting a business.³⁹ The sole aim is to broaden and support the entrepreneurial society,⁴⁰ which is the improvement for the modernized era to ease the flexibility to contract in commerce.

3.4 French law

According to the French Civil Code, the age of majority is fixed at the full age of eighteen.⁴¹ On the contrary, French law prohibits minors from contracting or conducting a business as per Article 1145 of the French Civil Code,⁴² except only the day-to-day contracts that pose no risk to the minors' financial position.⁴³ Minors under eighteen must be assisted or represented by their parents, a legal administrator, or a guardian. Otherwise, the contract shall be null and discharge minors from the obligations.⁴⁴

The only way for the minors to conduct business in the corporation is to apply for the status of "emancipation." The emancipated minors can avail themselves of personal freedom and are empowered to be granted the capacity to do any act before the legal age, such as entering into contracts. Typically, the requested minors need to prove that they are financially independent and capable of living on one's own, and the case should be in the best interest of the minors. They will no longer be protected by the law on capacity and thus be granted the full right as if they reach the age of majority before the legal age stipulated by law. Currently, minors can be emancipated by applying for the status upon reaching sixteen.⁴⁵ The emancipated minors can be a trader with the

³⁹ Ministry of Law of Singapore, *The Consultation Paper on the Draft Civil Law (Amendment) Bill 2008* 2.

⁴⁰ *ibid.*

⁴¹ French Civil Code 1804, s 414.

⁴² *ibid*, s 1145.

⁴³ *ibid*, s 1148.

⁴⁴ *ibid*, s 1147.

⁴⁵ *ibid*, s 413-2.

authorization of the guardianship court upon declaring the status of emancipation with the additional request for conducting a business.⁴⁶

Regarding the authority of minors' legal representatives toward minors' business, they are also not allowed to engage in the business on minors' behalf, despite the extensive power of representation.⁴⁷

4. Comparative analysis

4.1 Comparative analysis of legal capacity of minors in corporations

In German, UK, and Singapore, minors are allowed to contract and are eligible for special protection provided by laws. The parties to contract may satisfy the elements required in forming a contract, but the legal capacity is another element to concern for enforcing the effect.

In Thailand, minors can be allowed to conduct a business and participate in the corporation by obtaining consent from legal representatives. Meanwhile, German law requires both consent from the legal representative and the court's permission. In case of a corporation, Thai law contains no explicit provision applying to minors, and the implementation of Section 27 CCC can incur participation ambiguities. The corporation and non-corporation acquire different nature of the formation, operation, and termination. The acts of engaging a business by minors can still affect multiple parties in the business organization. The applicable provision should be separated with different conditions and consequences.

In Thailand, the law governing the specific transactions is cited from the acts under Section 1574 CCC, which stipulates that parental power is no longer sufficient for a contract. In Germany, Sections 1821-1822 BGB list the transactions that also require the family court's approval. German law includes participating in the corporation as one of the specific transactions. This model sets the constructive application of the laws that protect minors

⁴⁶ *ibid*, s 413-2 and 413-8.

⁴⁷ *ibid*, s 387-2.

from the valuable acts incurred due to the business operation permitted on a case-by-case basis, which is a greater minors' protection.

The interpretation of the voidable effect under Thai law is different from other countries in that voidability under Thai law refers to the valid and enforceable act until the minors repudiate the contract. German law does not apply the voidable concept as to the basics of common law and Thai law. The essence of the contract under German law shall not be effective, same as Section 1574 CCC. Such legal consequences can be considered firm and secure minors from undesired acts. Having the enable effect upon permission may benefit the business area more than the freewheeling consent. The legal effect should not immediately start binding the minors with the corporation's obligations until they renounce their act. It should become enforceable once the conditions are met. Therefore, Section 1574 provides the proper condition and legal consequences for corporate situations.

In the meantime, the common-law countries do not have the concept of pre-approval for minors to operate a business but will depend on the precedent courts' decisions, which are dissimilar in characteristics of each legal system. The characteristics of Thai law are considered incompatible with common-law systems, and the minors' act relies on the conditions of consent in principle as stipulated by the code.

