



# European Company Law

Cases and Materials

Riga 2008

# COURSE OUTLINE

<b>NAME OF THE COURSE</b>	European Company Law
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<b>CREDITS</b>	2	<b>AMOUNT OF WEEKS</b>	1	<b>LEVEL</b>	Master's level
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<b>COURSE DURATION</b>	Tuesday 9 to Thursday 11 December 2008
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<b>No. OF LECTURES</b>	6
<b>No. OF SEMINARS</b>	6
<b>OTHER CLASS ACTIVITIES (Moot court, etc.)</b>	0

<b>THE COURSE APPROVED BY:</b>	Waleed Gumaa Law & Finance Programme Director	<b>DATE OF APPROVAL</b>	23/06/2008
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RESPONSIBLE LECTURES		
NAME, SURNAME	COUNTRY	ACADEMIC TITLE
Peter Gjortler	Denmark	LLM Law, BA Economics

OTHER LECTURERS			
NAME, SURNAME, TITLE	COUNTRY	No. OF LECTURES/SEMINARS	TOPICS

## COURSE ABSTRACT (50 – 200 words)

The course deals with all aspects of company law as they are regulated or reflected in EU law, with a special attention the role and requirements of company law in relation to the basic right of free movement on the internal market. The course covers the establishment, transfer, and dissolution of companies, as well as the rights and obligations of its key players and stakeholders, including the board of directors, management, shareholders and employees. Relations with public authorities are dealt with in relation to tax issues as well as audit. The course links with competition law in dealing with mergers and divisions, and with transborder litigation in dealing with recognition of bankruptcy. Case studies and student participation form an essential part of the course, which alternates between presentational lectures and discussion based seminars.

## COURSE OBJECTIVES

The overall goal of the course is to give an in-depth understanding of the common European company law, the motivations behind its historical and ongoing development, the particular issues of establishment, mobility and merger faced by corporations within the European Union, and the inherent conflicts with Member State national laws. It also aims to give a good understanding of the common and comparative international company law issues.

## REQUIREMENTS FOR OBTAINING CREDITS

Students are required to be active participants in lectures. The final grade is based on performance in a final

written examination.

A ten grade system is used for grading, where 5 is the last successful mark

Grade	Meaning	Approx. ECTS equivalent	Diploma at RGSL
10	izcili (with distinction)	A+	With Distinction
9	teicami (excellent)	A	With Distinction
8	ļoti labi (very good)	B	With Merit
7	labi (good)	C	With Merit
6	gandrīz labi (almost good)	D	Pass
5	viduvēji (satisfactory)	E	Pass
4	gandrīz viduvēji (almost satisfactory)	E/FX	Pass
3	negatīvs vērtējums (unsatisfactory)	Fail	Fail

#### COURSE DESCRIPTION – PLAN (300 – 800 words)

Tuesday 9 December 2008

08.00 – 09.45

Lecture 1 Cross Border Mobility

Duration 2 x 45 minutes

Reading Werlauff p. 1-104

Cases 81/87 Daily Mail  
C-212/97 Centros  
C-355/98 Belgium

page 7  
page 15  
page 29

This lecture will introduce the subject of company law, and place the international and national company law provisions in an EU perspective. The implications of the EC treaty for company law will be presented together with the development of the EU legislation on company law.

10.00 – 11.45

Seminar 1 Company Types and Taxation

Duration 2 x 45 minutes

Reading Werlauff p. 105-188

Cases C-402/96 EITO  
C-141/99 AMID  
C-71/91 & C-178/91 Ponente Carni

page 39  
page 44  
page 53

This seminar will focus on the different types of companies that exist in national law and their regulation at the

EU level, including the special forms established as an alternative to the national types at the EU level. The seminar will also focus on aspects of taxation and their relation to the rights of companies under EU law.

13.00 – 14.45

Lecture 2 Formation of Companies

Duration 2 x 45 minutes

Reading Werlauff p. 189-224

Cases C-41/90 Macroton  
C-111/94 Job Centre Coop  
C-439/93 Lloyds

page 63

page 73

page 78

This lecture will focus on the establishment of companies and the procedures required under national law, with special emphasis on the EU limitations and demands on such procedures. The seminar will also deal with the concept of enterprises in relation to company law and the development of EU law in this perspective.

