

One-tier structure of a joint-stock company from the perspective of the prepared amendment to the Business Corporations Act

Abstract

This thesis analyses internal functioning of one-tier joint-stock companies, particularly from the perspective of the amendment to the Business Corporations Act, which will come into force in the beginning of the following year.

First part of thesis offers comparative analysis of worldwide one-tier joint-stock company legislation, especially in American states, and in English and Italian law. The first two legislations of the above represent one-tier system in its traditional form and the development, that this system has undergone. Comparison with Italian legislation serves as an example of a legal system, in which one-tier model, as in Czechia, falls behind other model of governance of a joint-stock companies. Second part concerns the current legislation of a one-tier joint-stock companies in Czech corporate law, with emphasis to ambiguities in interpretation and application, which originate mainly in duality of elected bodies and conciseness of a special regulation, which was replaced by legislator with a reference to two-tier system. Third, essential part of this thesis analyses Czech legislation in the light of the Act No 33/2020 Coll., which significantly amends the Business Corporations Act. In the one-tier system, this amendment introduces a sole elected body, which will be Board of Directors, replaces the reference to a two-tier system regulation with a direct legislation and derogates special arrangement concerning President of the Board. Furthermore, this thesis discusses the competences of the Board and its capacity to delegate these to inside and outside bodies and the regulation of decision-making process of Board and establishment and termination of the office in the Board.

The outcome of this thesis is the conclusion, that the amendment in question solves majority of ambiguities in interpretation and other problems, which accompanied the current regulation of one-tier joint-stock companies, and makes a one-tier system an equivalent alternative to a prevailing two tier system.

Key words: One-tier Joint-stock Company, Board of Directors, Amendment to the Business Corporations Act.