

## **Abstract: The Specifics of Use of Trusts in Business Relations**

This thesis deals with possibilities brought by trusts (in Czech: *svěřenský fond*) to business relations. It analyses the key features of a trust, thanks to which it has a unique and often irreplaceable position in number of financial transactions. Selected financial transaction are described in detail and the importance of trusts in these transactions is explained. The main objective of this thesis is to show that trusts have benefits far beyond the governance of personal property and its intergenerational transfers. By this I want to prompt interest in further research of the use of trusts in business relations in the Czech legal environment.

After the introduction, the first chapter of this thesis briefly introduces the history of the trust. It is outlined which role the trust played in different legal systems and what were the motives for its development.

The second part describes trust as an institute of civil law. There is also described the implementation of the trust into the legal system of the Canadian province Québec, because this regulation served as a model for the Czech lawmakers. This chapter of the thesis also describes the subjects of the trust and the basic concepts related to this institute.

The third part introduces the trust as a participant in business relations. The core of this chapter is an analysis of the features of the trust, thanks to which it has become such an attractive instrument of realisation of business plans. In the end of this chapter, the trust is compared to business corporations as its “competitors” in business relations. The possibility to issue trust certificates is discussed as well.

The fourth part describes some business relations in which the trust plays a significant role. They are: 1) collective investment, 2) securitisation, 3) diversification of credit risk, 4) syndicated loans and bond issues and 5) subordination. Furthermore, the thesis describes the institutes of continental law used in cases, where the legal regulation of the trust is missing or has not found its application yet. The attention is paid also to possibilities of the Czech legal regulation within this area.

The conclusion summarizes the possibilities of the use of trusts in business relations. The findings of the thesis show that the use of trusts in some relations can have clear benefits; however, it will be a matter of a longer period of time until the business practice adopts this institute.