

The termination of membership in a Limited Liability Company and Joint Stock Company - abstract

The purpose of this thesis is to summarize and analyze selected possibilities of termination of membership in a Limited Liability Company and Joint Stock Company together with related consequences of such termination. I have aimed especially to the actual legal regulation contained mostly in the Czech Commercial Code however taking into consideration the decision making practice of the Czech Supreme Court as well. Within the writing of this thesis I have also reviewed upcoming new regulation contained within the Act on Business Corporation.

The thesis is composed of foreword, three chapters and conclusion, where the second and third are most important ones as they deal with the two most usual kinds of business corporation in the Czech Republic – Limited Liability Company and Joint Stock Company. The first chapter represents general foreword in respect of the membership in a corporation.

Chapter two is composed of eight parts. Part 1 – 7 deals with specific reasons for termination of membership in a Limited Liability Company (agreement, transfer of business interest, court-ordered termination, expulsion, bankruptcy and distraint, death and winding-up) and part 8 deals with consequences of such termination as settlement share or modification of the Articles of Association.

Chapter three is composed of five parts, each dealing with one specific reason for termination of membership in a Joint Stock Company (transfer of shares, expulsion, squeeze-out, reduction of the registered capital and winding-up of the company).

Conclusion of this thesis is that although the Limited Liability Company is together with the Joint Stock Company considered as so called capital companies, there are quite significant differences in termination of membership in each of respective companies. Although the new anticipated regulation (Act on Business Corporation) shall bring some minor changes, it will be without further legislation changes still necessary to resolve some unsolved problematic issues related to the termination of membership in a Limited Liability Company and Joint Stock Company through the decision making practice of courts, especially of the Supreme Court.