

# **Legal Regulation of the Commercial Register**

## **Summary**

In my master diploma thesis, I describe legal regulation of the Commercial Register. This legal institution serves for the registration of entrepreneurs (both legal entities and natural persons - entrepreneurs) and is very important for free market economy. For these reasons, it is supposed to be one of the substantial topics in the field of contemporary Commercial Law. I chose this particular theme because I am interested in the Commercial Register and even have little experience with it from my practice of law.

The aim of the Commercial Register is to provide information about entrepreneurs registered in the Commercial Register. Every commercial partners maintaining business relations with an entrepreneur, also third persons entering the legal relations with him, the state or anyone else may acquire verified information from the reliable source.

In the majority of European countries this function is provided by the Commercial Register or a similar legal institution. However, the Czech Commercial Register was problematic and therefore was very often discussed by legal professionals and also by non-professional public. It was caused by complicated legal regulation and amount of amendments to an act. The entire procedure of registering new entrepreneurs and changing previous registrations was too slow. This complication of the Commercial Register agenda then led to the fact that some entrepreneurs evaded the law.

The purpose of my thesis is to analyse how efficient the Czech legal regulation is now. I focus mainly on the description of the substantive regulation of this area. The procedural regulation is also briefly contained. I also describe the history of the Czech commercial law and point out possible legal changes to this subject matter and a proposal for amendments. The correspondence to the EU law is also pointed out.

The thesis is composed of seven chapters, each of them dealing with different aspects of the Czech legal regulation of the Commercial Register.

Chapter One is introductory and outlines the contemporary legal regulation of the Commercial Register.

Chapter Two defines basic terminology used in the thesis and especially focuses on the changes in legal definition of the Commercial Register.

Chapter Three is subdivided into nine parts and provides an outline of historical evolution of this subject matter. Parts One to Five focus on the origin of first commercial registers in Europe, especially in Italy, France, Austria and Germany. Parts Six and Seven describe the history of it in the Czechoslovakia and the Czech Republic. Part Eight investigates the most important amendments of the Czech Commercial Code. Part Nine addresses the issue of European law and its influence on the Czech Commercial Register.

Chapter Four examines relevant Czech legislation, defines the purpose and the function of the Commercial Register and also concentrates on problems resulting from its administration by courts. The chapter consists of eight parts.

Chapter Five provides an outline of recordings in the Commercial Register. The chapter is subdivided into six parts. Parts One, Two and Three describe fundamental principles of the incorporation. Part Four describes publication of recordings in the commercial bulletin. Part Five focuses on constitutive and declaratory effect of recordings. Part Six describes and explains who is obligated to be registered in the Commercial Register and what kind of information must be incorporated.

Chapter Six deals with proceedings concerning Commercial Register and in brief illustrates the approach to decision-making by trial courts. It also looks at decisions issued by appellate courts and describes party to legal proceedings.

Conclusions are drawn in Chapter Seven. In this part, I prove my initial hypotheses have been reached. I also recommend changes to be made in legislation. I suggest that an amendment to the law should be prepared more carefully and courts should better apply the legislation.