

Abstract

The law of business corporations is in practice nearly connected to the tax law, mainly in terms of tax impacts of specific corporate transactions that this thesis is focused on.

The corporate transactions described here involve a transfer of the share in a Czech capital corporation (i.e. limited liability company and joint stock company), transfer of the company's enterprise, distribution of the profit to the shareholders and distribution of other equity funds to the shareholders. All transactions are described in connection with both their legal conditions and tax impacts. This thesis does not cover the impacts of all types of taxation in the Czech Republic, but focuses on selected taxes, mainly income tax (both corporate and personal), value added tax, and real estate transfer tax, as the most important types of taxes playing a relevant role in connection with the transactions mentioned above.

After two introductory chapters that explain the main terms used in this thesis, the third chapter describes the first corporate transaction, i.e. transfer of a share in a capital company. The legal requirements for the transfer of a share in a limited liability company and a share in a joint stock company are followed by the analysis of the tax impacts of such a transfer, from the position of both natural person and legal entity. A significant part of the chapter is focused on acquisition price as the deductible expense, and tax exemptions for both personal income tax and corporate income tax. Finally, the context of the value added tax and the real estate transfer tax is mentioned.

As the second type of the transfer of the target company the transfer of its enterprise is analysed in the fourth chapter of this thesis. Firstly, the thesis describes the legal requirements of the transfer, followed by the tax impacts of the enterprise transfer to both the seller and the purchaser. The impacts of the value added tax and the real estate transfer tax are described as well.

The key chapter of this thesis is chapter five providing the comparison of the transfer of the share and the transfer of the enterprise, from specific legal and tax points of view. The comparison (which is summarized also in the form of a table chart) shall provide the

readers with a description of the advantages and disadvantages of both transactions, as a guideline for choosing the most suitable one.

The next two chapters deal with different types of corporate transactions – distribution of the profit and the other equity funds to the shareholders of both limited liability and joint stock company. Besides description of the formal legal requirements the thesis analyses the tax impacts on the company's shareholders.

The final eighth chapter is again a comparison of the two types of distribution of the company's resources to the shareholders. The profit distribution and the other equity funds distribution is compared from the formal point of view and as far as their tax impacts on shareholders, both natural persons and legal entities. The comparison is also summarized in the form of a table chart.