

Types of Shares in a Limited Liability Company established to realise an innovative project

Abstract

The research task of this thesis is to analyse and describe the specific challenges related to the possibilities in the Czech Republic of modifying the types of shares in limited liability companies established for the purpose of realising an innovative project in practice referred to as a startup. The aim is therefore to seek answers to the defined theses related to this matter.

In the first two chapters, this thesis focuses mainly on the basic legal definition of the concepts related to limited liability companies and their shares in the Czech Republic. The following chapter describes what a startup is and how and by what means innovative projects are realised.

The fourth and fifth chapters analyse the historical legal development of the Czech legal regulation of the types of shares in a limited liability company, considering the major changes made to the relevant legislation in the last ten years.

The sixth chapter analyses the limits of modification of the rights associated with shares in a limited liability company, including addressing the general limits and focusing on specific rights associated with shares by law, including the right to participate in the general meeting, the right to information, the right to vote, the right to share in profits and other own resources and the right to share in the liquidation balance.

Chapter seven analyses the possibilities of creating other types of shares, particularly suitable for startups. It focuses on the basic principles of the creation of types of shares, including the status of shareholders, contractual autonomy, the principle of equal treatment or generally the modification of rights and obligations associated with the share.

Chapter eight describes the most common share arrangements in startups, giving specific examples from practice and the objectives and motives of the parties to the startup. Passages in this chapter illustrate how essential the ability to modify types of shares is to the startup ecosystem.

Chapter Nine then further examines the rest of the case law providing *de lege ferenda* suggestions for possible improvements in the area of focus of this thesis.

Key words: Modification of share types, limited liability company, startup