

Subsidies and their legal regulation

Abstract

The thesis addresses the legal framework for subsidies in the Czech Republic, with an emphasis on processes related to the provision and oversight of subsidies. The introductory part of the thesis analyses public budgets as the primary source of funds for subsidies and examines the relationship between state aid and subsidies, including their compatibility with the internal market of the European Union. Additionally, the thesis focuses on defining the term subsidy, categorizing its types, and distinguishing it from similar concepts.

The core part of the thesis concentrates on the subsidy provision process, covering the preparation of subsidy programs, the decision-making process for their allocation, the monitoring of recipients, and the resolution of violations of subsidy conditions. The thesis identifies key issues in the current legal framework, particularly the dual structure arising from the existence of two distinct legal regulations: the Large and Small Budgetary Rules. This dual structure creates legal uncertainty, further complicated by the ambiguous relationship between the Administrative Procedure Code and the Large Budgetary Rules and the lack of applicability of the Administrative Procedure Code to the Small Budgetary Rules.

Significant attention is devoted to the monitoring of subsidy recipients, which suffers from inadequate coordination, often resulting in duplicate or, conversely, overlooked audits. The thesis also highlights issues related to sanctions for violations of subsidy conditions, whose application is not always clear-cut.

The aim of the thesis was not only to analyse the current legal framework for subsidies but also to propose potential improvements. Key recommendations include unifying the legal framework for subsidies, implementing a centralized information system for subsidy management, strengthening monitoring mechanisms, and enhancing the transparency of the entire process.

The thesis concludes that while the legal framework for subsidies has seen some improvements in recent years, there remains significant room for further optimization. The proposed measures could contribute to better utilization of public funds and increased public trust in the subsidy system.

Key words: Subsidies, Subsidy allocation procedure, Audit of subsidy recipients