

# **Class Actions Funding**

## **Abstract**

The thesis focuses generally on the possibilities of financing class actions and furthermore on the evaluation of the regulation adopted by the Czech legislator in the sense of Act No.179/2024 Coll., on class actions. The thesis focuses generally on the possibilities of financing class actions and furthermore on the evaluation of the regulation adopted by the Czech legislator in the sense of Act No, on collective civil proceedings, adopted as a result of the transposition obligation arising from Directive (EU) 2020/1828 of the European Parliament and of the Council of 25 November 2020 on representative actions for the protection of consumers' collective interests. The aim of the paper is to highlight the different methods of financing collective proceedings, to present their positive benefits and possible risks, and to assess whether they are appropriate in terms of the effectiveness of the enforcement of collective rights.

The thesis focuses on the purpose of collective proceedings in the context of collective rights protection and the terminological breakdown, which is further explored throughout the thesis. It describes phenomena associated with class actions, such as rational apathy of the injured party or diffuse harm. Next, the thesis discusses the different forms of funding, first discussing the parties involved in the proceedings, i.e. the plaintiff and the interested class members, and then the forms of funding by third parties not involved in the proceedings. Particular attention is also paid to attorney funding, where the various forms of remuneration and their implications for class proceedings are discussed. The last part analyses Act No 179/2024 Coll. on civil class proceedings, in particular in terms of the provisions affecting the substance of the class proceedings. The purpose of this part is to assess the admissibility of the financing methods in question in the light of the statutory rules and to present a conclusion as to whether the regulation is sufficient in view of the need for financial security for the plaintiff and whether it favours the plaintiff or the defendant or the members of the class.

The conclusion is that the Czech legislator has chosen a relatively effective combination of the plaintiff's income in the event of success in the case, which seems to be necessary in view of the representative element of the class proceedings represented by the plaintiff, and the regulation has the potential to materially secure this entity.

## **Klíčová slova**

Class Actions Funding, Class Actions, Litigation Funding