

Share pledge in a corporation

Abstract

The thesis deals with the share pledge in a corporation. In the beginning I analyse the meaning and purpose of the lien. The following section deals with pledgeability of a share in a corporation. Firstly, I discuss the pledgeability of a share as an intangible movable asset that represents a set of rights and obligations arising from participation in a corporation and, further, the share pledge in each type of corporation, including the association and unit owners' association. The different rules for shares depend on whether they are in a form of a security or not. Subsequently, I deal with the formation of a lien, while focusing on the various titles from which the lien can arise and the question of the moment of creation of the lien. I analyse in detail the creation of a consensual lien, i.e. on the basis of a pledge contract. This is followed by the creation of an *ex actu* lien on the basis of a court's approval of an agreement of the heirs to divide the estate, and on the basis of a tax administrator's decision pursuant to the Tax Code, where I also provide practical information communicated by the General Financial Directorate. Then I analyse the *ex lege* lien, and I deduce several options where it could theoretically arise. In the part of the work that I consider to be fundamental, I analyse the shareholders rights of the lien creditor that can be exercised, first non-proprietary rights, and then property rights. In particular, the distinction between shares embodied and not-embodied in securities is important for non-proprietary shareholders rights, and whether the secured debt is due or not is also essential for shareholders property rights. Finally, I deal with the performance of the lien. Firstly, I discuss the commencement of the performance of the lien, especially with regard to the wide information duty of the lien creditor and the consequences of the breach of the information duty, especially with regard to the pre-emption right. Subsequently, I analyse individual ways of performance of the lien, from the free hand sale by the lien creditor to the monetization of the lien under another law. Finally, I describe the particular types of lien performance that are characteristic for the share in a corporation. In the conclusion, I briefly summarize the content of the whole thesis.

Key words: lien, corporation, share