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ISSUES ON FINANCIAL MARKET REGULATION, BUSINESS DEVELOPMENT AND GOVERNMENT'S POLICIES ON GLOBALIZATION

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ORGANISATION OF CORPORATE RIGHTS PROTECTION IN THE WORLD AND IN UKRAINE

Anatoliy V. Kostruba *

ABSTRACT: *The transition to a market economy caused the emergence of a considerable number of corporate enterprises, which in the absence of a remedy for their rights and interests led to their massive violation and to the need to develop an effective system for their protection. This issue remains relevant at the present time, since an effective means of protecting corporate rights has not yet been developed and a rather insignificant period of their development has not made it possible to generalize the achievements and eliminate the problems of law enforcement and judicial practice.*

The main goal of the scientific work was to carry out a legal characterization of the system of protection of corporate rights and to conduct a comparative analysis of Ukrainian and foreign experience in this field. The leading approach in this study was comparative analysis. The work expressed the content of the category of corporate rights and the essence of corporate legal relations as an object of research. It has been established that law enforcement practice has developed a thesis on ensuring the corporate legal capabilities of a person in the context of the general provisions of civil legislation. In this regard, the study presented comparative data regarding their list of such provisions in different countries. Based on the results of a literal interpretation, it was determined that the legally established list of remedies is not exhaustive. It has been proven that the current system of legal norms, which regulates corporate law and protects the rights of its subjects, is largely focused on ensuring the quality of shareholders' rights in the EU countries. This was illustrated by comparing the two main approaches to classifying remedies for corporate rights. The classification of means of protection of rights violated under corporate contracts is

* Department of Civil Law, Vasyl Stefanyk Precarpathian National University, Ivano-Frankivsk, Ukraine.

presented, with the selection of three groups of means of protection, and the existing means of protection are supplemented with those that can be implemented taking into account the research data. The study analysed the judicial practice in different countries concerning dispute resolution in corporate relations.

SUMMARY: 1. Introduction. – 2. Materials and Methods. – 3. Results and Discussion. – 4. Conclusions.

1. Corporate agreements have been used as a legal instrument in Ukraine since the early 1990s, with the creation of the first business entities. However, at the time, the Ukrainian legislation lacked provisions for their regulation, and failed to keep up with the rapid development of corporate relations over time. Because of this, most of the relations between the participants of the established corporate companies were unregulated, especially the system of protection of their rights. The lack of a well-developed legislative framework and practice of regulating these relations during the Soviet period also played a significant role. At this time, as one of the researchers noted, corporate law, one of the fundamental sub-branches of civil law, was "forgotten as unnecessary"[1]. An effective system of ensuring the legal capabilities of subjects of corporate relations is the most important tool for effective interaction in the economy at the current stage of development. Legislative ways to determine the most optimal and adequate remedies for participants in corporate relations in modern conditions of world entrepreneurship is one of the most difficult issues in both foreign and Ukrainian practice and finally unresolved in legal theory. The nature of corporate legal relations has been the object of researchers' study for quite a long time. All existing opinions regarding their definition can be grouped as follows: 1) the manifestation of relations of a real nature; 2) a specific type of obligations; 3) real relative law (while the boundaries of the existence of real and binding elements are not defined); 4) legal relations of a special kind. Over time, scientific research refuted theses on reducing corporate relations to real or binding,

[1] VASILIEVA, *Problems of corporate law development*, 2013, in *Private Law*, 1, 135-145.

as well as identifying real relative law in them. That is why the doctrine is dominated by recognition of the special nature of corporate rights[2345678].

This issue is the most studied among foreign researchers, because in developed countries, the evolution of corporate law has a longer path compared to Ukraine, and therefore they have designed a more efficient and developed system for protecting these rights. Among foreign scientists, the following researchers deserve attention: D. Bilchitz[5], B.R. Cheffins[6]. Corporate rights of the state and features of their protection were considered by O. V. Bignyak[7], V.I. Zhabsky[8], D. I. Pogribny[9] and others. Direct attention to the various aspects of protection of corporate rights of business entities was paid by such researchers as O. V. Bignyak[10], I. B. Sarakun[11], Yu. V. Wojciechowska and V. V. Wojciechowska[12], L. Gachak-Velychko and B. Kupchak[13], T. I. Burdak[14] and I. Spasybo-Fateeva[15] and others.

