

Abstract

The thesis contributes to the ongoing discussion pertaining the concept of due managerial care and the business judgment rule in Czech law and aims to explore the aforementioned in the context of acquisition transactions, in the context of purchase of a business share or an enterprise (or a part of an enterprise) as the issue of acquisition transactions, despite its substantial practical impact, remain largely out of scientific focus.

Specifically, the thesis explores the possibility of articulation of the standard of due managerial care for the purpose of acquisition transaction and, if such articulation is possible, its specific features. In its exploration, the thesis focuses on articulation of the above standard in the context of availability of information regarding the target company or enterprise, which commonly takes form of a due diligence. The author aims to define the above standard upon comparison of Czech concept of due managerial care and business judgment rule with its German counterparts. Thus, the thesis also addresses the issue to what extent it is permissible to transfer and subsequently use the findings from the German standard of due managerial care in the context of Czech law.

Following the initial comparison of the regulation of due managerial care and business judgment rule in Czech and German law, which the author concludes as being equivalent, the author lays down the usual course of an acquisition transaction and demonstrates the key importance of information exchange between parties that is indispensable for the identification of risks arising from the transaction as well methods of such exchange which the parties have at their disposal. The author focuses on the course of due diligence and analyses whether the seller is bound to consent to due diligence and the prospective buyer bound to require it. Following the discussion, the author further examines the standard due managerial care applicable to the seller when designing a non-disclosure agreement.

With respect to information made available by the seller, the author explores and provides guidelines for the standard of assessment of such information which the buyer should adhere to prior to adoption of a decision on whether to proceed with the transaction or not in accordance with the standard of due managerial care.

The final part explores and lays down legal institutions enabling the buyer to reflect the risks arising from the seller's refusal to make available relevant information regarding the target company as well as risks determined pursuant to the due diligence in the sales purchase

agreement and provides guidelines for its negotiation in accordance with the principles of due managerial care.

Concluding the thesis, the authors summarises its finding of the conducted analysis and reflects on the possible transferability and utilisation of the German standard of due managerial care in acquisitions in Czech law.