French law, on the contrary, prohibits minors from acts in general and in business. This is the conservative way that prevents minors from binding obligations. However, the liberty to engage in an occupation as a constitutional right of Thailand cannot be overlooked. The restrictions of the business engagement shall be made only by virtue of laws to the extent of necessity.⁴⁸ Meanwhile, the partial prohibition appears in some roles of the corporation in other countries, such as in Germany, the director must be a

⁴⁸ Constitution of Thailand 2017, s 40.

person who has full legal capacity.⁴⁹ The director under German law requires to apply the care of a *prudent businessman* to be exercised when managing the company's affairs.⁵⁰ Otherwise, the director must be liable to the company for the violation incurred by the breach.⁵¹ Similar to Thai law, the director's performance shall comply with the standard of conducting business with the *diligence of a careful businessman*.⁵² These are the standards of care specified by a particular level for business management, which can be higher than generally personal qualifications.

Prohibiting minors entirely from the corporation would be an obstacle to competent minors in this modern world to initiate their own business. Therefore, proper conditions and legal measures should instead be replaced in order to maintain minors' protection rather than prohibiting them from business opportunities.

4.2 Comparative analysis of the authority of minor's legal representative toward minors' business

In common law countries, the legal effect shall be fixed and fall under common law and equity with no difference in the acknowledgment of the legal representatives. In this case, the parental authority in common-law countries, such as UK and Singapore, has nothing to relate to minors' acts. On the other hand, Thailand, Germany, and France rely on parental power to grant consent or to represent minors. It is the principle of General Provisions that consent is required for minors' acts. The legal representatives are further authorized by law to represent minors by acting on their behalf. Notwithstanding their provided authority of representation

⁴⁹ German Limited Liability Company Act (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung*), s 6; German Stock Corporate Act (*Aktiengesetz*), s 76 para 3 and 100 para 1.

⁵⁰ German Limited Liability Company Act (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung*), s 43 para 1.

⁵¹ *ibid*, s 43 para 2.

⁵² Civil and Commercial Code of Thailand, s 1168.

under German and French laws, the legal representatives are still prohibited from representing minors in the business area in their name.⁵³ Considering the nature of the engagement in the corporation under Thai law, the personal qualifications and eligibility for business operations will be considered by other partners to evaluate the appropriateness of being in that corporate position in order to decide whether to enter into the contract with them or not. Thai law should also explicitly state that legal representatives are not allowed to represent minors to engage in the corporation.

However, in terms of consent, Thai law, similar to other civil laws, relies on parental power to consent for juristic acts. Parents can further be liable for the consequences of minors' wrongful acts, or Thai minors might not be financially independent, so the parents must still bear minors' burdens instead. Thus, the law should maintain parental consent as per General Provisions to avoid any legislated conflicts but further requires the court's approval.

4.3 Comparative analysis of minors' qualifications under corporate laws

4.3.1 Court's intervention

The courts of many countries are involved in the consideration for permitting minors' act, such as approving some significant transactions under Section 1574 CCC, the permission under Section 27 CCC when it lacks reasonable grounds from representatives' prohibition, permitting minors to engage in business under Section 112 or 1822 BGB, or granting minors' right to be emancipated under French law.

The court may choose to allow only the competent minors, who are potentially eligible to participate in the business organization. Apart from

⁵³ German Civil Code (*Bürgerliches Gesetzbuch*), s 1629a para 2; French Civil Code 1804, s 387-2.

those who are eligible, other minors will also certainly be free from liabilities incurred from the unapproved business.

4.3.2 Minimum age

Setting the age is also one of the general solutions that many countries opt-in to unlock the restrictions, including Thai law that twelve years old can be a partner, a promoter, a director, and a liquidator of the partnership or company.⁵⁴ Although there are still distinctions in people to be mature faster or slower, it is the legal policy accepted worldwide to apply the same standard of age, such as the legal age in every country or the age of capacity in Singapore at eighteen or in Scotland at sixteen. The age varies from one country to another depending on the country's society. In the corporate event, UK law allows minors to be a director only two years before the legal age, while Singapore law is three years before the legal age. In many countries, the court can further allow minors to be emancipated only few years before becoming majority before age. According to the current minimum age of Thai minors to participate in a corporation, twelve, it is considered eight years to bind with corporate duties and liabilities until minors become the majority. This shall be considered that the age is too low for business engagement, which can ensure setbacks with insufficient protection for minors.

