

The rights and duties of a member of unlimited liability company and the possibilities of contractual alteration of the rights and duties

Abstract

The thesis deals with the rights and duties of a member of an unlimited liability company and the possibilities of their contractual alteration. The thesis focuses primarily on the question whether the current legislation provides sufficient scope for derogatory provisions in the memorandum of association in relation to the rights and duties of the members of an unlimited liability company.

The aim of the thesis was not to discuss all possible rights and duties and all possible contractual alterations. The thesis focuses only on selected rights and duties and outlines possible alterations in the memorandum of association, including pointing out certain limits that cannot be exceeded, and presents possible doctrinal disputes and ambiguities, while trying to offer its own perspective and argumentation.

The thesis is divided into an introduction, conclusion and four main chapters, which are further divided into subchapters. The first chapter discusses in general terms the characteristics of an unlimited liability company that distinguish it from other forms of business corporations. In the second chapter, the right to a share in the profits, which is a right of a property nature of the members of an unlimited liability company, is discussed. The thesis presents the possible methods and individual rules of profit distribution and the possibilities of contractual alteration in the memorandum of association. At the same time, the second chapter briefly discusses in relation to the right to a share of profits the obligation to deposit, which is an obligation of a proprietary nature of the members of an unlimited liability company, and the obligation to bear any losses of an unlimited liability company. In the third chapter, the thesis deals with the right to participate in the management and administration of an unlimited liability company, which is a right of a non-property nature of the members of an unlimited liability company. The thesis focuses primarily on decision-making in the supreme body and decision-making in the statutory body of an unlimited liability company. In the fourth chapter, the thesis deals with the non-competition prohibition, which represents a non-financial obligation of the members of an unlimited liability company to refrain from competitive behavior. Attention is paid in particular to the legal scope of the non-competition prohibition and the possibilities of contractual alteration in the memorandum of association.

Key words: unlimited liability company, contractual alteration, rights and duties of members