15.00 – 16.45

Seminar 2 Capital Inflow and Outflow

Duration 2 x 45 minutes

Reading Werlauff p. 225-298

Cases C-19/90 & C-20/90 Karella  
C-42/95 Siemens  
C-367/96 Kefalas

page 90

page 99

page 106

This seminar will focus on the capital movements in relation to company law, with separate consideration of the company inflow related to company formation, as well as augmenting of company capital, and the dispersing of dividends and other payments from company funds.

Wednesday 10 December 2008

08.00 – 09.45

Lecture 3 Securities and Internal Regulation

Duration 2 x 45 minutes

Reading Werlauff p. 299-334

Cases C-101/94 Italy  
C-214/89 Duffryn  
C-281/98 Angonese

page 114

page 121

page 130

This lecture will focus on the different types of securities that may be issued by companies, as well as the procedural requirements for such issue. In this relation, the lecture will also deal with the internal regulation of relations between the companies and its stakeholders, including stock holders and employees.

10.00 – 11.45

Seminar 3 Company Bodies

Duration 2 x 45 minutes

Reading Werlauff p. 335-386

Cases C-441/93 Pafitis  
C-58/99 Italy  
C-373/97 Diamantis

page 139

page 152

page 157

This seminar will the structure and powers of various company bodies, including the general meeting and the

company management. Special attention will be given to the procedures and powers of the general meeting, both in its ordinary and its extraordinary format.

13.00 – 14.45

Lecture 4 Board of Directors

Duration 2 x 45 minutes

Reading Werlauff p. 387-436

Cases C-104/96 Rabobank

page 167

C-28/99 Verdonck

page 174

C-384/02 Grøngaard

page 183

This lecture will focus on the internal and external relations of the board of directors, with special attention given to the issue of board responsibility. Also dealt with are the rights and obligation of the board of directors in connections with its relation to the company management.

15.00 – 16.45

Seminar 4 Shareholders and Employees

Duration 2 x 45 minutes

Reading Werlauff p. 437-492

Cases C-367/98 Portugal

page 193

C-392/92 Schmidt

page 206

C-117/96 Handelsrejsende

page 213

This seminar will focus on the company right holders in the form of shareholders and employees, with special attention given to the minority protection in relation to shareholders. For employees, focus is placed on the issues related to representation and rights related to transfer and bankruptcy.

Thursday 11 December 2008

08.00 – 09.45

Lecture 5 Authorities and Audit

Reading Werlauff p. 493-564

Cases C-188/95 Fantask

page 219

C-234/94 Wettern

page 234

C-106/91 Ramrath

page 242

This lecture will focus on the obligations of companies towards public authorities, with special attention given to the issues related to auditing. The lecture will address issues related to annual accounts and the special requirements for such accounts in relation to company groups.

10.00 – 11.45

Seminar 5 Mergers and Division

Reading Werlauff p. 565-614

Cases 142/84 & 156/84 Reynolds

page 251

T-2/93 & T-3/93 Air France

page 270

T-83/92 Zunis

page 288

This seminar will focus on relations between different companies resulting from mergers and divisions, as well as other related issues within EU competition law. The seminar will evaluate the procedural and substantial requirements for mergers as set out in EU legislation and judicial practice.

13.00 – 14.45

Lecture 6 Liquidation and Bankruptcy

Reading Werlauff p. 615-641

Cases C-341/04 Eurofood

C-294/02 AMI

C-32/03 Fini H

page 299

page 315

page 333

This lecture will focus on the termination of companies through dissolution, including both liquidation and bankruptcy. In this connection, the procedural issues of cross border recognition will also be dealt with, as well as the issues related to the reconstruction of companies.

15.00 – 16.45

Seminar 6 Practical application and exam preparation

Reading Review of previous readings

Cases Review of previous cases

This seminar will sum up the discussions held under the previous sessions, and give room for a general discussion as well as a session of questions and answers as part of the final preparation for the course exam, which will be in the written essay form, based on a case scenario.

LITERATURE	
COURSE BOOKS	Erik Werlauff, EU-Company Law, 2nd edition, Copenhagen 2003
COMPENDIA	RGSL Compendium including reading material and seminar tasks
REFERENCE READING	
SUGGESTED PERIODICALS	