

Abstract

Abuse of majority and minority votes within the corporate enterprises

This thesis analyzes the possible abuse of majority and minority votes within the corporate enterprises in light of a fundamental changes of civil legislation brought by the Act No. 89/2012 Coll., the Civil Code of the Czech Republic, as amended, and the Act No. 90/2012 Coll., on business companies and societies (Czech Business Corporations Act) as amended. This examination provides a baseline comparison of new legal rules with the existing legislation and highlights the most important changes that were adopted in the form of the new regulation. On the basis of the analysis, the author evaluates the advantages of the new law and attempts to identify problems that may occur when the law comes into force. The applicability of the existing case law to the new legislation was one of the objectives of the paper. The author came to the conclusion that the applicability of the law is limited to the fundamental legal principles and rules only. The reasoning is that the abuse of majority and minority votes in the corporate enterprises is of such a special nature that it would not be desirable to create any definite rules of interpretation for all the cases or the so-called typical cases. On the contrary, the court should be very careful in the use of analogies and should thoroughly decide each and every case regarding the abuse of votes, even though at first glance it might seem that a set of facts is similar. The other reason of equal importance for the court is that under the new legislation it may adjudicate on the nullity of vote. Not taking into account the abused votes may lead to a different result of the General Assembly's vote. This constitutes a very serious interference with the legal relations of companies, shareholders and perhaps, third parties as well.