Abstract

This diploma thesis deals with initial public offering (IPO) of shares from both legal and economic perspective. The thesis is divided into three basic parts. The goal of the first part is to explain the process of IPO, its development and each institution related to the topic. Followed by part which is dedicated to legal framework in the European Union and each phase of the process is described from the viewpoint of Czech law. Second part aims to clarify basic economic advantages as well as disadvantages of initial public offering concerning the company and propose possible alternatives. Final part seeks to provide a case study of the process on the Czech and the American capital market. The purpose of my thesis was to explain what an initial public offering is, what are its upsides and downsides and describe in detail the whole process which companies have to undergo before they can publicly offer their shares and before they are admitted to the capital market. Throughout the thesis I examine the development of European law regarding IPO and I marginally try to compare it to American law. In the final case studies, concrete steps during the entire process are demonstrated on the examples of practice.