

bnt journal

CZECH REPUBLIC

■ NEW ACT ON PETTY OFFENSES

Effective as of 1 July 2017, the new Act on Petty Offenses will establish a uniform legal basis for the administrative-law liability of natural persons, legal entities, and individual entrepreneurs, including rules for the enforcement of this liability. The complicated and meandering set of rules in this area will thus be replaced by a single law which stipulates in a comprehensive manner the basics and criteria of the liability for petty offenses, the categories of penalties, and the rules for imposing them (including rules of procedure). However, the elements of what constitutes individual types of infractions will continue to be set out in special laws for the individual areas of public administration. [More here](#)



■ NEW RULES FOR AWARDING PUBLIC CONTRACTS

■ On 1 October, a new Public Procurement Act will come into force which, compared to the previous law, provides the awarding authority with greater freedom, and thus also with greater leverage when it comes to influence the course (and the outcome) of the tendering procedure. However, with this greater degree of autonomy comes greater responsibility. Those who bid for public contracts are well-advised to check whether their entry in the list of qualified contractors is current and correct. While the law provides for a certain period of transition, tender procedures which are initiated after 1 October will be subject to the new rules. [More here](#)

■ TAX ALLOWANCES FOR CHILDREN IN THE CASE OF JOINT PHYSICAL CUSTODY

■ The issue of tax allowances for children who are in the joint physical custody of the two separated parents is being addressed by Directive D-22 of the General Finance Directorate. According to the Directive, the decisive criterion for claiming the tax allowance is who of the parents lives with the minor in a jointly managed household. If there is no jointly managed household, then the tax allowance for such a child may be claimed by one of the parents for one part of the year, and by the other parent for the other part of the year. [More here](#)

■ VAT REFUNDS FROM ANOTHER EU MEMBER STATE

■ VAT payers who are incorporated or have a permanent establishment in the Czech Republic and who pay VAT in another member state may ask for a refund. The application must be filed by 30 September of the calendar year which follows the year for which the refund is claimed, through the electronic portal run by the General Finance Directorate. Any such claim will first be reviewed by the Czech tax administration; if

the conditions are met, the application is passed on to the country from where the refund is claimed. That other member state then notifies the applicant of its decision as to whether it approved or refused the application within four months from its receipt.

[More here](#)

■ LEGAL AND TAX NEWS

■ In connection with the promulgation of the new Customs Act, the government has issued a decree on the implementation of certain provisions in the field of statistics. As of August 2016, the relevant exchange rate for converting data used in INTRASTAT reports (and for determining the threshold value for the reporting duty) shall newly be the rate which companies use for VAT purposes (and no longer the exchange rate used to calculate the customs value). [More here](#)

■ The Constitutional Court has confirmed once and for all that the principle of good faith, on the part of someone who newly acquired property, in the constitutive power of public sovereign acts (as when the state enters their ownership title in the cadastral record), in cases in which the actual (but unrecorded) owner failed to live up to the principle of “vigilantibus iura scripta sunt” (‘The law is made for the vigilant’), takes precedence over the application of “nemo plus iuris” (i.e., the principle whereby no one can transfer a better title to others than they themselves have). [More here](#)

■ In an unprecedented ruling, the Constitutional Court also opined on the issue of whether one may act in the position of the statutory body (as a company officer) and at the same time as an executive employee under an employment contract – and roundly rejected the current view, previously expressed by general courts on all levels, according to which this concurrence of positions is not possible. The Constitutional Court noted that none of the arguments presented by the general courts is sufficient grounds for rejecting the legitimacy of a concurrence of corporate office and employment at the same company. [More here](#)