

## **Abstract**

The aim of the thesis is to provide a wide treatise about specific use of bill of exchange as a securing instrument. The promissory note as a debtor security may take various economic life functions. Since the inception of law of exchange it was primarily the medium of payment, whereas the securing function was developed much later. Actually a relative novelty of securing function of bill of exchange leads to a wide range of issues that need to be resolved in connection with its use. In particular, it is absolutely necessary to realize that the obligation incorporated into promissory note will be regardless of its function always the obligation abstract and individual. The above mentioned abstract and individual obligation is mainly manifested in a different connection to the secured obligation, which is much more fragile than in case of use of standard securing obligations that are on the contrary characteristic by accesority and subsidiarity.

As an introduction is included a passage in which the author attempts to summarize the major changes brought by the new private law in relation to bill of exchange as securing instrument, including a brief consideration of the terminology of the new Civil Code in relation to the confirmation and security of obligations .

In spite of the fact that the aim of the thesis is concentrated on bill of exchange as securing instrument, the second chapter is devoted to issues of law of exchange in general. Within particular subchapters there is outlined the historical development of law of exchange in our country, including the sources of current legislation. Furthermore author explains the term of promissory note as security and subsequently there are included passages about the most important institutes of law of exchange, which the author considers in connection with the use of bill of exchange as a securing instrument to be significant.

The third chapter focuses on the interpretation of term of securing bill of exchange itself with the comparison of securing bill of exchange and others methods of securing obligation, furthermore author highlights the conflict between abstract and individual obligation which is incorporated into each promissory note and attributes of accesority and subsidiarity which are typical for regular securing obligations. Conclusion of the chapter is dedicated to essence of function of securing bill of exchange and its possible uses.

Chapter four and five summarize in details the characteristic differences of bill of exchange used as securing instrument. Author focuses on question of form of security, in which a promissory note can be emitted and also on issues related to the internal arrangement

of obligation created by emission of securing bill of exchange. Separate paper is then devoted to four important institutes of law of exchange (aval, lapse of time, unjust enrichment, presentation and protestation), all in scope of securing bill of exchange obligation.

The sixth and seventh chapter focuses on the issue of use of securing promissory note, both on the proper use and the excessive one. Chapters provide detailed analysis of possible ways of protection against abuse of securing bill of exchange, whereas the mentioned issue is further subdivided into protection in the contract way and in the modification of bill of exchange obligation itself. A significant part of the paper focuses on defense against the exercise of rights connected with promissory note. Author outlines the general classification of objections against the exercise of promissory note, the prerequisites for the application of defense and last but not least, it is given quite an extensive list of the most common causal objections arising from the abusive use of securing bill of exchange.

Chapter eight of the thesis illustrates the use of promissory notes as securing instrument of consumer loans. As part of this chapter, beyond the latest development of legislation, there is mentioned how the exchange law is very marginally affected by influence of European law. A separate subchapter is devoted to the questions of factual impact of the absolute prohibition of the use of securing bills of exchange in providing consumer loans.

The penultimate chapter of the thesis highlights not generally very well-known securing instrument, namely the bills of exchange with repurchase obligation. Bills of exchange with repurchase obligation is first distinguished from the apparently similar institute, which is a bill discounting. It is implied legal basis of the analyzed securing instruments including highlighting what is its nature for secured creditors.

At the end of the paper, there is included chapter ten, which is dedicated to the securing bills of exchange in connection with the insolvency proceedings. The first subsection explains the specifics of registering of exchange claims into insolvency proceedings and is followed by a fairly broad passage which focuses on the securing promissory notes themselves and various situations in which they may occur in the insolvency proceedings.