

## ABSTRACT

### DOMESTIC MERGERS OF BUSINESS CORPORATIONS:

#### Agency problems and methods of their elimination

The present rigorosum thesis looks into the so-called agency problems and the ways to eliminate them within the specific field of domestic mergers of business corporations. In the first part, we explain from the general economic and corporate-law perspective what the main defining features of business corporations are, what we understand under the term of agency problems and why they regularly come up in corporate governance. In addition, we introduce the basic regulatory and extra-regulatory ways of solving such agency problems. The second part outlines the mergers of business corporations and their principal mechanisms. Thereafter the following two parts of this thesis demonstrate on specific examples, what regulatory methods and strategies for elimination of agency problems were deployed by the Czech legislator in the Act no. 125/2008 Coll., on Transformations of Business Companies and Cooperatives, as amended (the "Transformations Act"). The Transformations Act clearly pays attention to means on protection of minority and dissenting shareholders and to a lesser extent also to creditors. This fact is reflected in the structure of this rigorosum thesis, whose third part is devoted to the protection of shareholders and the fourth part to the protection of creditors, whose position may be jeopardized by the merger. The regulatory strategies, deployed by the legislator in the Transformations Act and analysed by this thesis, are relatively known in general corporate law and well described in both Czech and foreign literature. We infer from this fact that even such a specialized field as transformations of business corporations is still subject to general principles of corporate law and corporate governance and should be interpreted in this light. As a result, it is also possible to get inspired in foreign legislation and literature, which – in spite of different circumstances and historical experience – have to deal with very similar agency problems and pursue the same goal as Czech national legislation, i.e. a state of equilibrium, which is both economically efficient and fair for different groups of stakeholders. While the Transformations Act in its current form is satisfactory, we suggest some minor changes *de lege ferenda* to correct certain inaccuracies.

**Key words:** merger, business corporations, agency problems.