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In the legal environment of a business, we are looking the key areas, particularly where law changes and how legal aspects affect businesses. All these legal factors are contained in the legal environment of a business.

**Legal Factors Affecting Business Environment**

**Organizational Law**

The organizational law is the first type of business law that we will talk about here. Any business that is organized as a legal entity is subject to the state law that governs its operation and conduct. There are different types of business entities. For example, corporations, limited partnerships, partnerships, limited liability partnerships, limited liability limited partnerships and limited liability companies all of which have different legal status and issues.

**Securities Law**

If a business is seeking to obtain financing through different types of investors, it may be subject to legal issues such as security law. For instance, a decision to offer promissory notes, a type of loan to your investors, will subject the legal factor affecting business to state and federal regulations and security laws.

Every company issue securities and a growing body of law suggests that non-manager interest in a limited liability company is also considered to be securities legal factors. As it is, most small businesses should not worry about business legal factors like federal and state security laws affecting them negatively. But if such a business has plans to raise capital through platforms such as public offerings or online funding.

**Contract Law**

If the intention is to enter an agreement with another person or entity, then contract law is binding. This also has a special area that is involved directly with factors affecting business, for example, government contracts, which is also known as government procurement laws.

**Consumer Protection Laws**

Some businesses act unfairly towards their consumers. For this reason, most countries have consumer protection laws that are aimed at ensuring that consumers are protected. Here are examples;

* **Weight and Measures Act:** These laws ensure that the goods sold are weighed on Standard weighting equipment.
* **Trade Description Act:** This law ensures that it is illegal to deliberately give misleading impression about products.
* **Consumer Credit Act:**According to this Act, consumers should be given information of the credit agreement and should be made aware of the interest rates, length of loan while taking a loan.
* **Sale of Goods Act:**This Act declares that It is illegal to sell products with flaws or problems and that any goods sold conforms to standards.

**Employees Protection laws**

Different governments have passed laws to protect the interest of employees. These laws protect them against unfair discrimination at work and when applying for jobs. It ensures that no one is discriminated against based on such things as race, religion, sex, age, or colour.

**Laws regarding health and safety at workplaces**

Below are a few laws regarding employees’ working conditions

* Employees receive protection from dangerous machines.
* At the workplace, employees should be given clothing and equipment that meet the highest safety standards.
* Employees should have a reasonable temperature at their workplaces.
* The highest hygienic standards at the workplace and washing facilities should be met for the sake of employees.
* Employees to have enough breaking periods while working.

**Security against haphazard termination of employees**

It is illegal now for businesses to dismiss the employees for joining trade unions or for expecting a baby unless you choose to ignore the new legal factors in business which will have repercussions on your business. Before dismissal of any worker, there must be warning with proper reasons, otherwise, the case may be treated as an unfair dismissal.