

Directors' & Officers' Liability

Gone are the days where the director(s) are less concerned of the possible liabilities that may be incurred ... It is not to the extent of receiving remunerations

Other than the various provisions in the companies act that regulates the duties of a director, there has been concern recently of the consequential effect posed by the year 2000 problem when companies establishments and organisations fail to meet the scheduled dateline. This will lead to directors being liable for non-compliance

In addition to the companies act, there are various statutory law and common law that imposes liability on directors for any breach of the law, negligence, error and/or omission.

The Director's & Officers' Legal Liability ?

Any persons who holds the office of a director or within the management of a company exposes himself to personal liability by virtue of his position :

- personally and unlimited in liability
- innocent director(s) are jointly and severably liable for the actions of any fellow director i.e. a director must be comfortable with the abilities of a fellow director
- heirs and their legal representative of the director can also be liable
- statutory law imposes that where a claim is brought against a director, legal expenses and costs will have to be funded personally by the director
- common law and statutory duties