

Decision-making by the statutory body in the relation to the capital company's internal affairs

Abstract

This dissertation considers the issue of decision-making by the statutory body in relation to the internal affairs of a capital company.

The second chapter analyses existing case law concerning the concept of business management and compares it with doctrinal sources. In this context, business management is distinguished from other areas of responsibility the statutory body has in relation to the company's internal affairs. It also assesses to what extent the designation of business management as an internal branch of power is truly appropriate.

The subsequent chapter discusses the competencies of the general meeting which directly affect the area of making business decisions; namely the amendment of articles of association, the approval of substantial property transactions and the power of general meeting to lay down the basic principles of how the business is managed. The fourth chapter is about the boundaries arising from the very notion of business management as compared to doctrinal sources and the practice of the courts. It draws conclusions from own research as well.

In the fifth part of the dissertation, the process of decision-making in regard to business management is analysed. In particular it considers the collective statutory body, the role of individual directors and the joint-stock company with a monistic system of internal structure.

The next chapter discusses the delegation and delimitation of powers to business management which represent the means through which the statutory body can reduce the number of areas where it must make active decisions. It further considers the impact of such delegation and delimitation of powers on the responsibility of the members of statutory body.

The seventh chapter deals with the two exceptions to the general prohibition which prevents giving the statutory body instructions regarding the management of the company's business. The first concerns the issue of requested instructions, the essence of which is the prior voluntary request from the statutory body; the second considers groups of companies and the way in which the dominant entity shapes business policy for members of the group.

Finally, the eighth chapter examines the present regulation of corporate decision-making in the United Kingdom and compares it with domestic Czech regulation. The final ninth chapter summarizes the findings learned in the preceding sections.

Key words: decision-making by the statutory body; internal affairs; business management