

ABSTRACT

Liability of shareholders and other persons for debts of the company (multinational included)

This master thesis is devoted to the issue of the legal liability of shareholders and others for debts of the company in consequence of their influence on the company or in case of its insolvency. The former is not a wholly new institute in Czech law, however it raises many new questions especially because of its broader concept. The latter is an entirely new issue in the Czech legal system which was influenced by the English concept called wrongful trading.

The thesis is composed of five chapters.

Chapter one briefly presents the concept of limited liability of the shareholders, its development, significance and criticism, including certain means that are used by the legal systems and courts to break the limited liability under some specific circumstances.

Chapter two points out certain legal devices that had provided protection for creditors and that were abandoned, which may lead to the higher importance of the legal liability of the shareholders and other persons connected with the company.

Chapter three concerns the concept of influential and controlling person, and also explains the concept of shadow director and de facto director under English law. Subsequently it presents certain categories of persons what may possibly stand in such a position.

Chapter four deals with the legal liability in case of an exercise of influence on the company by the influential and controlling person. Firstly it is focused on liability of such a person for the damage incurred by the company in consequence of the influence and possibility of liberation or exculpation from the liability. Special attention is paid to the issue of execution of voting rights in the course of the general meeting. Lastly the related procedural issues are considered.

Chapter five explores the legal liability in the case of insolvency of the company, including the question of applicability on the parent company. The attention is paid to the issue of duty of care related to the influential and controlling person. Subsequently it

presents the concept of wrongful trading under English law and assesses its role in the English legal system.

Higher degree of attention is paid to the procedural questions.

At the conclusion the partial findings are summed up, the new legal devices are evaluated and compared.