



UNIT 4: The Travel and Tourism Business Toolkit

ILLUSTRATE THE POTENTIAL IMPACT OF THE LEGAL AND
ETHICAL CONSIDERATIONS ON A TRAVEL AND TOURISM
BUSINESS

Company, Employment & Contract Law

A company is a legal entity formed by a group of individuals to engage in and operate a business—commercial or industrial—enterprise. A company may be organized in various ways for tax and financial liability purposes depending on the corporate law of its jurisdiction.

Company, Employment & Contract Law

Corporate law is the body of laws, rules, regulations and practices that govern the formation and operation of corporations. It's the body of law that regulates legal entities that exist to conduct business. The laws touch on the rights and obligations of all of the people involved with forming, owning, operating and managing a corporation.

Company, Employment & Contract Law

There are five principles that are common to corporate law:

1. Legal personality
2. Limited liability
3. Transferrable shares
4. Delegated management
5. Investor ownership

Company, Employment & Contract Law

- ▶ International travel law combines aspects of contract law, employment law, tourism and hospitality procedures, antitrust rules, regulatory and agency compliance, and knowledge of certain international agreements and treaties into a comprehensive set of guidelines for the travel industry.
- ▶ The laws regulating business and individual behavior in the travel industry are Travel Laws

Company, Employment & Contract Law

Employment law is a broad area encompassing all areas of the employer/employee relationship. Employment law consists of thousands of federal and state statutes, administrative regulations, and judicial decisions.

Company, Employment & Contract Law

Some major areas of employment law include:

- ▶ Employment discrimination
- ▶ Unemployment compensation
- ▶ Pensions

Company, Employment & Contract Law

Components of the travel industry:

1. Preplanning Services
2. Transportation
3. Lodging
4. Food services
5. Attractions and Activities

Company, Employment & Contract Law

Complexity of Legal Issues:

1. Interconnectivity
2. Jurisdiction
3. Variation in terminology and resulting expectations
4. Identity of the actual service provider
5. Uncontrollable forces

Company, Employment & Contract Law

Travel agents, tour companies, and travel wholesalers are essential components of today's travel industry, making it critical to understand how each operates and how travel law relates to them individually, and to the hospitality industry as a whole.

BIBLIOGRAPHY

- ▶ <https://www.investopedia.com/terms/c/company.asp>
- ▶ [https://nscpolteksby.ac.id/ebook/files/Ebook/Hospitality/Hospitality%20law%20managing%20legal%20issues%20in%20the%20hospitality%20industry%20\(2012\)/14.%20Chapter%2013%20-%20LEGAL%20RESPONSIBILITIES%20IN%20TRAVEL%20AND%20TOURISM.pdf](https://nscpolteksby.ac.id/ebook/files/Ebook/Hospitality/Hospitality%20law%20managing%20legal%20issues%20in%20the%20hospitality%20industry%20(2012)/14.%20Chapter%2013%20-%20LEGAL%20RESPONSIBILITIES%20IN%20TRAVEL%20AND%20TOURISM.pdf)
- ▶ <https://www.thebalancecareers.com/list-of-employment-laws-2062282>
- ▶ <https://www.law.cornell.edu/wex/employment>
- ▶ <https://legalcareerpath.com/what-is-corporate-law/>
- ▶ <https://www.taxmann.com/blogpost/2000001723/everything-you-need-to-know-about-company-laws.aspx>