

Selected economic and legal aspects of mergers and acquisitions in the Czech Republic

Abstract

The aim of this diploma thesis is to describe selected economic and legal aspects of mergers and acquisitions and assess them.

In the first part, the diploma thesis focuses on defining the terms of mergers and acquisitions and their classification. Forms of mergers and acquisitions are distinguished and their types based on market position of participating companies are explained.

In the second part, the diploma thesis describes motives leading to mergers and acquisitions. The main motive is synergy, a phenomenon of increasing the value of participating companies by merging them. Furthermore, the waves in which mergers and acquisitions were emerging are listed, including the seventh wave which peaked last year.

The third part of the diploma thesis focuses on mergers and acquisitions on the Czech market. At first the comparison within the region is provided and afterwards the thesis deals with development over time, mix of industries and largest transactions of last years. Czech Republic is one of the most active countries in the region from the perspective of value of transactions. The value of transactions in years 2011-2017 grew on average significantly faster than the Czech gross domestic product. Largest Czech transactions occurred especially between competing companies in regulated industries and they usually had an international aspect.

In the fourth part, the diploma thesis focuses on the legal framework from the perspective of the historical evolution as well as the present. The crucial law is Act No. 125/2008 Coll., on Transformations of Commercial Companies and Cooperatives. Current framework is better arranged and more comprehensive compared to the previous one.

Fifth part of the diploma thesis deals with the process of a merger from a legal perspective. It focuses on implementation and finalization phases of a merger. Steps, which the companies have to go through, include especially preparing the project of the merger, drawing up the merger report, providing information to the partners, approving the merger, obtaining approval from an administration authority, or filing application for registration of the merger in the business register.