

Savings and loan cooperative as a business corporation

Abstract

This thesis deals with typical features of the savings and loan cooperative as a business corporation. The aim of the thesis is to compare the specific legal regulation of savings and loan cooperatives with the general legal regulation of business corporations and, especially, with the legal regulation of cooperatives. As a follow-up of the performed comparison, the thesis identifies features identical and, in the first place, features different, specific for the savings and loan cooperative. Such specific legal regulation is a matter of a more in-depth analysis of particular provisions and mutual relations thereof.

The thesis is organised in three chapters. The first chapter includes classification of business corporations and their particular typical features, some of which are present in savings and loan cooperatives, too. The second chapter deals with historical development and importance of savings and loan cooperatives, while putting accent on the basic cooperative principles, such as cooperative democracy or an emphasize on the membership principle. Then it explains the origin of numerous restraining measures applicable to savings and loan cooperatives and making them similar to banks.

The third, crucial chapter contains an analysis of the current legal regulation of the savings and loan cooperative. Specifics of the savings and loan cooperative as compared with the general regulation of cooperatives are contained predominantly in the Act on Savings and Loan Cooperatives, covering the whole existence of savings and loan cooperatives comprehensively and describing steps necessary to be taken before foundation and incorporation, the process and requirements for the actual foundation, organisational structure, membership system and dissolution of the savings and loan cooperative. Nowadays, also based on experience from the past, it is very important that savings and loan cooperatives are supervised by the Czech National Bank helping to ensure, like in case of banks, trustworthiness and stability of savings and loan cooperatives and issuing licenses for their foundation and business.

The activity of the savings and loan cooperative is strongly oriented on its members and for the purpose of protection of their property interests it is subject to numerous restrictions ensuring safety of deposits, transparency of transactions, expertise of members of elected bodies, rules for conflict of interests and confidentiality.

Key words: savings and loan cooperative, business corporation, cooperative