

Briefing

30 August 2018

Unconstitutional provisions from the Companies Law

In a decision published on 1 August 2018, the Constitutional Court ruled that the legislative solution stated by article 144 paragraph (3) of Companies Law 31/1990 is unconstitutional - this legal provision prohibits interested parties to file a court action for annulment of the decisions of the board of directors regarding share capital increase (when such powers were delegated by the general meeting of the shareholders to the board of directors).

The Constitutional Court explained that this legal interdiction affects the right of free access to justice, since the conditions for share capital increase by decision of the board of directors cannot be verified by a court. As a result of the Constitution Court decision, this legal interdiction shall no longer apply.

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