

# bnt journal

## CZECH REPUBLIC

### ■ THE SICAV IN THE LIGHT OF THE LATEST AMENDMENT TO THE ACT ON INVESTMENT COMPANIES AND INVESTMENT FUNDS

An amendment to the Act on Investment Companies and Investment Funds is set to come into force in June this year, which will introduce a host of interesting new concepts to the world of investment funds. It will e.g. reduce the minimum investment of qualified investors to CZK 1 million, allow for a two-tier system of corporate governance in open-ended mutual funds which have taken the form of a joint-stock company with variable capital (SICAV), and reduce the minimum amount of subscribed capital in the SICAV to a single crown.

[More here](#)



### ■ OCCUPATIONAL HEALTH SERVICES

The legislative council of the government has discussed an amendment bill to the Act on Specific Health Services which among other things addresses certain contentious issues with respect to how the law treats the practice of medical attestations and occupational health services, by introducing rules e.g. for situations in which the subject of examination has no primary healthcare provider (PCP), cases in which the requirement for an extract from the medical record may be waived, or the special challenges associated with occupational health services for temp workers. The amendment is supposed to reduce the administrative burden and costs incurred by employers.

[More here](#)

### ■ COORDINATED PROCEDURE

A planned new amendment to the Building Act is expected to introduce the concept of a “coordinated procedure” which merges the zoning procedure and the building permission procedure into one approval procedure that will lead to the issuance of a single (“coordinated”) permit. In the case of building projects which are subject to an environmental impact assessment (EIA), the EIA process should also be integrated into the coordinated procedure. Thanks to all this, the process for obtaining the permit and executing the building project ought to become faster and easier. The draft amendment to the Building Act is currently being discussed by the legislative council of the government.

[More here](#)

### ■ DONATED INCOME FROM THE PERSPECTIVE OF CORPORATE INCOME TAX

Effective as of 1 January 2015, taxpayers are required, under an amendment to the Income Tax Act, to tax also donated income; however, subject to certain conditions, they may then reduce their tax assessment base by the value of such income. The real-life application of the pertinent provisions gave rise to divergent opinions as to how to prop-

erly construe these provisions, which the Czech Chamber of Tax Advisors sought to resolve in talks with the finance ministry, on the level of a body known as coordination committee. After almost a year of debate, definite conclusions have been reached which will make the day-to-day business operations of taxpayers easier.

[More here](#)

### ■ LEGAL AND TAX NEWS

The House of Deputies is currently debating an amendment bill to the Corporations Act which envisions the re-introduction of mandatory employee representation on the supervisory boards (and, newly, also administrative boards) of joint-stock companies. If this amendment is adopted in its current form, joint-stock companies will have a one-year grace period from the date on which the bill becomes law to bring their supervisory boards and administrative boards in line with the new rules.

[More here](#)

On 1 May 2016, an amendment to the Income Tax Act came into force which provides for a more generous tax allowance for a second child and any additional children beyond that. This child allowance may be claimed retroactively for the entire 2016 tax assessment period. In this respect, the General Financial Directorate has issued a clarification according to which the current wage deductions for employees, which reflect the child allowance in an amount equal to that for 2015, will be adjusted accordingly during the annual billing of those employees' pay-as-you-earn deductions at the beginning of 2017.

[More here](#)

Postal orders are being distributed these days among taxpayers who do not have a data box, for the payment of property tax. If the tax is below CZK 5,000, then the due date is 1 June 2016. If the tax is above CZK 5,000, payment is spread over two installments, due on 1 June and 1 December 2016, respectively. The distribution of said postal orders has been scheduled such that all taxpayers should have them in their mailboxes by 25 May 2016.