

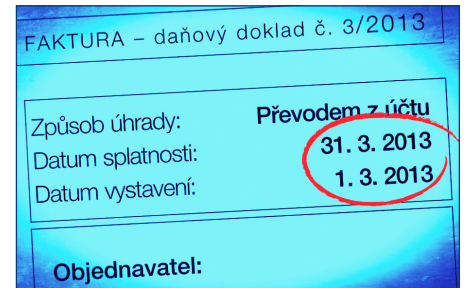
bnt journal

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CZECH REPUBLIC

■ WILL THE LATEST AMENDMENT TO THE COMMERCIAL CODE IMPROVE THE PAYMENT MORALE OF BUSINESS CLIENTS?

Commercial entities will principally be obliged to pay the price for goods or services within 30 days. They may agree with their contractual partner on an extension of this term of payment, but must abide by certain restrictions set out in the law. Public contracting authorities are subject to special rules under the Public Procurement Act. Where a public contracting authority is in the role of the recipient of goods or services, the term of payment must not exceed 60 days. That being said, payment in installments is still a permissible option even under the new law. The amendment comes into force as at 1 August 2013. [More here](#)



■ CHAINING OF FIXED-TERM EMPLOYMENT CONTRACTS

■ As of 1 August 2013, the option to re-hire staff on the basis of a series of fixed-term contracts will be liberalized. The details of such “chained employment” must be set out in an agreement with the trade union organization or in an internal policy. [More here](#)

■ MORTGAGE FEES – ARE CONSUMERS ENTITLED TO A REFUND?

■ A first-ever court ruling in the matter has found mortgage-account administration fees to be unlawful. Unless the consumer has been made aware at the time of contracting of the services for which these fees are billed, the respective contractual clause is null and void. In most cases, the bank will therefore be obliged to return the fee to the consumer. [More here](#)

■ SELECTED JUDICATURE

■ The Constitutional Court decided not to accommodate a constitutional challenge which sought the wholesale abolition of the Reconciliation Act on the restitution of property to churches and faith communities. In the end, only a single provision of that law was found unconstitutional (and consequently struck down). [More here](#)

■ The Constitutional Court heard a case in which employees had notified the authorities of a breach of legislation by their employer. In such a case, the public interest which the whistleblower upheld by their actions (while at the same time infringing upon their employer’s interests and violating their duty of loyalty) must be weighed against the interest in proper adherence to the employment contract. In certain cases, a breach of loyalty owed to the employer may well enjoy protection under the law. [More here](#)

■ If a partner of a limited liability company fails to notify the company of a change of their address of correspondence, then they cannot later invoke the objection that the general meeting was called in a defective manner if the invitation had been sent to their former address. This holds true even if the other partners were well aware of where the partner actually resided. [More here](#)

■ LEGAL AND TAX NEWS

■ The Chamber of Deputies has approved the bill for a new Investment Companies Act. The new rules reflect European legislation and substantially enhance the legal and factual possibilities for investment fund operations in the Czech Republic. The bill will now be heard by the Senate. For more information, check out the 7-8/2013 issue of our bnt journal. [More here](#)

■ The Act on certain measures to increase transparency at joint-stock companies comes into force as at 30 June 2013. As of that moment, it will no longer be possible to issue certificated owner shares (unless they have been immobilized). We reported on the details in bnt journal 5/2013. [More here](#)

■ The General Financial Directorate issued a communiqué on the kind of evidence recognized as proof of a person’s tax residence, for the purpose of application of different withholding tax rates (between 15 % and 35 %). [More here](#)

■ For the first time, a VAT payer has now been labeled as “unreliable” in the public VAT Payer Registry. [More here](#)

■ WHAT’S NEW AT OUR OFFICE

■ On Monday, 20 May 2013, the Prague office of bnt attorneys-at-law celebrated its 10-year anniversary with a gala evening at the ABC Theater. The centerpiece of this major social event was a special performance of a theater adaption of “Saturnin” by the ensemble of the Prague City Theatres, for whom bnt has been acting as a long-term partner for years. Vojtěch Bernatský, a well-known Czech TV personality, acted as the master of ceremonies at the event, which was attended by 450 VIP guests. [More here](#)

■ Markéta Pravdová as partner of our firm, Radka Šlancarová, and Michaela Tamoková attended the festivities held on 7 June 2013 on occasion of the 20-year anniversary of the Czech Chamber of Tax Advisors at the Brno Exhibition Center. The anniversary also inspired a professional conference on the topic “Quo vadis, tax advisor? - On the future of the profession after 20 years of existence”. [More here](#)

■ BNT IN THE MEDIA

■ PLUS (a magazine published by the Czech-German Chamber of Industry and Commerce): What changes await the concept of liability of executives and board members? (pavel.pravda@bnt.eu); [More here](#)

■ REKODIFIKACE & PRAXE: Do limitation periods change after 1 January 2014? (krystof.kobeda@bnt.eu); What are the implications of the new concept of the ‘surface right’, and how useful will it be in practice? (tomas.behounek@bnt.eu); Under current civil law, it is not possible to validly contract a forfeitable pledge (lex commissoria). Does the New Civil Code allow for the forfeiture of collateral in favor of the pledgee, in the event of default with the repayment of secured debt? (tereza.chalupova@bnt.eu), Will Czech limited liability companies really be able to make advance payments on dividends to their stakeholders? (jan.safranek@bnt.eu) [More here](#)

■ IHNED.CZ: Usury (lukas.havel@bnt.eu) [More here](#)