

Disqualification of a governing body member and other persons from their positions in a business corporation

Abstract

The master thesis analyses the regulation of disqualification of directors and other persons from the management of a business corporation. The purpose of this study is to introduce in detail the grounds for disqualification and to define persons who might be disqualified based on each particular ground, moreover, to describe a scale of effects of a disqualification order and to deal with the consequences of acting while being disqualified. The attention is also drawn to several interpretative problems, which are construed. Additionally, the thesis reflects the regulation of the English Company Directors Disqualification Act 1986 and the relevant English case-law.

Except for the introductory part and the conclusion, the thesis is divided into six chapters. The first chapter looks briefly at the disqualification as such and its purpose. Additionally, it is generally described, who might be disqualified. Special attention is paid to the person that is in a similar position as a director and to the influential and controlling persons.

The second and the third chapters deal with particular grounds for disqualification. Firstly, it is focused on the disqualification which is pre-conditioned by the pending insolvency procedure, and subsequently, on the disqualification which might be performed regardless of corporation's insolvency. While describing grounds for disqualification, it is emphasized, to whom each particular ground refers.

In the fourth chapter, the effects of a disqualification order are introduced. Special attention is paid to the scale of such effects in relation to each particular person and to the period of disqualification.

The fifth chapter focuses on the leave to act during the period of disqualification and the sixth chapter deals with the consequences of acting while being disqualified. In particular, the attention is paid to the legal liability of such persons and the possibility of being repeatedly disqualified. In the conclusion, the outcome of the paper is summarised, the attention is once again drawn to the problematic parts of the regulation and several *de lege ferenda* thoughts are expressed.