Not all members of an enterprise have legal authority of representation. The law provides some basic guidelines:

- The sole proprietorship is represented by the sole trader.
- The general partnership can be represented by each individual partner (sole representation).
- The limited partnership is represented by the general partner. If there are several general partners, each of them has the power of representation (sole representation).
- In a private limited company, the members appoint a managing director who is given power of representation. If there are several managing directors, collective representation is common; i.e., all managing directors must sign a contract so that the document becomes legally binding (collective representation).
- In a public limited company, the board of management has the power of representation (collective representation).

All these regulations apply unless different provisions have been agreed upon and recorded in the Register of Business Names.

Enterprises may change the rights of representation and either
- restrict them, as in a general partnership with collective representation instead of sole representation, or
- expand them, as in a private limited company where the right of individual representation has been conferred on one single managing director, or
- withhold the rights (from certain persons).

For the rights of representation to become legally binding, they must be recorded in the Register of Business Names.

If power of attorney is conferred on a person, one can distinguish between
- commercial authority and
- general commercial power of attorney

Commercial authority is highly restricted and comprises pre-defined activities only (such as a waiter’s right to collect money). These rights are not recorded in the Register of Business Names.

A far-reaching power of attorney which comprises almost all legal activities (except for the sale of the enterprise and its premises) is called general commercial power of attorney.

It is possible to narrow individual commercial power of attorney and change it to collective or joint commercial power of attorney. In this case, a contract is valid only if at least a second person that has the power of representation co-signs it.

General commercial power of attorney and any restrictions must be recorded in the Register of Business Names.