

# **Multiple voting shares in a comparative perspective and in the light of CJEU case law**

## ***Abstract***

The submitted thesis comprehensively analyses multiple voting shares (*dual class shares*) and their current and future development on the European continent. In recent years, it is observable that there has been an increasing trend of adoption of multiple voting shares by companies (*primarily in the technological sector*), which has been reflected in the increased interest of legislators on this issue. The majority of EU Member States have in recent years adopted the reforms that allow the adoption of devices that override the principle of proportionality of voting rights, and the obvious change in the approach on this issue is also evident in the European Commission. Despite this apparent trend, neither domestic nor foreign literature provides a comprehensive analysis of the impact of the adoption of multiple voting shares on joint stock companies.

Thus, the aim of this thesis is to attempt to provide a comprehensive view of multiple voting shares, to assess the effects of their adoption on the internal dynamics of the company's internal relations, its decision-making processes and, last but not least, the impact on the value and economic performance of the company. This corresponds to the central hypothesis of the submitted thesis, which should be proved or disproved by the thesis, which is that multiple voting shares allow, through the modification of the voting power of individual shareholders, to customize the governance structure of the company, according to its needs and specificities, and, when properly adjusted, have a positive impact on the corporate governance and value of the company (*due to the empowerment of shareholders, who have better information about the company*). In order to prove this hypothesis, the thesis analyses what types of companies tend to adopt dual class shares.

The second objective of the thesis is to prove the hypothesis that currently, due to the pressure of regulatory competition, there is a tendency of individual Member States to introduce devices that allow to override the proportionality of voting rights (*including shares with multiple voting rights*) in order to make the national legal framework more attractive in order to prevent companies from migrating to other Member States. The thesis also seeks to prove that there is a gradual evolution towards an EU-wide change in approach that will generally allow, almost without exception, the adoption of shares with multiple voting rights in the whole European Union. In order to prove this hypothesis, the thesis analyses the ongoing regulatory competition in the EU, the reforms in the Member States that have taken place in recent years, their current legislation and, last but not least, the approach of the European

Commission and its legislative efforts in this area. The last part of the thesis is then devoted to an analysis of the CJEU case law in relation to the free movement of capital and an analysis of the potential risk of the expansion of the conclusions of this case law to the area of the multiple voting shares and their possible declaration as being incompatible with EU law.

***Key words***

- multiple voting shares
- dual-class shares
- EU law