

# **Corporate purpose – a new phenomenon of company law?**

## **Abstract**

This thesis focuses on the phenomenon of corporate purpose, which has (re)emerged in recent years not only in legal science, with its greatest impact in the Western world countries. Although its proponents consider it a distinct construct, its connection to ESG or CSR is clear. Their common feature comprises the lack of a uniformly accepted definition. The thesis therefore aims to answer two main research questions: What is meant by corporate purpose? Does this phenomenon have a future in corporate law in the Czech Republic and why?

The text is divided into six parts — an introduction, four chapters, and a conclusion. Geographical distinction and chronological sequence are the sorting criteria for the individual parts. Defining the research questions and setting the phenomenon of corporate purpose within a broader context, the introduction also structures the thesis.

Methods and reasons for the establishment of corporations in the past and present are addressed in the first chapter, primarily concerning their purposes and incorporation requirements. Chapter two begins with a description of the current understanding of the purpose of business corporations in the Czech Republic, along with related concepts and their interrelations. Foremost, this chapter divides the purpose of legal entities and its relation to the different types of business corporations. In the third part, attention is focused on the development and different understandings of corporate purpose in the countries of the Western world – in the United States of America, Great Britain, and France. The emphasis here lies on three different views of corporate purpose in the legal sense. Three distinct perspectives on corporate purpose in a legal sense are emphasized here. The different approaches are critically evaluated, and arguments for and against them are presented. The fourth part then assesses the current legal framework in the Czech Republic and provides a proposal for its potential modification in the future. This thesis concludes by summarizing all the findings and addressing the research questions.

## **Key words**

corporate purpose, purpose of business corporation, public utility