Age can be a helpful tool for legislation. Using age can be a convenient mean to verify minors distinctively from adults.⁵⁵ It can eliminate court's burden and facilitate the business operation with liquidity and rapidity.

However, age-based alone may not be the best solution. In some cases, maturity is the question of the judgment of each individual to

⁵⁴ Notification of the Office of Central Company and Partnership Registry B.E. 2561 (2018) s 49.

⁵⁵ Loo Wee Ling, 'Full Contractual Capacity: Use of Age for Conferment of Capacity' (2010) Sing J Legal Stud 328.

consider that the satisfaction and benefits of the economy still should not be outweighed by minors' protection.

In order to find the best way to adjust the minors' protection, the author considers the duties and liabilities of each role to impose the different conditions:

1) The condition of the partner and the shareholder should be subjected to the court's permission. For the role of partner, Thai law requires the level of care to be at the level of his or her own business, which means it can be at an individual qualification based more on the freedom of contract of all partners. In the meantime, the shareholder role contains no legal standard of requirements, and its liabilities are rather limited. The law should not prohibit minors absolutely from these roles, but the court should be involved in the determination for each minor.

2) The condition of the promoter, the director, and the liquidator should be the status of majority. The minors should be prohibited from these roles because the roles contain greater responsibilities that should require the legal age for the performance.

5. Proposed solutions

To solve the problem concerning legal capacity, it must be made clear on the applicable provision that in the event of corporations, Section 27 CCC shall not be applied. Moreover, Section 1574 CCC should be amended to include a shareholders' or partnership agreement to be subjected to the legal representatives' consent and the court's permission. The law should further prescribe the legal consequence of a non-approved transaction to be ineffective, not voidable.

To solve the problem concerning the authority of minors' legal representative towards minors' business conduct, an explicit provision should be added that the legal representatives cannot represent minors in the corporate situation.

To solve the problem concerning minors' qualifications, the proper criteria should be imposed as the pre-approval conditions as follows:

- 1) The roles of partner and shareholder are subject to the court's approval; and
- 2) The roles of promoter and director require the legal age.

Consequently, the proposed amendments will benefit both sides, as they will ensure the business certainty while providing minors with adequate safeguards.

Bibliography

Books

Dannemann G and Schulze R, *German Civil Code (BGB) Volume 1 Book 1-3: Section 1-1296 Article-by-Article Commentary* (Verlag C.H.Beck oHG 2020)

Leong A, *The Law of Contract in Singapore* (Academy Publishing, 2012)

Markesins B, Unberath H and Johnston A, *The German Law of Contract; A Comparative Treatise* (2nd edn, Oxford and Portland, Oregon 2006)

Journal Articles

Hartwig H, 'Infants' Contracts in English Law: With Commonwealth and European Comparisons' (1966) 15(3) International and Comparative Law Quarterly 780

Ling L, 'Full Contractual Capacity: Use of Age for Conferment of Capacity' (2010) Singapore Journal of Legal Studies 328

Legislations

Age of Legal Capacity (Scotland) Act 1991

Age of Majority (Scotland) Act 1969

Age of Majority Act (Northern Ireland) 1969

Civil and Commercial Code of Thailand

Civil Law Act 2009

Constitution of Thailand 2017

Companies Act 2006

Family Law Reform Act 1969

Foreign Business Act 1999

French Civil Code

German Limited Liability Company Act

German Stock Corporate Act

Land Transport Act 1979

Life Insurance Act 1992

Non-life Insurance Act 1992

Notification of the Office of Central Company and Partnership Registry B.E. 2561 (2018)

Public Limited Companies Act 1992

Court Decisions

Lovell & Christmas v Beauchamp [1894]

Other Materials

Ministry of Law of Singapore, The Consultation Paper on the Draft Civil Law (Amendment) Bill 2008