



For the first time

CZ: Registration duty for trust funds and other changes

CZ: Employees on the supervisory boards of larger companies

SK: Damages for breach of competition law

CZ: Exemption of share in profit for family foundations and trust funds

New private law has been valid in the Czech Republic for three years now. The new codes, the Civil Code and the Business Corporations Act introduced many useful new things, but also some ambiguities and problems.

At the beginning many lawyers prophesied – and we ourselves expected – that the amendment would happen faster. After all, the talk was of an "urgent" amendment to the Civil Code. In retrospect, however, it shows that the practice of law is able to cope even where we had not imagined possible. For the first time, the two codes were amended at the end of last year (see details in a special issue of our [Newsletter](#)). We view the amendment positively; it is not too radical and focuses on what deserves to be amended.

We hope that lawmakers will continue in their restraint and will not begin to amend the Civil Code at the same pace as the Income Tax Act or other unfortunate legislation. Much better to leave room for practice to find solutions and not make a political issue out of the civil codes. They will thus be better able to serve their users, i.e. all of us. This and an abundance of other good things we wish you in 2017.

Stanislav Dvořák

CZ: Employees on the supervisory boards of larger companies

According to the amendment to the Act on Business Corporations, employees in corporations with more than 500 employees will at the latest by 2019 appoint a third of supervisory board members. Otherwise the company will face the risk of dissolution and liquidation. (PP)

CZ: Commissioning of photovoltaic power plants (PPE)

The Prague Municipal Court ruled that in order to put a PPE into operation, a meter must be installed according to the rules in force in 2009 and 2010, not only a working network connection and a licence. This means that up to 160 PPEs may lose subsidy. This will likely be subject to review by the Supreme Administrative Court. (VO)

SK: Extending the scope of offences of legal entities

From 1 January 2017, the catalogue of offences that can be committed by legal entities has been expanded to include several types of crimes, in particular: embezzlement, all kinds of fraud, unauthorised trading, damaging creditors, etc. (KL)

CZ: First ever penalties for anticompetitive conduct imposed on public administration

The Office for the Protection of Competition imposed a fine on the town of Bílina for giving preferential treatment to selected competitors, which occurred when the town issued a decree allowing gaming operations at only four sites. Bílina selected the sites without using objective, non-discriminatory criteria known in advance. The decision is not yet final. (DV)

CZ: Registration duty for trust funds and other changes

From 1 January 2014, the institute of trust funds ("TF") was introduced into Czech law. With regard to the criticism that there is insufficient recordkeeping and supervision of TFs, lawmakers have decided to establish a TF register, with effect from 1 January 2018 (Act No. 460/2016 Coll.).

All TFs will now have to be registered and will only be established upon entry in the register (except TFs established for the event of death). The TF Register will operate on similar principles as the Trade Register.

For TFs set up before 31 December 2017, it is the duty of the administrator to ensure registration in the TF Register by 1 July 2018 (otherwise the administration will be terminated). The TF Register will have two parts: a public and a non-public part, which will serve only administrators and designated public authorities.

Full copies of documents from the Register, however, may only be obtained by people who prove a legal interest in the matter. Information about the founder or a beneficiary will therefore not be made public without the consent of the respective persons. The same applies to documents that must be submitted to the Collection of Documents. Another novelty in relation to TFs is the possibility, if there are multiple administrators, to lay down rules for their acting in a statute (e.g. joint signature in certain cases).

Stanislav Servus

Mark your diary

Mazars and the law firm Dvořák Hager & Partners would like to cordially invite you to a specialized seminar:

How to survive a labour law inspection and the most frequent HR mistakes

Date: 21 March 2017, 9 am
Place: Hotel Alwyn conference centre, Vítkova 26, Prague 8
Lecturers: Tomáš Procházka and Veronika Odrobinová, Dvořák Hager & Partners, Gabriela Ivanco, Mazars
Registration: petra.vyskocilova@dhplegal.com
Participation fee: CZK 750 per person (without VAT)

CZ: New regulation of consumer contests

From 1 January 2017, restrictions ceased to apply on consumer contests, which are now regulated only by consumer protection legislation. For contests decided by random chance, however, participants may not be required to make a deposit, which includes purchase of overpriced goods. (JM)

SK: Amendment to the Act on Bankruptcy and Restructuring

The Amendment introduces a new rule under which unsecured creditors will have to be satisfied with a minimum rate of 50% in restructuring proceedings; otherwise the insolvent company will go into bankruptcy. (NJ)

CZ: Inclusion of non-financial information in annual report

From 1 January 2017, large companies (with over 500 employees) have new reporting obligations pursuant to the Accountancy Act. They will now have to include information on combatting corruption, bribery, the environment, etc. (DR)

SK: Deferral of the obligation to activate electronic mailboxes to 1 July 2017

The amendment to the Act on e-Government postponed the date of mandatory activation of electronic mailboxes for communication with public authorities from 1 January 2017 to 1 July 2017. The obligation concerns companies only. (SL)

Personal

Martin Gřešák | Attorney | Prague

Martin Gřešák joined Dvořák Hager & Partners in Prague as an attorney-at-law on 1 December 2016. He has worked at our firm since 2013 and in October last year he successfully passed the bar exam.