The generalisation of the presented opinions showed that in general, Ukraine

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[2] GALIAN, *The concept and legal nature of subjective corporate rights as an object of legal protection.* 2019, in *Entrepreneurship, Economy and Law*, 12, 27-31.
[3] KRAVCHENKO, *Legal nature of corporate rights*, 2010, in *Journal of Kyiv University of Law*, 2, 176-179.
[4] KOSTRUBA, MAYDANYK, and LUTS, in *Bonum requirements of the beneficiary in the corporate rights protection system in Ukraine: Implementing best practices*, 2020, in *Asia Life Sciences*, 1, 189–207.
[5] BILCHITZ, *Corporations and the limits of state-based models for protecting fundamental rights in international law*, 2016, in *Indiana Journal of Global Legal Studies*, 23(1), 143-170.
[6] CHEFFINS, *Company law: Theory. Structure and operation*, Oxford, Oxford University Press, 1997.
[7] BIGNYAK, *Theoretical and applied aspects of protection and defense of corporate rights of the state*, 2018, in *Forum Prava*, 3, 13-21
[8] ZHABSKY, *Corporate rights of the state as an object of corporate relations*, 2013, in *Our Law*, 10, 16-22.
[9] ZHABSKY, *Corporate rights of the state as an object of corporate relations*, 2013, in *Our Law*, 10, 16-22.
[10] BIGNYAK, *Civil law protection of corporate rights in Ukraine*, 2018. http://dspace.onua.edu.ua/handle/11300/10739.
[11] SARAKUN, *Exercise of corporate rights by participants (founders) of business associations (civil law aspect)*, Kyiv, The National Academy of Sciences of Ukraine, 2008.
[12] SARAKUN, *Exercise of corporate rights by participants (founders) of business associations (civil law aspect)*, Kyiv, The National Academy of Sciences of Ukraine, 2008.
[13] GACHAK-VELYCHKO and KUPCHAK, *Corporate rights and their application in economic activity*, 2010, in *Scientific notes of Lviv University of Business and Law*, 5, 145-155.
[14] BURDAK, *Legal nature of corporate rights and corporate relations in joint stock companies*, 2011, in *Journal of Kyiv University of Law*, 3, 169-173.
[15] SPASYBO-FATEEVA, *Ways to solve problems of protection and defense of corporate rights*, 2009, in *Bulletin of the Academy of Legal Sciences of Ukraine*, 1(56), 150-155.

has created an institution and a holistic model of corporate remedies, the applicability of which depends on the nature and degree of the offence. A comparative analysis showed that the system of remedies under corporate contracts combined the remedies presented in Anglo-American and continental law. However, as revealed during the study, foreign practice still contains remedies that are not inherent in the Ukrainian system, and can be implemented in its national system of corporate law. Furthermore, practice has demonstrated the insufficiency of the already consolidated remedies in the legislation. These aspects determined the relevance of further research in this area and comparative analysis with other countries.

2. The article studied the principles and features of the legal system of corporate law regulation. On the basis of the chosen methodology, the work expressed and solved the main problems arising in the field of compliance with the rights of the subjects of corporate relations, both in the national and international doctrine. The methods chosen in the study provided for obtaining reliable conclusions. Based on the method of comparative analysis, the article studied Ukrainian and foreign experience in the context of ensuring corporate rights. This method was also used to study the retrospective dynamics of Ukrainian practice. The method of analysis in the article was necessary to describe the fundamental principles of corporate law in Ukraine, as well as the available tools for their implementation at various levels.

In addition, such methods as synthesis, analogy, system, classification and analysis were used in the scientific work. Since the topic of the article belongs to the legal sphere, a normative method was used for its thorough and in-depth study.

Using the assessment method, the research revealed the success of the process of implementing foreign legal acts into Ukrainian legislation. The analysis and use of primary sources was carried out using the synthesis method. An analytical method was used to identify qualitative and necessary provisions from the data of

primary sources. Also, on its basis, it was established that it is appropriate to use some international norms in the Ukrainian legal system. The study of the content and structure of normative legal acts was based on the methods of induction and deduction. Their role was especially important in the expression of specific legal concepts and categories that characterize the object of research. The main features and stages of the development of corporate law in Ukraine and abroad were outlined on the basis of the use of the historical method.

The scientific methods used in the work made it possible to describe the most common issues related to the field of corporate relations and their subjects in Ukrainian and foreign experience. On the basis of this methodology, the necessary conclusions for the formation of recommendations for Ukrainian legislation were obtained. The research used the method of comparative analysis, on the basis of which it was possible to express the common and distinctive features between the Ukrainian practice of directly protecting corporate rights and the legal basis of regulation of this sphere in other countries. In addition, the analysis was used to study Ukrainian practice in retrospective dynamics. In the theoretical context, this method made it possible to characterize the basic principles on the basis of which the legal system of corporate law regulation in Ukraine and at the international level is being built. In addition, the analysis was applied in the process of expressing approaches to protect the rights of the subjects of such a right.

