

Abstract: *Business Trust*

This diploma thesis deals with the designation of the trust as a possible operator of a business enterprise, and so its use as an equivalent of a business corporation. The main goal is to compare these two entities in their differences and to find out whether the operation of the enterprise through the trust can be attractive for its settlor and what will be the advantages and disadvantages of this arrangement. The thesis is divided into seven chapters, including the introduction and the conclusion.

After the introduction to the diploma thesis, the second chapter deals with a brief outline of what the trust is and the complexity of its legal regulation. It continues with a brief overview about the existence and functioning of the trust under the Czech Civil Code.

The third chapter defines the trust as a business entity. It deals with the trust as an entrepreneur in business relations, and outlines settlor's possibility of anchoring business operations to the trust and conveying the necessary assets.

The fourth chapter compares some interesting aspects of business corporations with their possible equivalents in the trust, thus outlining conformities and differences in their functioning. In particular, the differences between the contributions to the registered capital and the conveyed assets in the trust fund are discussed, as well as the organization and administration of both entities.

The fifth chapter describes the cancellation and termination of the trust, depending on the complicated structure of its assets as a business. It pledges the trust as a possible subject for liquidation and deals with the possibility of its bankruptcy. In the next section, it compares the possibilities of its cancellation with the possibilities of cancellation of the corporation.

The sixth chapter mentions the possibilities of using the business trust for realization of the business plan and the possible advantages and disadvantages of such an arrangement.

The conclusion expresses concern about the willingness of the settlors to use the business trust, but without a doubt is sure, that business trust will find a place for itself in the world of business.

Key Words

business trust, corporation, business enterprise, trustee