

LEGAL REGULATIONS OF LIQUIDATION OF A BUSINESS COMPANY

ABSTRACT

The liquidation of a business company is a legally regulated process of settling the assets of this company out of court, unless the company has not a general legal successor. If the company is going into liquidation, the active commercial activity of this company shall be stopped. All of the activities aim to finish the business of the liquidated company and to find and to settle its property.

The liquidation of a business company in the law of The Czech Republic is regulated in the Act No. 513/1991 Coll., The Commercial Code, as amended. The liquidation means a lot of legal and economic problems. This work is centred only on the legal aspects of the liquidation.

It is necessary in case of liquidation to distinguish between two terms: dissolution and ending of a business company. A company enters into the process of liquidation as of the day of its dissolution. In this context is necessary to file a motion for entry the liquidation into the Commercial register. A company have to use the addendum „in liquidation“, during a liquidation. The liquidation is finished by selling the property of the liquidated company and by settlement of its liabilities. After finishing the liquidation, the liquidator files a motion for deletion of the company from the Commercial register. With deletion the company ends as a subject.

The main person in the course of a process of liquidation is the liquidator. The liquidator has to be named when a company enters into the process of liquidation. He fulfils jobs which are related with the liquidation of this business company. After his naming the liquidator acts in the name of the company in all questions of the liquidation.

SEZNAM KLÍČOVÝCH SLOV

Company

The company is an artificial legal person created in order to carry business.

Liquidation of a business company

Liquidation of business a company is a legally regulated process of settling a company's assets out of court, unless the entity has a general legal successor. If the company is going into liquidation, then the active commercial activity of the company shall be stopped.

Liquidator

A liquidator is the main person in the process of a liquidation. A liquidator has to be named when a company enters the liquidation. He fulfils jobs related with the liquidation of a business company. After his naming he fills the authority of a statutory organ of the liquidated company to act in the name of the company in al questions of the liquidation. He carries out, sells property of the business company in liquidation and by settlement liabilities of a business company.