

Discharge a rescue mode of resolution of insolvency

Summary

The aim of this thesis is to provide a comprehensive analysis of the Institute of debt relief as one of the solutions of bankruptcy. The work is divided into three chapters. The first chapter is a historical excursion, describing the evolution of resolving insolvency and bankruptcy proceedings in the world and in the Czech Republic. The second chapter deals with the general interpretation of the concept of bankruptcy, insolvency proceedings and its effects. The third and most extensive chapter then focuses on discharge from debts itself and its nodal points that are crucial in this process. Namely persons entitled to file a petition for permission to discharge debts, including the requirements of this petition, the court's decision on the permit and subsequent approval of discharge from debts, debt discharge methods and duties of the debtor, and finally the decision of fulfillment of debt discharge and exemption of debtor from debts.

Act no. 182/2006 Coll. on bankruptcy and its solution (Insolvency Act) provides two methods of debt discharge. Debt discharge through the realisation of assets or under the schedule payment. Both methods have in common that the debtor must pay at least 30% of the total value of its unsecured debts and the unsecured creditors are satisfied pro rata. If the debtor meets all obligations assigned to him by Insolvency Act, after termination of the proceedings he may be discharged from the rest of his debts on the basis of the court's decision.

Although insolvency and debt discharge originate in deep history, it is a very topical issue. The meaning of debt discharge is primarily social, allows debtors to relief from a large portion of the debts and start a new economic life. There is almost thirty thousands of applications for permission to discharge debts filed to the courts in the Czech Republic a year.