

## **Abstract – Bank guaranty**

The thesis deals with the topic of bank guarantee and its legal regulation in the Czech legal system. The purpose of this thesis is to provide comprehensive characteristics of bank guarantee, both from theoretical and practical point of view.

The thesis can be divided into twelve chapters. The first chapter is the introduction and the last chapters contains conclusion. Second chapter is focused on nature and function of securing instruments and their legal regulation in respective legislation.

Third chapter compares bank guarantee with ordinary guarantee. Then includes historical development of bank guarantee and regulation of the instrument in the Commercial Code, in legislation of public law and in Uniform rules issued by International Chamber of Commerce.

Fourth chapter is the focal point of the thesis. It explains relations between subjects participating in bank guarantee. These subjects are principal, beneficiary and bank. The fourth chapter also analyzes objections of bank, assignment of the rights from bank guarantee and guarantee charge. Lastly, it contains description of secured obligation and abuse of right to demand performance with its possible consequences in criminal law.

Fifth chapter focuses on letter of guarantee and its content. Then it thoroughly analyzes interpretation issues concerning the moment of formation of obligation from bank guarantee.

Sixth chapter shifts the focus on possibilities of involvement of another bank in process of bank guarantee. It explains terms such as announced bank guarantee and confirmed bank guarantee. Two charts were created to provide better orientation in the topic. Seventh chapter points out particular possible ways of termination of bank guarantee.

Eighth chapter is concerned with different kinds of bank guarantees with respect to their use in economic relations. The chapter describes bid bond, performance bond, advanced payment guarantee, maintenance bond and stand-by letter of credit. Ninth chapter deals with the use of bank guarantee in construction projects.

Tenth and eleventh chapters are written in a comparative manner. Based on foreign literature, chapter ten examines the regulation of bank guarantee in Germany. Eventually chapter eleven highlights important changes in regulation of financial guarantee pursuant to the New Civil Code which will be effective from 1<sup>st</sup> January 2014.

**Keywords:** bank guaranty, securing instruments, letter of guarantee