

Fiduciary, regulatory, and contractual

Business



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Business Fiduciary It is defined as a person to whom power or property is entrusted for the benefit of the other person. In this case, one person has decided to act for and on behalf of another individual on a certain issue in circumstance, which provides rise to a relationship of confidence and trust. Fiduciary is an ethnic or legal relationship. It consists of trust between two or more individuals. Typically, it takes care of another person's money or property (Griffiths-Baker 67).

One of the parties, example a corporate trust company or a banks trust department, normally acts as a fiduciary in capacity to the other company or bank. For example, an individual entrusting their money to a bank to keep it safely or use it for investment purposes, in this case the bank acts as a fiduciary to the individual.

In this type of relationship, an individual, in a vulnerable position, vest his or her confidence justifiably, in good faith and trust in the other person's advice, assistance or some protection. In this relationship, good conscience needs the action of a fiduciary at any given time for the interest and benefit of the individual who trusts. To indicate that an individual is fiduciary only opens a new chapter and direction for further investigation and inquiry. To whom is the individual fiduciary? What are the obligations that the individual owe as a fiduciary?

Regulations

The norm of the law aims at shaping a conduct that is in existence due to imperfection. It may be used to proscribe conduct or in the calibration of incentives or even in changing individual preferences. Regulation can also be used in rule enforcement and monitoring as established by the legislation either primary or delegated (Griffiths-Baker 67).

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Regulations focus at creating constraints, limitation or creating a duty. It takes several different forms including self-regulation as exercised by several industries and companies through association of trades, contractual obligations that bind many parties together among others. State mandated regulation attempts outcome production that might not occur, prevent or even produce outcomes in several places to what might probably occur or prevent outcomes in several areas in different timescales that would occur. In this way, regulation is viewed as an artifact of the implementation of statements of policies. Examples of regulations include control of market entries, wages, prices, effects of pollution, approval of developments, employment of some people in various companies, standard of production for some goods. Regulation in the market may be advantageous or disadvantageous. It may create costs as well as benefits and may produce such effect as defensive practices, which are unintended reactivity effects.

Contractual

The relationship is legally bound to two or more contracting parties evidenced by an offer, acceptance of an offer and a valid consideration of the offer. This relationship does not necessarily mean that there is an enforceable contract. What it means is that it provides a contract provision between two parties.

Contractual term gives rise to the obligation of the contract and litigation that comes as a result of the contract breach (Griffiths-Baker 67). In contract, not every term is expressly stated, and some of the terms may carry less gravity in the law since they are considered to be very far from the contract objectives.

Example, when a company wants to enter into a mutual agreement with a

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sporting club, they have to enter into a contract. The contract will have to bear all details and the objectives of the agreement. In addition, it will also indicate how they are going to partner and the repercussion if one party breaches the contract.

Work cited

Griffiths-Baker, Janine. *Serving Two Masters: Conflicts of Interest in the Modern Law Firm*. Oxford [u. a.: Hart, 2002. Print.