The work also used a descriptive method, which consisted in expressing the obtained results in a logical sequence. As for the normative method, it formed the basis of the process of researching issues related to the legal sphere of regulation and protection of corporate rights in Ukraine and abroad.

Based on the assessment method, the degree of implementation of foreign legislative norms into the legal system of Ukraine was expressed in the study. The method of synthesis in the work was used to solve the problems formed in this study, due to the use of primary sources on the topic. The analytical method was necessary to identify and establish the most appropriate norms that can be properly

implemented into Ukrainian legislation. Based on the methods of induction and deduction, it was possible to study the system of regulatory legal acts, their features in the field of corporate law and regulation of relations between its subjects. Also, in addition to the method of analysis, the article used the historical method, which was responsible for studying the algorithm of the origin and spread of corporate law in Ukrainian scientific doctrine, as well as in practice.

The genetic method was used in the article to express the main stages of formation and consolidation of corporate law. This method was used to establish the sequence of the above-described process in time, as well as to identify the factors influencing it. Since the research object belongs to the legal sphere, it was necessary to use the concept of corporate rights in the article, which is enshrined in Art. 167 of the Economic Code of Ukraine[16], and establishes their content.

This definition indicates that corporate rights include rights that vary in nature and content, both property rights and non-property rights. The rationale for assigning remedies for corporate rights to the group of special methods of protection is that they are used in a specific field (corporate legal relations). The special nature of remedies for corporate rights determines the ability of corporate companies' participants to perform actions aimed at terminating the violation of rights, as well as at restoring violated rights.

3. Property and non-property rights have a close interrelation, since they arise based on a single circumstance – a person's ownership of a share in the authorised capital of the company. In judicial practice, this leads to an increasing frequency of recognising these rights of participants as non-independent objects of legal relations, i.e., they are not recognised as property rights. Circumstances under which court decisions in similar legal disputes may differ significantly are common. Such cases concern the interpretation of legal norms, as well as various legal categories, for example, corporate law. The source of this problem is the lack of clear legislative

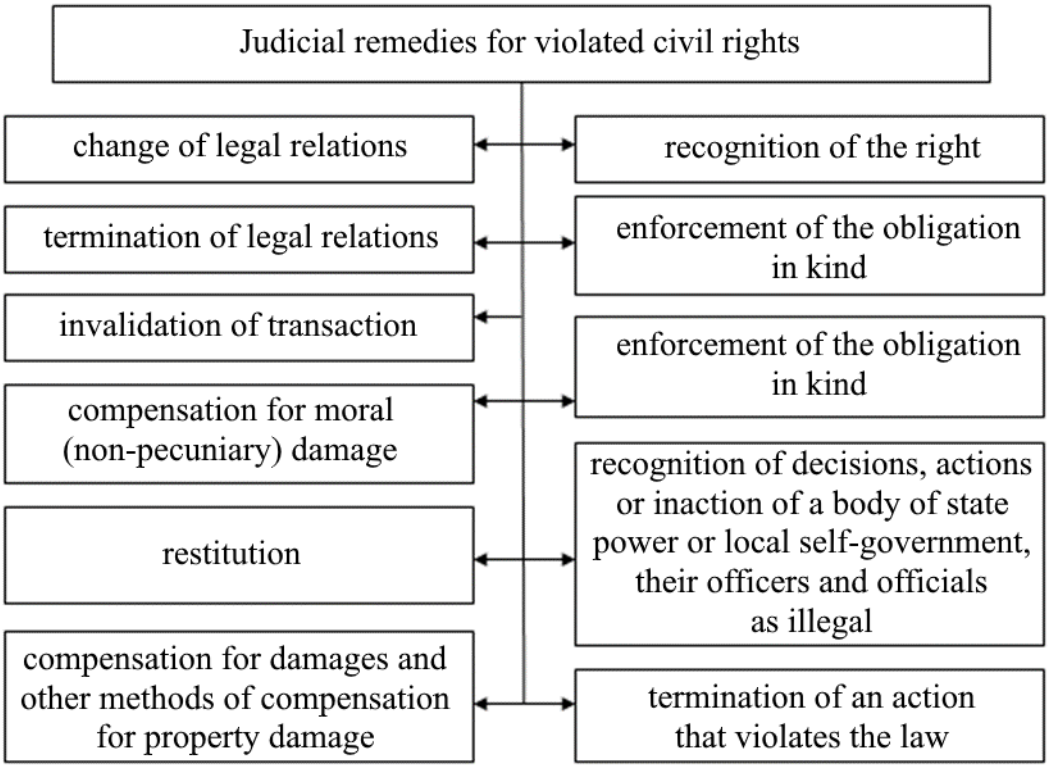
[16] Economic Code of Ukraine, 2003. https://zakon.rada.gov.ua/laws/show/436-15#Text

