

The Functions and Powers of Corporate Managers

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Abstract

The manager is the alternate of the firm's owner; as a result, he/she has authorities to manage the affairs of the firm and to sign on the firm's behalf. As regards third parties, the manager is deemed to have authority to do whatever is necessary for the management of the firm, or branch or line of business entrusted to him unless otherwise provided by the law. Whether the above mentioned rules of the Civil Code can be applied to corporate managers is somehow debated.

Most scholars and court cases advocate that the provisions of the Civil Code are the supplements of the Company Law; thus, whenever there is inadequacy existing in the Company Law, resorting to the Civil Code is the proper application of law. Nonetheless, some scholars are opposed to this argument and emphasize the specific characteristic of companies which justifies the deviation from the Civil Code. In other words, the authority of the corporate manager should not be as wide as that of the firm's manager.

This article is endeavored to analyze the function of the corporate manager, which demonstrates that it has no difference from the firm's manager in the Civil Code. It is the organ, the board of directors, with limited time and human resources available, sub-delegates its power to managers, and thus constitutes the "tri-level" structure in the company limited by shares. Based this "tri-level" structure, some clarification between the manger and the board, the manager and the company, need to be further narrated.

Besides that, this article also examines the agency system and its affects on transaction counterparties. Together with the registration system, it is

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suggested that in the future the registration of managers should be mandatory to effect the appointment of managers.