

Summary

The aim of the thesis is to provide comprehensive information about sale of the enterprise. The main focus is on contract on sale of an enterprise and transfer of the rights and obligations from seller to the buyer. On the contrary, the paper does not deal with many issues associated with sale of an enterprise, such as legal provision concerning competition. The thesis is not only concerned with current Czech legal provisions, it also highlights important judicial precedents and points out interesting conclusion published by respected authors. The thesis is composed of three chapters, each of them dealing with different aspects of sale of enterprise.

First chapter explains the meaning of the term enterprise and part of an enterprise under the Czech Commercial Code. For the purposes of this Code, an enterprise is understood to be the aggregate of tangible, personal and intangible components constituting a business activity. Things, rights and other property values which belong to the entrepreneur and which are used to operate the enterprise, or which, because of their nature, are intended to serve this purpose, are appurtenant to the enterprise. On the contrary there is no legal definition of a part of an enterprise in the Czech legal system. As a result judicial decisions concerning this issue are quite abundant. There is consistency in conclusions of the decisions of Czech Supreme Court. In general the main condition for the unit of a business for being considered part of an enterprise is functional independency.

Second chapter focus on contract on sale of an enterprise. Legal requirements for the agreement between sides are examined and legal effects of the contract are explained in this chapter. Under a contract of sale of an enterprise, the seller undertakes to pass over to the buyer a certain enterprise and to assign to him the ownership title to such enterprise, and the buyer undertakes to assume the obligations (debts) of the seller relating to the enterprise and to pay the selling price. Furthermore, the contract must be in writing.

Chapter Three concentrates on problems resulting from transfer of the rights and obligations. Generally, all rights and obligations pertaining to the sale pass to the buyer, however, there are few exemptions – rights and duties arising from labour relations with employees of the enterprise, contract price for the business and trading privileges.

Last part of the paper sums up conclusions stated in the text .