regulation of concepts and mechanisms that form certain types of social relations. For example, often in court decisions two completely different categories are presented as the same, in particular, corporate law and a share in the authorized capital. As an example, one should examine the decision of the Commercial Court of Kyiv in case No. 910/17483/13[17], according to which corporate rights are characterized by economic features, for example in the context of their use as an organizational and legal approach to financial transactions, their interpretation in the authorized capital. In an almost similar case No. 5005/1111/2011[18], the Supreme Economic Court of Ukraine noted in its decision that the contribution to the authorized capital does not belong to the category of property rights, and therefore protects the non-property interests of the shareholder.

Law enforcement practice has developed a recognised thesis that corporate rights are protected within the framework of general provisions of civil legislation. In particular, Article 16 of the Civil Code of Ukraine[19] provides a list of judicial remedies for violated civil rights (Chart 1).

[17] Decision of the Supreme Commercial Court of Ukraine in the case of the Commercial Court No. 910/17483/13 of the city of Kyiv, 2014. https://zakononline.com.ua/court-decisions/show/38746562
[18] Resolution of the Supreme Commercial Court of Ukraine in the case of the Commercial Court of Dnipropetrovsk region No. 5005/1111/2011, 2011. http://vgsu.arbitr.gov.ua/docs/28_3329895.html
[19] The Civil Code of Ukraine, 2003. https://zakon.rada.gov.ua/laws/show/435-15#Text

Chart 1 – Judicial remedies for violated property and non-property civil rights



Source: systematised by the author

In the science of civil law, remedies are understood as "measures (means) not prohibited by law, due to which offences are suppressed and their consequences are eliminated, as well as the influence on the offender is carried out"[20]. It should be noted that the current legislation on the regulation of corporate relations and the protection of the rights of their participants for objective reasons, which have a different legal nature, is largely focused on the legal regulation of ensuring the legal capabilities of subjects of corporate relations in the EU. countries. In particular, a common approach to the classification of means of protection of corporate rights in European and Ukrainian practice is one in which universal means of protection are distinguished, which can be applied in case of violation of the legal interests of subjects of corporate law, and separate means of protection, which are applied only

[20] Law of Ukraine No. 514-VI "On Joint-Stock Companies", 2008. https://zakon.rada.gov.ua/laws/show/514-17#Text

in case of violation a certain type of subjective civil rights that differ in specificity, in particular corporate rights. Notably, there is confusion in the legal literature regarding the distribution of remedies between these two groups. Thus, some researchers refer remedies for corporate rights to universal remedies, and not to the category of special remedies for civil rights.

In particular, the position of O.V. Bignyak[7] is erroneous, who includes the right of shareholders to demand the redemption of shares owned by them in the list of universal remedies for subjective civil rights, as a kind of such a remedy as the cessation of actions that violate the law or create a threat of its violation. Furthermore, the author does not specify whose actions the share buyback is supposed to terminate in this case. In addition, it is clear that this action cannot stop the reformation of the company or its exercise of its rights, as well as make changes to the legal documents regarding the limitation of the rights of shareholders.

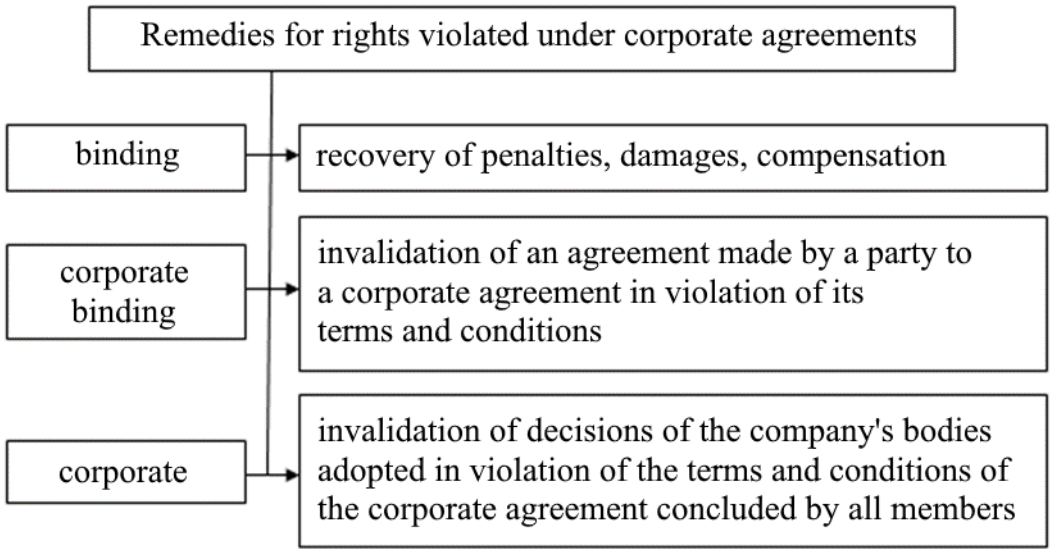
Undoubtedly, one of the universal remedies for violated right or interest is restitution. The use of this method makes provision for the possibility of specifying it in further legislative prescriptions that have the nature of special legal regulation. At the same time, this method can be applied without further specification. Therewith, in relation to ownership, remedies aimed at restoring the status, the right that existed prior to the violation can be divided into two groups: remedies aimed at restoring the lost opportunity for the right holder to use the object of the right; remedies aimed at removing obstacles for the right holder to use the object of the right that has not been lost.

