

Abstract

The legal enactment No. 182/2006 Sb., Insolvency Act that came into force on January 1st 2008 introduced the new concept of Discharge of Debts in the Czech Law system. This mode of solution is intended solely for non-entrepreneurs (this institute cannot be used for companies or individual entrepreneurs). Personal bankruptcies account for the majority of insolvency proceedings in the territory of the Czech Republic and it can be assumed that this long-lasting trend will continue to grow.

The institute of Discharge of Debts gives consumers an effective opportunity to legally get rid of their debts through one of two ways, namely repayment schedule and sale of the debtor's assets, and start again with a clean slate as an active member of the Economic Society.

The aim of this thesis is to give a comprehensive analysis of the institute of Discharge of Debts, from defining the causes that lead to bankruptcy, interpretation of basic concepts, to the description of the necessary proceedings leading to the declaration of bankruptcy, process of Discharge of Debts itself and differences of its two basic ways. This theoretical basis is supplemented by my knowledge that I have gained during my internship in a law office, which also performs the function of insolvency trustee.

The thesis is composed of eight chapters. Chapter One contains a brief excursion into the history of bankruptcy law in our country. Chapter Two examines the term of bankruptcy and the basic principles of the insolvency proceedings. Chapter Three deals with the subjects of the insolvency proceedings. Chapter Four relates to the proceedings itself, which begins with filing an insolvency petition. The next chapter is about how the courts decide on the petition. Chapter Six characterizes position of the debtor's creditors and the application of their claims. Those are primarily the creditors who file an application in insolvency proceedings. Chapter Seven focuses on that part of the insolvency proceedings, when it was decided to permit Discharge of Debts. The last chapter describes the phase in Discharge of Debts, which has already been approved by one of the two possible ways, so it is the process of Discharge of Debts in the narrower sense.