

# FACULTY OF JURIDICAL SCIENCES

# Lecture-31



# **MOA, AOA**

## **Memorandum of Association (MOA)**

Memorandum of Association (MOA) is a document that contains all the fundamental data which are required for the company incorporation. Articles of Association (AOA) is a document containing all the rules and regulations that govern the company.

The step of Memorandum of Association (MOA) and Articles of Association (AOA) comes in when you wish to take your business as a separate entity and register it as a private or public limited or if you are incorporating it.

Memorandum of Association (MOA)

The MOA is considered as the supreme document of the Company. The MOA has to be drafted very carefully as the AOA also has to comply with MOA. Moreover, the Company cannot go against anything that is mentioned in the MOA. The Memorandum of Association (MOA) has the following information in it:

1. Name Clause – Name of the registered entity (Business/Company name)
2. Registered Office Clause – Registered office address
3. Object Clause – Aims and objectives of the Company
4. The Association Clause – Information about its first shareholders and number of shares allocated to each of them
5. The Capital Clause – Share capital, minimum paid-up capital, etc
6. The Liability Clause – Clause about its limited liability. State the liability of each member

## **Articles of Association (AOA)**

The Articles of Association (AOA) is to draft the rules and regulations that the company has to follow and the layout of the internal management of the Company.

Moreover, AOA should be drafted in such a way that it should not violate anything that is mentioned in the MOA. The AOA sets the structure under which the Company is to be administered. The following are the points that are to be described in the AOA:

1. Allocation of shares and the manner that how shares have to be handled
2. Voting rights of members
3. List of Intellectual Property Rights
4. Procedure to elect the Chairman and his voting rights
5. List of Directors, including first of directors or directors for life, their appointment, remuneration, qualifications, powers, and proceedings of Board of Directors' meetings
6. Dividends and reserves (Dividing the profits)
7. Alteration in Capital
8. General Meetings and proceeding at General Meetings
9. Board of Directors and their powers
10. How accounts and Audits will be managed
11. Borrowing Powers
12. How the Company can be dissolved