Similar to the EU countries, the Latin American region and some post-Soviet countries, there is also an approach to the classification of means of protection of corporate rights depending on the organizational and legal forms of management: means of protection of corporate interests of founders of LLCs and organizations of other forms of ownership. Classification of remedies for rights violated under corporate agreements can be based on other criteria. In case of violation of the corporate contract, the following remedies are applied: compensation for damages,

collection of penalty and compensation, as well as invalidation of the transaction by the subject of corporate law, which violated the obligations stipulated by the contract or agreement. Instead, Ukrainian legislation does not contain a specific list of legal remedies but only defines the rights of the parties to the agreement between shareholders, in particular, the possibility of filing a lawsuit for the restoration of material interests caused by non-fulfillment of the terms of the agreement, collection of penalties (fines, interest), payment of compensation and other types of punishments for of this category of subjects[21]. The author believes that the most appropriate classification of remedies for rights violated under corporate agreements is to distinguish three groups of respective remedies (Chart 2). In addition to the existing means of protection, the following means of protection of rights under corporate agreements can be implemented in the Ukrainian system: coercion by a court decision to fulfill the terms of the corporate agreement and reconciliation of the received data after voting among shareholders. members of the company by court decision with the terms of the corporate agreement. In the aspect of comparative analysis of remedies for corporate rights, the consideration of the case against Notably, in Germany and other countries, the fundamental permissibility of shareholder agreements is a generally accepted norm, in contrast to Ukrainian practice. As a justification, German law refers, in particular, to the principle of freedom of agreement. The legal systems of England and the United States also do not question the right of shareholders to enter into contractual agreements with each other. The main problem with such agreements concerns the correct determination of the boundaries of possible content.

[21] SHRAM, *Legal review of shareholder agreements*, 2008, in *Bulletin of Corporate Governance*, 7, 26-31.

Chart 2 – Classification of remedies for rights violated under corporate agreements



Source: systematised by the author.

Share agreements must comply with higher-ranking law, in particular the law on joint-stock companies. For example, shareholders have entered into an agreement according to which a company registered in one state must be governed by the laws of another state. The court rightfully recognized this clause in the contract as invalid, as it violated the general principle - the law applicable to the activity depends on the company's charter, and the charter depends on the location or place of registration. As for the right of higher rank, it is necessary to define what is meant by it. The most common point of view is to include laws, statutes and special administrative provisions that should not violate simple shareholder agreements. In this regard, it is inadmissible to include in the current shareholder agreement, which has an arbitrary form, a provision that, according to the legislation of the country, must be provided in the articles of association. In accordance with the established procedure, the question of the invalidity of the shareholder agreement, which contradicts the law in its content, arises. According to the German

interpretation, it is necessary to check each individual case and establish whether the provision of the law is mandatory and whether there is a possibility of derogating from it. Thus, in the given example, it was necessary to check whether shareholders are allowed to deviate from the requirements of the law regarding the convening and holding of general meetings, in particular, determining the quorum. Under German law, the decision would be identical because the provisions on general meetings serve to protect the rights of shareholders and therefore cannot be changed. And for a limited liability company, such a clause is acceptable subject to the consent of all shareholders.

