Academy of Economics and Humanities in Warsaw Faculty of Social Sciences Mateusz Ficygowski

Summary of the doctoral dissertation titled "The Role of Increased Share Capital and Corporate Social Responsibility in Protecting Creditors' Rights in Limited Liability Companies," prepared under the supervision of Dr. Hab. Prof. AEH Paweł Sitek (supervisor) and Dr. Paweł Gołębiewski (assistant supervisor).

The Limited Liability Company is regulated by the Commercial Companies Code (Journal of Laws of 2023, item 1705). The structure of the company is based on the principle of having share capital. This capital is formed by contributions made by the founders, who in return receive shares in the company. The share capital represents the monetary value of assets contributed to the company by the partners. Contributions can take the form of cash or nonmonetary items (contribution in kind). Currently, a sufficient condition for a Limited Liability Company is to have a share capital of 5000 PIN, regardless of the type and scope of the conducted business. However, in practice, it may happen that the amount of share capital is not adequate for the size of the company's operations. It should be noted that the Polish legal system does not provide mechanisms to adjust the amount of share capital to the scale of the company's operations. The existing regulations only impose an obligation to maintain a balance between the share capital and the value of the company's assets reflected in the balance sheet.

The research focuses on the role of increasing share capital and Corporate Social Responsibility (CSR) practices in safeguarding creditors rights in limited liability companies. The study centers on analyzing the impact of raising share capital on creditor rights. Increasing share capital involves enhancing the company's equity by issuing new shares or increasing the value of existing shares. This augmentation in capital can influence the company's ability to meet its obligations to creditors, thereby enhancing their confidence in receiving due payments.

The second aspect of the research involves the role of CSR practices in protecting creditors' rights. CSR practices refer to actions taken by a company to incorporate social and environmental aspects into its operations. These practices may encompass responsible supply chain management, environmental stewardship, community engagement, or adherence to ethical principles. The study aims to explore how CSR practices can impact creditor rights by minimizing financial risk, building trust, and enhancing the financial stability of the company.

The primary research issues related to the role of increased share capital and CSR practices in protecting creditors' rights in limited liability companies include:

- 1. Impact of increased share capital on creditor rights protection: The study focuses on analyzing how augmenting share capital affects the company's ability to fulfill its obligations to creditors. Does larger share capital foster greater creditor trust and minimize financial risk?
- 2. Effectiveness of CSR practices in protecting creditor rights: The research examines whether CSR practices have a more significant impact on safeguarding creditor rights. Are there CSR actions, such as ethical management, financial transparency, or investment in the local community, that contribute to enhancing creditor confidence in the company's ability to meet its obligations?
- 3. Legal regulations concerning share capital and CSR practices: The study scrutinizes the existing legal provisions governing the share capital of limited liability companies and regulations related to CSR practices. Do legal regulations impose obligations concerning share capital or CSR practices aimed at protecting creditors' rights?
- 4. Comparison of the effectiveness of increasing share capital and CSR practices: The research compares which of these mechanisms has a greater influence on protecting creditor rights and minimizing financial risk. Are there discernible differences in their effectiveness?
- 5. Potential challenges and limitations: The study identifies potential challenges and limitations associated with increasing share capital and implementing CSR practices concerning the protection of creditors' rights. Are there factors that might impede the effective application of these mechanisms?

The analysis of these issues can help understand which measures and mechanisms are most effective in safeguarding creditors' rights in limited liability companies, as well as how legal regulations may impact this process.

This study employs the following research methods: the dogmatic method, used for the analysis of legal acts and literature in the field, and the method of analyzing case law and doctrine, allowing comparison of established jurisprudence and determining how judicial practice shapes and influences the functioning of limited liability companies based on share capital in protecting creditors' rights. Additionally, the historical method is applied, aiding in a comprehensive understanding of the evolution of limited liability companies and methods/practices In CSR application.

In chapters addressing creditor rights protection, descriptive and synthetic methods of normative acts, including the Constitution, laws, and other sources, are used. These research methods enable a thorough analysis and critical assessment of legal regulations.

The research content primarily focuses on examining the role of increased share capital and CSR practices in safeguarding creditors' rights in limited liability companies. Based on literature reviews, data analysis, and research outcomes discussions, the study presents conclusions and recommendations regarding effective business strategies and regulatory policies for creditor protection. Ultimately, this research aims to provide practical guidance for companies and contribute to the theory and practice concerning creditor rights protection within the context of limited liability companies.

Mateusz Ficygowski