

Abstract

The main goal of this thesis called „The institute of administration in Czech and English law and its application in practice“ is to provide an overview of insolvency administration, its regulation and practical application in the Czech Republic and in England, to verify the hypothesis that administration, as a rescue solution for insolvency of companies, is, in comparison with the situation in England, being used insufficiently in the Czech Republic and its success rate is also low, as well as concluding, what is the reason of this situation.

This goal has been fulfilled in four chapters. The first chapter contains the general definition of administration, its position in the system of insolvency law as well as an overview of its historical development. In the second chapter is described the practical usage of this legal institute in the Czech Republic, and this is done through an analysis of applicable law regarding administration but also insolvency proceedings as a whole, as well as analysis of available data regarding the application of administration, probability of its usage as well as positive outcome, in practice. The same is done for England in the third chapter, so the hypothesis can be validated and its causes analysed in the fourth chapter.

As a result, the hypothesis has been proven. The probability that an insolvent company will enter administration rather than other insolvency procedure is five times lower in the Czech Republic than in England and the probability that an administration will result in a positive outcome is less than half. The reason is a low motivation of all players to enter the insolvency process soon, which significantly increases the probability of company rescue, as well as an unadvisable division of power in the administration process itself.

This thesis has been written according to the applicable law as on 11th April 2017.