Regarding the inadmissibility of a shareholder agreement in the absence of clear regulation of a higher rank, which is violated by the agreement. In this regard, in Germany, a shareholder agreement is considered invalid even if it violates general principles of civil law, for example, the prohibition of unauthorised exercise of a right or violation of generally accepted moral norms. The Federal Supreme Court of Germany was to rule on a case wherein shareholders granted each other the right of pre-emptive purchase in the event of alienation of shares. At the same time, the transaction defined the method by which the share price should be calculated upon making a pre-emptive sale. The problem was that the calculation method led to prices that were much lower than market prices. The Federal Supreme Court of Germany, referring to the general principles, made the following decision: the reservation is valid only regarding the pre-emptive sale, but cannot be applied relating to the method of determining the price[22]. German law attaches particular importance to the concept of "loyalty", which means the duty to serve the company in good faith or the duty of shareholders' loyalty to the joint-stock company, as far as shareholders are concerned. According to this concept, during their activities, shareholders should ensure not only their own interests, but also those of the company and, accordingly, its founders. In Germany, an agreement between shareholders that violates this concept will be void if it has the sole purpose of

[22] Law of Ukraine No. 289-VIII "On Amendments to Certain Legislative Acts of Ukraine Concerning the Protection of Investors' Rights", 2014. https://zakon.rada.gov.ua/laws/show/289-19#Text

driving a minority shareholder out of the company.

The scope of the organization's legal capabilities is an important component of its activity, namely the management sector. This is explained by the fact that the results of direct entrepreneurial activity depend on this factor, as well as the satisfaction of the interests of the founders of such an organization. Attention should be paid to the fact that during the interaction of various authorized persons and bodies, disputes may arise, caused by different views of the participants of the legal entity regarding its future development. Such a situation is also possible as a result of choosing mutually exclusive goals by the founders of the corporation, which may be due to a polar desire to ensure their interests. Taking this into account, the factors described above can be identified as grounds for the formation of a corporate dispute. This situation is especially aggravated due to the shadowy activities of the majority of Ukrainian joint-stock companies. Accordingly, the basic principles on which the system of management and decision-making is based are opaque. As a result, it is possible to get negative consequences, which can be expressed in an underestimation of profit, not paying dividends to the company's participants.

Based on this, the institute for the protection of the rights of the shareholder, who has entered into corporate relations, but is deprived of the right to influence decision-making, has become particularly relevant. That is why this type of investment is quite risky.

Special attention should be paid to such an important feature of a legal entity as independent civil liability. It consists in the fact that the property of a company member is separate from other founders, and therefore they participate in civil turnover exclusively in their own name. This property allows the subject to avoid the possible influence of external factors on their decision-making or acts. As a result of this, conditions are formed that contribute to the protection of corporate relations from the pressure of the management bodies of the legal entity, as well as the

proper provision of the interests of the participant of the corporation[23][24].

The legal capabilities of the organization are usually reflected in its management functions, which are aimed at achieving high results specifically in the field of entrepreneurial activity, and are also combined with ensuring the wishes of the participants of the legal entity. Despite the existence of the principle of balance of interests, there are cases when, in the settlement of the company, several subjects determine different directions for its future development. Such mutually exclusive goals are due to the polar aspirations of the founders to develop corporate relations. Considering this, the researcher Yu. M. Zhornokuy[25] believes that the factors described above are the basis for a corporate dispute. He established that under conditions of non-transparency of the company's activities, not general, but specific problems were solved. Accordingly, Ukrainian joint-stock organizations focus attention on current management, as well as decision-making, which takes place on the basis of shadowy methods. As a result, the company may underestimate the profit, due to which the dividends cannot be paid in full. Based on this, the researcher indicated that investing with the inability to influence the management of the organization is a risky step. In this case, an important place is occupied by the independent civil liability of the legal entity. This factor is the main feature that makes it possible to distinguish the number of contributions of different members of the company. In addition, it is responsible for a person's participation in civil transactions on their own behalf and in their own interests, which allows for preventing undue external influence on the development of legal acts of a legal entity. At the same time, this approach involves the creation of opportunities for the management bodies of a legal entity to abuse their rights and, accordingly, encroach

[23] HARES, ELAMER, ALSHBILI and MOUSTAFA, *Board structure and corporate R&D intensity: evidence from Forbes global 2000*, 2020, in *International Journal of Accounting & Information Management*, 28(3), 445-463. https://www.emerald.com/insight/content/doi/10.1108/IJAIM-11-2019-0127/full/html

[24] LI, REN, YAO, QIAO, MIKALAUSKIENE, and STREIMIKIS, *Exploring the relationship between corporate social responsibility and firm competitiveness*, 2020, in *Economic Research-Ekonomska Istraživanja*, 33(1), 1621-1646. https://hrcak.srce.hr/file/369821

[25] ZHORNOKUY, *Corporate conflicts in joint-stock companies: civil law aspect*, Kharkiv, Pravo, 2015.

on its interests. As a result of such illegal actions, the level of provision and protection of the subjective civil rights of affiliated persons is deteriorating[2627].

