

## **Abstract**

Bonds are a type of debt securities, which are regulated by the Act on Bonds (the Act No. 190/2004 Coll., as amended). In the Czech Republic, bonds are used to finance especially the government is especially financed through bond issuing. Despite bonds are not widespread across private companies or territorial self-governing units at the moment, in the future they might play a bigger role and become a competitor to the traditional ways of financing (e.g. bank loans) thanks to their advantages.

The purpose of this master's thesis is to introduce the legal regulation of bonds, to distinguish bonds from different ways of financing, including description of their advantages and disadvantages, to analyze particular requirements of bonds, to describe the process of bonds issuing and finally to divide bonds into categories according to various standpoints.

The thesis is composed of five chapters. The first chapter focuses on the formal sources of Czech and European bond law and on the concept of a bond, including its characteristic features.

The second chapter concerns with the comparison of bonds to other ways of financing. For purposes of this thesis a company was chosen as a role issuer for the comparison. This chapter also introduces the advantages and disadvantages of bonds in relation to their competitors.

The chapter three analyzes the legal requirements of bonds. Since the requirements for documentary and registered bonds vary, the chapter was divided accordingly. The ending of this chapter was devoted to the emission conditions that have to be made available to the investors during each bond issuing.

The fourth chapter deals with the procedure of issuing bonds. The chapter successively introduces basic terms, involved parties and particular phases which each issuer has to go through.

The fifth chapter concerns with the division of bonds into particular groups according to various standpoints. Bonds are divided according to the issuer, the rating, the maturity date, the revenue, the denomination and the market, the security and the Act on Bonds. However, the most of the mentioned bonds are not usually found in the Czech stock exchange, especially due to low number of issuers. On the other hand, as matter of fact, the Czech regulation is quite liberal and it does not (with few exceptions) prevent issuers from issuing bonds that are common in the foreign stock exchanges.