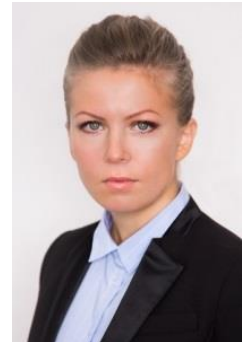


Martin specialises in general commercial law, corporate law, labour law and litigation. He graduated from the Faculty of Law of Charles University in Prague and the Faculty of Social Sciences of Charles University in Prague, and also studied at Vrije Universiteit, Amsterdam.

Mária Sadloňová | Attorney | Bratislava

Mária Sadloňová joined Dvořák Hager & Partners in Bratislava as an attorney-at-law on 2 January 2017. She has worked at our firm since 2015 and in December last year she successfully passed the bar exam.

Mária focuses especially on contract law, litigation, energy law, waste management and constitutional law. She graduated from the Faculty of Law, Danubius University in Sládkovičovo.

**Vojtěch Faltus | Attorney | Prague**

Vojtěch Faltus is joining Dvořák Hager & Partners in Prague as an attorney-at-law from 1 February 2017. He has worked at our firm since 2015 and in December last year he successfully passed the bar exam.



Vojtěch specialises in Mergers & Acquisitions, Administrative Law and Competition Law. He graduated from the Faculty of Law of Masaryk University in Brno and also studied at Mykolas Romeris University in Vilnius.

Since 2013 he regularly participates as an arbitrator at international competition Willem C. Vis International Commercial Arbitration Moot.

EU: New rules on personal data protection

The European Union adopted a regulation on the protection of personal data, which will become effective on 25 May 2018 and will be applied throughout the EU. The regulation is also accompanied by a criminal law directive on the protection of personal data. (PKc)

CZ: Exemption of share in profit for family foundations and trust funds

The proposed amendment to the Income Tax Act introduces an exemption for shares in profits paid to a family foundation or a trust fund. (LB | MŠt)

SK: New state aid for SMEs

On 1 January 2017, the Act on the promotion of small and medium enterprises regulating the possibility of providing direct and indirect aid to SMEs came into effect. (PSM)

CZ: New Act on Offences

The new Act on Offences effective from 1 July 2017 will also apply to legal entities. Companies should include measures to reduce risks in their compliance programmes. (VF)

SK: Damages for breach of competition law

The new Act No. 350/2016 Coll., which lays down rules for claiming damages caused by violations of competition law (private enforcement), came into effect. (MSA)

CZ: Be careful when selling real estate

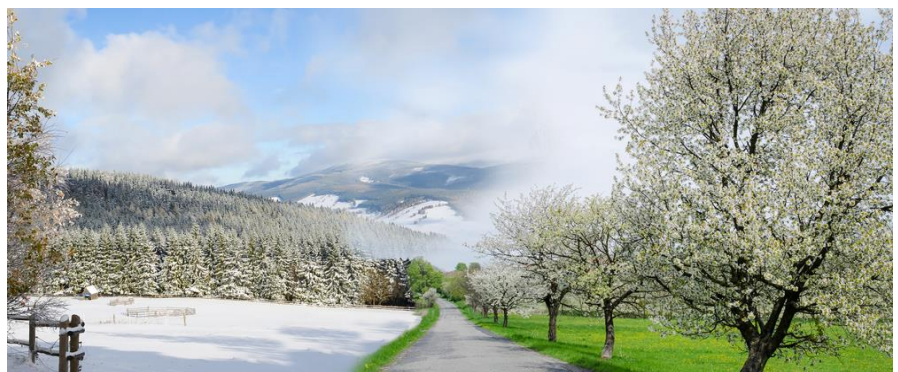
According to the Supreme Court, when selling real estate a declaration by the buyer that it buys the property "as is", thus relieving the seller of liability for latent defects, is invalid, even when the seller did not know about the defects at the time of sale. (ERu)

CZ: Agreement on jurisdiction

The Supreme Court of the Czech Republic confirmed in its decision that an agreement on jurisdiction of a particular court can generally be concluded between businesses also by reference to the terms and conditions on the website referred to in the contract. (RM)

SK: Amendment to the Act on Consumer Loans

From 1 January 2017, prior to providing a loan the lender must calculate indicators of the borrower's capability to repay the loan. The indicator needs to be calculated not only when providing the loan, but also must be regularly reviewed. Income must be verified through available internal and external databases. (MABB)



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