In order to eliminate such problems, it is possible to use one of the ways to protect the civil rights of the LLC, namely to file a lawsuit in court. The latter is directly responsible for ensuring the protection of the interests of the participant (founder) of the LLC. It is appropriate to call such a claim "derivative" or "indirect", which results from the analysis of the Anglo-Saxon legal doctrine. The development of such a legal instrument is related to the development of US case law, which later became a fundamental principle for the legal system of common law. In today's conditions, the described legal construction is widespread, as it is included in the legal systems of various countries of the world, for example: China, Singapore, Italy, Germany. The formation of such a derivative claim is due to the emergence of the joint-stock form of business organization, as well as the abuse of management bodies in relation to business companies. This legal construction is based on the practice of the English trust, namely the trust management of someone else's property. Based on this, the functions and tasks of directors of companies include the management of other people's property, as well as the financial resources of its owners, in particular, the founders. Such activity involves a person's responsibility for the preservation of other people's property, as well as the organization of the comrade's work as efficiently as possible in the interests of its participants. At the same time, this legal opportunity was not always available to shareholders, because until the beginning of the 19th century, they could not file a lawsuit in court for compensation for damage caused to the corporation.

However, the lack of an effective system of monitoring the adoption of corporate decisions by the management body made it impossible to develop this

[26] ULLAH, ADAMS, ADAMS and ATTAH-BOAKYE, *Multinational corporations and human rights violations in emerging economies: Does commitment to social and environmental responsibility matter?* 2021, in *Journal of Environmental Management*, 280, 111-119. https://www.sciencedirect .com/science/article/pii/S0301479720316145

[27] SHEEHY and FARNETI, *Corporate social responsibility, sustainability, sustainable development and corporate sustainability: What is the difference, and does it matter?*, 2021, in *Sustainability*, 13(11), 59-65. https://www.mdpi.com/1124080

area in the future. In this regard, shareholders, in the context of capital owners, were given the opportunity to sue the directors in the procedural form of a derivative action. Comparing the experience of the USA and Ukraine, it should be pointed out that in the first case, the development of a derivative claim is due to real necessity and, accordingly, is a consequence of judicial law-making in the field of corporate law. At that time, in Ukraine, this legal construction developed from the identification of the problem of derivative claims in the scientific doctorate to its consolidation at the legislative level. In these two countries, the effectiveness of the derivative claim is excellent, as in Ukraine, unfortunately, it has not found much use in applied legal science. Taking this into account, it can be stated that, provided the mechanism of responsibility of the joint-stock company is properly developed and launched, it is an extremely important element of corporate relations. This is explained by the need to ensure the protection of shareholders and third parties from unlawful encroachments that may arise from the control authorities. For this, the legislative demarcation of the competence and powers of each body in this area is important.

With this in mind, the formation of a legal system for the regulation of corporate relations was started in Ukraine. This process should be associated with the adoption of the Law "On Amendments to Certain Legislative Acts of Ukraine Regarding the Protection of Investors' Rights", which provided for the possibility of filing a derivative lawsuit. Taking this into account, amendments were made to the provisions of Art. 89 of the Civil Code[19] and set out in the new edition. The latter provides that the authorized subjects are responsible for the damages caused by them to the economic subjects.

It is essential to underscore the pivotal elements of banking and financial regulation within the legislative framework of Ukraine. Thus, the National Bank of Ukraine (NBU) is the main regulatory body responsible for banking and financial regulation in Ukraine. Its main purpose is to ensure the stability and efficiency of Ukraine's banking and financial systems. The NBU operates under the Law of Ukraine

"On the National Bank of Ukraine[28]", which stipulates its functions, responsibilities, and powers. As a regulatory body, the NBU has the authority to issue banking licenses, permitting the operation of banking activities. Besides issuing licenses, it also takes responsibility for monitoring adherence to the licensing requirements. In situations of severe or chronic non-compliance, the NBU can rescind licenses28[28]. The NBU also supervises banks to ensure they comply with applicable laws, regulations, and prudential norms. This supervisory role involves both on-site inspections and off-site monitoring. In addition to that, the NBU establishes prudential norms, setting the regulatory requirements for banks in areas such as capital adequacy, liquidity, and risk management28. The NBU is not only a regulatory body but also responsible for Ukraine's monetary policy implementation. Its monetary responsibilities range from managing the country's foreign exchange reserves and setting the discount rate, to controlling the circulation of the national currency28. Apart from the NBU, the National Securities and Stock Market Commission (NSSMC) is also a significant player in the financial sector regulation. The NSSMC takes charge of the regulation and development of the securities market in Ukraine. Its main goal is to ensure market transparency, efficiency, and the protection of investors' rights[29].

