

Corporations and limited liability companies (LLC), play a key role in trading in Poland. The legal regulations have impact mostly on entrepreneurs, as well as on the counterparties and everybody else involved in trading. Furthermore, the structure of the corporation is based on its capital. In Poland the share capital is required by law. It must be presented in the balance sheet as a liability and the information about the amount of share capital is visible to everybody under the specific section of the National Court Register (Krajowy Rejestr Sądowy). As a default rule, the share capital equals the face value (par-value) of all shares representing the rights of the shareholders within the company. Under Polish regulation – buying shares for less than their face value is forbidden. The minimum share capital required by statute is 5 000 PLN and the minimum par-value of one share is 50 PLN. Given the Polish traditional regime, it is hard to imagine the existence of the LLC which shares would have no nominal value (no-par shares), however the proposal of changes within the legislation have been made several years ago and are still a work in progress.

For a few years now, within the Member States of the European Union, there has been a shift towards American methods aiming to widen the scope of the autonomy of the shareholders within the company and create more flexible ways for the company to be able to conduct its business. The results of aforementioned changes are visible especially to the counterparties. There is, however, more to these changes than meets the eye – they seem very promising, but at the same time they create insecurity within trading and they switch the business risk to the creditors of the company. In particular, the project will focus on the protection of the creditors.

This project aims at the thorough examination of the share capital with a strong footnote on the idea of no-par shares. The need for the multi-national analysis stems from the fact that liberal tendencies with regard to the capital structure of the company have been observed. Regulations of the following countries would be taken into consideration: Germany, Great Britain, and the United States of America. Resignation from the minimum share capital and introducing the no-par shares are the revolutionary changes in comparison to traditional Polish regulations. This interference is questionable and creates uncertainty with regard to the results.

The hypotheses of this project are the following: 1) In Polish legal system the existence of minimum share capital plays an important role, however, the current amount set by the Polish Commercial Companies Code (k.s.h.) is too low and does not provide sufficient protection for the creditors of the company. 2) Protection of the creditors by balance sheet test and solvency test in particular, is optimal in common law legal systems, although substitution of minimum share capital for the aforementioned mechanisms might not be sufficient in Poland to protect the rights of creditors of the company. 3) Introduction of no-par shares to Polish law will result in the existence of three different types of LLC, which might cause confusion in practice. The complicated legal rules will prevent creditors from entering into business relationships with the company. 4) Changes within the legal systems of Member States regarding liberalization of the share capital structure should be mirrored in the Polish legal system in order to encourage investors and prevent potential outflow of the capital.

The wide range of legal systems, which are going to be examined, is the new approach towards the capital structure. Furthermore, the results of mapping the situation in four countries and the analysis of the development of the share capital would contribute to recommendations concerning how to ensure effective regulation of the capital structure in Poland in the future.

While conducting the research, the comparative **method** will be applied, which is the unique value of the project. It will allow to present Polish regulation within the wider scope of LLC regulations. Furthermore, dogmatic method will be applied. The analysis of the secondary sources, statutes and judicial awards will be prepared. Additionally, statistical data reflecting the number of registered companies, the numbers of bankruptcy filings and dissolutions of companies are going to be presented.

The key feature of this project is, without a doubt, its multi-national and multi-level analysis of the share capital, which is the basis for the functioning of each company. Proposed comparative approach to share capital and no-par shares has not been the subject of extensive consideration in academic and legal circles yet. The essential goal is to highlight the differences, the similarities, and provide conclusions regarding current changes within the capital structure of corporations. Moreover, it aims to provide comprehensive theoretical and practical analysis of the share capital in Poland in comparison to the USA as an important voice within the current discussion about the novelization project proposed by the legislator.