

Sales Contract

The sales contract can either be in written form, or orally. Of course there is a higher level of legal protection, if it is in written form.

A contract of sale should at least include **the parties to the contract**, the **goods**, which are sold/bought and the **conditions**, under which the goods are transferred (price, terms of delivery/payment etc.)

If a sales contract is closed between enterprises, more knowledge is needed about those. It is mandatory to know:

- The legally correct business name
- Who is authorized to enter into legally binding obligations
- How the Contract must be signed, so it is legally binding

Legally Binding Signature (Authorized Corporate Signature)

The two most important criteria are:

- Was the contract signed with the correct name of the enterprise?
- Was the signer authorized to sign contracts?

Since those things are not always clear to everybody, things like **the correct business name, business address, commercial register number, authorized persons etc...** are listed in the commercial register, which is public accessible.

Business Name

Is the correct, legally binding name of a firm. It has to be entered into the commercial register.

Austrian law says that the business name must be unique and may not be misleading.

Another important point is that in Austria the business name has to be followed by the legal form (e.g. xx Import Ltd.)

Power of Representation

The power of representation is defined by the legal form of a company:

LEGAL FORM	AUTHORIZED PERSON
Sole Proprietorship	Sole Trader
General Partnership	Each Partner
Limited Partnership	General Partner
Private Limited Company	Managing Director <i>(collective representation)</i>
Public Limited Company	Managing Board <i>(collective representation)</i>

Collective representation means, that if there - in case of a private limited company – are more than one Managing Director, those entire have to sign a contract to make is legally binding.

In other cases, like the general partnership, every partner is authorized on his own.

On the other hand, it is possible to make **adjustments of legal regulations to meet company needs**.

This means that those above-mentioned regulations can be restricted or expanded, to improve the working flow inside the company.

Commercial Authority

Commercial Authority can be given to any person in a company. It is only important for the company itself and is not entered into commercial register.

It is used to give employees limited legal authority, for example to a waiter, who collects money from guests of a restaurant.

General Commercial Power of Attorney

A person can become Proxy (=General commercial power of attorney) to have far reaching authority to run an enterprises day-to-day business. He is legally entitled to:

- Buy or sell goods
- Employ or dismiss staff
- Take out loans
- Assign commercial authority to other employees

But this person is not allowed to:

- Sell the firm
- Sell business premises or raise a mortgage on them
- Assign other proxies