

Types of shares in limited companies

Abstract

This thesis focuses on (variety of) types of shares in limited companies (limited-liability company and joint-stock company).

The possibility to create various types of shares (share classes) is one of the many changes brought by the Business Corporations Act. Even though many years have passed since its entry into force, the share classes remain relatively new matter which inevitably brings many uncertainties and interpretation problems. Those are not limited to a narrow range of issues but concern the whole subject matter. Therefore, this thesis does not focus only on a limited range of related issues but approaches the problematics of share classes as a whole. The purpose of this thesis is to provide a comprehensive interpretation of issues related to the formation (creation) of various types of shares and to offer answers to the most important questions concerning this subject.

Therefore, the first part of this thesis focuses on the concept of share in limited companies itself. On selected issues concerning shares, the nature of rights and duties attached to them is clarified. To demonstrate their advantages and disadvantages these rights and duties are compared with the ones arising from so-called *sideletters* at the end of the first part of this thesis.

At the beginning of the second part, the problematics regarding the definition of ordinary (basic) share and various (special) types of shares are introduced. Subsequently, this thesis focuses on the legal preconditions of the creation of various types of shares and its limitations. A significant part is therefore dedicated not only to the principle of equal treatment of shareholders, as a principle specific to the regulation of companies, but inevitably also to the general limits of the autonomy of will.

In the third part of this thesis, based on the conclusions reached in both previous parts, particular ways of creating various types of shares are analysed. Specifically, this includes modification of the rights and duties provided by the law, their removal and also imposition of the rights and duties not provided by the law. This part thus also further develops the previously reached general conclusions and demonstrates their application especially in cases of modifications of the most important rights and duties of shareholders. The purpose of the third part of this thesis is not to comment on all the types of shares that are discussed in theory but to provide the reader with general guidance on how to approach the modification of the content of shares and where to find its limits.