

Choice of Legal Form for Business Companies Funded by Venture Capital in the Czech Republic, Slovakia, and Delaware

Abstract

This thesis deals with the choice of legal form as one of the most important decisions when forming a startup in three jurisdictions - the Czech Republic, Slovakia, and Delaware in the USA. The aim of the thesis is to analyze the legal regulation of selected corporate forms in these countries and to assess to what extent the different legal forms meet the needs of startup founders and investors.

In the introductory part of the thesis, the concept of a startup is defined through its characteristic features, and the specific factors that shape founders' decisions about the suitable legal form, such as regulatory burdens, limitation of liability, flexibility of internal governance, and capital requirements, are described. Based on these criteria, the most commonly used legal forms in each jurisdiction are then analyzed and compared. In the Czech Republic and Slovakia, these are the limited liability company and the joint stock company, in Slovakia the simple joint stock company as well, and in Delaware the limited liability company and the C-corporation.

The results of the analysis show that although the Czech Republic and Slovakia offer relatively accessible legal forms for startups, there are still several legislative barriers that complicate, for example, investor entry or the implementation of employee stock ownership programs. The experience from Delaware shows that legal forms providing high contractual freedom and standardized rules for corporate governance and the financing process attract investors and facilitate the scaling of the company's business model. A well-designed legal framework, therefore, has a direct impact on the attractiveness of the country from the perspective of the formation and operation of innovative companies. Following these findings, the thesis presents *de lege ferenda* proposals that could help to create better conditions for the development of Czech startups. The resulting findings may contribute to the expert debate on the future regulation of legal forms in the Czech Republic.

Key words: startup, legal form, venture capital