The legal framework for banking and financial regulation in Ukraine encompasses several laws and regulations such as the "On Banks and Banking"[30], "On Financial Services and State Regulation of Financial Markets"[31], and "On Securities and Stock Market"[32]. In a bid to combat money laundering and terrorist financing, Ukraine has instituted a law known as the "On Prevention and Counteraction to Legalization (Laundering) of the Proceeds of Crime, Terrorist Financing, and Financing

[28]Law of Ukraine No. 679-XIV "On the National Bank of Ukraine", 1999. https://zakon.rada.gov.ua/laws/show/679-14#Text
[29]National Securities and Stock Market Commission. https://www.nssmc.gov.ua/en/
[30]Law of Ukraine No. 2121-III "On Banks and Banking", 2001. https://zakon.rada.gov.ua/laws/show/2121-14#Text
[31] Law of Ukraine No. 2664-III "On Financial Services and State Regulation of Financial Markets", 2002. https://zakon.rada.gov.ua/laws/show/2664-14#Text
[32]Law of Ukraine No. 3480–IV "On Securities and Stock Market", 2006. https://www.president.gov.ua/documents/3480iv-4050

of Proliferation of Weapons of Mass Destruction"[33]. This law mandates banks and other financial institutions to enforce Anti-Money Laundering & Counter-Terrorism Financing Policy procedures like Know Your Customer (KYC) and transaction monitoring. Another significant component of the Ukrainian financial system is the Deposit Guarantee Fund (DGF)[34], which provides a safety net for depositors. Should a bank become insolvent, the DGF compensates the depositors up to a certain limit. In circumstances where a bank becomes insolvent or fails, the DGF and the NBU collaborate to ensure a seamless resolution process. The DGF can offer financial assistance, sell assets, or even partake in the liquidation of the insolvent bank.

In terms of consumer protection, the NBU and other regulatory authorities are committed to protecting consumers of financial services. Laws like the "On Consumer Lending"[35] and the "On Payment Systems and Money Transfer in Ukraine"[36] help ensure this protection by mandating transparent information disclosure, fair treatment of customers, and the availability of redress mechanisms for consumer complaints. The NBU also has oversight over payment systems and financial market infrastructures, ensuring their safe and efficient operation. The legal basis for the operation and oversight of payment systems are found in the "On Payment Systems and Money Transfer in Ukraine"36 law and NBU regulations. In the fight against corruption, the National Agency on Corruption Prevention (NACP)[37] leads the charge in developing and implementing national anti-corruption policy. Banks and other financial institutions are required to adhere to anti-corruption laws, including the "On Corruption Prevention" law[38].

[33]Law of Ukraine No. 361-IX “On Prevention and Counteraction to Legalization (Laundering) of the Proceeds of Crime, Terrorist Financing, and Financing of Proliferation of Weapons of Mass Destruction”, 2020. https://zakon.rada.gov.ua/laws/show/361-20#Text

[34] Deposit Guarantee Fund. https://www.fg.gov.ua/

[35]Law of Ukraine No. 1734-VIII “On Consumer Lending”, 2017. https://zakon.rada.gov.ua/laws/show/1734-19#Text

[36] Law of Ukraine No. 2346-III “On Payment Systems and Money Transfer in Ukraine”, 2001. https://zakon.rada.gov.ua/laws/show/2346-14#Text

[37] National Agency on Corruption Prevention. https://nazk.gov.ua/uk/

[38]Law of Ukraine No. 1700-VII “On Corruption Prevention”, 2014. https://zakon.rada.gov.ua/laws/show/1700-18#Text

3. Based on the conducted research, it should be established that law-enforcement and doctrinal practice developed theses on the protection of corporate rights within the general provisions of civil legislation. The analysis of objects of modern science is based on the fact that legal means are divided into universal (general) and special. Their list is open and usually fixed in the provisions of the civil legislation of different countries and has significant differences.

The study proved that not all means of legal protection should be endowed with universal properties, since some of them could act as special ones for proper regulation of corporate relations. In addition, the study conducted an analysis of judicial practice, based on which it was established that there are differences in the interpretation of the same situations and the court's rendering of different decisions. During the comparative analysis of the national experience with foreign practice, additional means of legal protection were discovered, which are currently not used in the Ukrainian legal environment and may be implemented in it in the future. The conducted study of law enforcement practice made it possible to reach a conclusion about the low efficiency of the existing means of protecting corporate rights and this legal field as a whole.

Therefore, legal doctrine, as well as law enforcement practice, should be aimed at finding a new legal entity that will correspond to the modern environment. For the development of this scientific research in the future, attention should be paid to the following three directions: clarifying the essence of corporate relations, establishing the limits of the use of special means of protection and identifying new effective special means of protecting corporate rights.