

Imposing Personal Liability on Shareholder's/Partner's in a Corporate Entity; Implementation of UK's Personal Liability Institutions in Georgian Corporate Law: Content and Outcomes

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Abstract : The paper examines the grounds for the imposition of a personal liability on shareholder/partner, mainly under Georgian and UK law's comparative analysis. The general emphasis was made on personal responsibility grounds adaptation in practice and presents the analyze of court decisions. On this base, reader will be capable to find a difference between the dogmatic and practical grounds for imposition personal liability. The first chapter presents the general information about discussed issue and notion of personal liability. The second chapter is devoted to an explanation the concept - 'the head of the corporation' to make it clear who is the subject of responsibility in the article and not to remain individuals beyond the attention, who do not hold the position of director but are participating in governing activities and, therefore, have to have fiduciary duties. After short comparative analysis of personal responsibility, the Georgian Corporate law reality is further discussed. Here, the problem of determining personal liability is a problematic issue, thus a separate chapter is devoted to the issue, which explains the grounds for personal liability imposition in details. Within the paper is discussed the content and the purpose of personal liability institutions under UK's corporate law and an attempt to implement them, and especially 'Alter Ego' doctrine in Georgian corporate Law reality and the outcomes of the experiment. For the research purposes will be examined national case law in regard to personal liability imposition, as well as UK's experience in that regard. Comparative analyze will make it clear, wherein the Georgian statute, are gaps and how to fill them up. The articles major finding as stated, is that Georgian Corporate law does not provide any legally consolidated grounds for personal liability imposition, which in fact, leads to unfaithful, unlawful actions on partners'/shareholders' behalf. In order to make business market fair, advancement of a national statute is inevitable, and for that, the experience sharing from developed countries is an irreplaceable gift. Overall, the article analyses, how discussed amendments might influence case law and if such amendments were made years ago, how the judgments could look like (before and after amendments).

Keywords : alter ego doctrine, case law, corporate law, good faith, personal liability

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