

One-tier organisational structure of Czech joint-stock companies and British public limited companies

Abstract

This thesis deals with selected issues of one-tier board structure of a joint-stock company in the Czech and British legislation. The emphasis is placed on the position and regulation of the Board of directors, its members, shareholders, and their mutual relationship. Not only has the present legal regulation been monitored, but also its historical roots, which significantly influenced the evolution of the institute and its present form.

The first chapter deals with corporate governance. It includes all aspects and theories, which as a whole have completed the position of a shareholder as well as a joint-stock company itself. Moreover, diffuse and concentrated ownership is explained, as well as separation of ownership of the company from its management, and the related “principal”–“agent” problem. Also, the basic characteristics of Anglo-Saxon and continental approach to the law have been reflected.

The second chapter describes and clarifies the essence and the form of one-tier board structure as it is regulated in the UK. A remarkable element of British company law is the extent to which the company’s internal affairs are left to its shareholders through the company’s articles of association. The vast majority of legislation concerning the division of responsibilities in the company among the various bodies, the position of the Board of directors and its members is therefore mostly of a recommending nature. The aim of this thesis is to explain the basic attributes of an effective Board of directors and the efficient distribution of checks and balances in the company. Also, instructions given to the Board of directors are dealt with.

In the third chapter, within the framework of the Czech one-tier board structure of the joint-stock company, the basic interpretations problems of the current legislations and its planned recodification are pointed out. The recodification is a government bill

amending The Business Corporation Act, which the Chamber of Deputies approved on 8th November 2019. As a part of the legislative process, the government bill has already been transferred to Senate of the Czech Republic. Changes in the proposed revisions are analysed from its purpose, suitability and conceptual concept point of view, with an emphasis on the British legal regulation as a possible comparative and inspirational model.

Keywords:

- Board of Directors
- Director
- Articles of association of public limited company