

ABSTRACT

The topic of my diploma thesis is „*The Concept and Types of Bills of Exchange and Promissory Notes*“. The reason, why I chose this theme, is my interest in business law and in particular in the securities law. However, the main motivation which led me to analyze this legal sphere, were anteriorly my previous work experiences. From the plenty of cases I have had the opportunity to see, emerged for me a surprising conclusion, namely that the participants of the bill relationships are often not in a significant amount familiar with the essential content requirements of a bill of exchange as a security, which in the case concerned led to serious and thoroughly negative consequences.

It is obvious that a bill of exchange represents for a general public not easily understandable problematic which requires precision and excellent knowledge of law. For this reason I have paid attention to the issue of essential appurtenances of a bill of exchange whose presence is demanded by law and without their remark a bill of exchange is fundamentally not valid document.

The goal of this diploma thesis is to analyze and characterize a bill of exchange as a legal instrument and to define its basic attributes in a view of the fact that in the Bill of Exchange and Cheque Act, not even in other legal rules including international agreements, we cannot find at any point its legal definition.

This thesis is structured into five main chapters.

The first chapter discusses the genesis of a bill of exchange, where, for a complete overview, is offered little excursion into history, outlined the origin of a bill of exchange and the most relevant stages of its development.

In the next section, thus in the second chapter, I focus on the problematic of the legal regulation of a bill of exchange. At first, I generally deal with the law of exchange in the international and historical context. Next, I construe in detail the substantial source of law in this sphere, which is in the Czech law represented by the Bill of Exchange and Cheque Act which is at this point subject to the analysis in terms of its functionality, quality, structure and content. Hereby, I tried to explain, as extensively as possible, the principles and basics on which this statute stands on, to define its relation to other legal rules and also to submit some controversial issues which pertain the interpretation of some provisions or other problems which could possibly occur in practice.

In response to the treatise on the sources of law, the third chapter disserts on the conceptual features and the most significant peculiarities of a bill of exchange not only from the legal perspective, but likewise from the practical point of view, in order to highlight its specificity.

The following chapter four then submits the listing of types of bills of exchange and explains, how do the bills of exchange usually classify according to the law on one hand and to the practice on the other hand, whereas the emphasis is put on the explanation and justification, that despite the mistaken belief of the public, there are in fact only two types of bills: the promissory note and the bill of exchange.

The most comprehensive part of this thesis is included in the fifth chapter, which comprises the treatise on the content requirements of a bill of exchange. In its first part, this chapter introduces all substantial elements of a bill of exchange and after follows the dissertation on the requirements of a promissory note. My aim is not only to confine myself to summarize the basic requisites made by law. I have also attempted to present the crucial judicial decisions and conceive interesting and sometimes also controversial opinions of the authors of subject legal publications and often discussed topics.

At the end, I recapitulate my findings gained through the study of objective part of the law of exchange and relevant literature and jurisprudence. I have set as my main task to pinpoint and describe the fundamental prerequisites of a validity of a bill of exchange as such, in order to be utilized without any complications in practice as a functional tool, and I suppose that I have quite managed to meet this task.