



We are joining forces

CZ: A way out of the debt trap?

SK: Registration in the Register of Beneficial Owners of legal entities

CZ: Close person

Our law firm, Dvořák Hager & Partners, this year turns 15. And so we decided to head out into the world.

At the end of last year, we joined the international law firm Eversheds Sutherland, which is a member of the global legal elite. In so doing we are opening the doors to new opportunities, as you now can benefit from the work of not just our team in Prague and Bratislava, but almost 3,000 lawyers in Europe, the USA, the Middle East, Africa and Asia.

Nevertheless, we remain firmly anchored in the Czech Republic and Slovakia, where we grew up – thanks to your cooperation. We appreciate it very much and look forward to its continuation.

Stanislav Dvořák | Bernhard Hager

In summary

CZ: Cancellation of quarantine period

The Chamber of Deputies approved the cancellation of the quarantine period. From 1 July 2019, employees should receive sickness insurance from the first day of sickness, amounting to 60% of the income base. Sickness insurance will be provided by employers, whose rate of deduction should decrease from 25 to 24.8%. (TJ)

CZ: Market operators obliged to oversee stallholders

According to the European Court of Justice, trademark rightsholders may also demand that measures be imposed on market operators who provide stallholders a place to sell items that violate trademark laws. Nevertheless, middlemen cannot be required to generally and systematically supervise their customers. (PKc)

SK: Waste collection targets

On 1 January 2019, an amendment to the Waste Act came into force, introducing collection targets for packaging waste and non-packaging products that are part of municipal waste: 40% (1 July 2019 – 30 June 2020), 50% (1 July 2020 – 30 June 2021) and 60% (1 July 2021 – 30 June 2022). (KL)

SK: Amendment to the Act on the Ownership of Housing

From 1 November 2018, new rules apply to owners of apartments and non-residential premises. New concepts (garage parking space) have been introduced, the details of sales contracts have been simplified and shared management of apartment buildings has been specified (e.g. method and procedure for voting). (JAM)

CZ: A way out of the debt trap?

The Chamber of Deputies approved the government's draft amendment to the Insolvency Act and forwarded it for deliberations in the Senate.

The amendment is intended primarily to alleviate the conditions of debt relief. Under the current Insolvency Act, the borrower is required to pay at least 30% of its debts over a five-year period with all efforts that can be reasonably demanded. The present amendment should bring debt relief for three years, provided that at least 60% of the debt is repaid. Even more favourable conditions should apply to seniors and disabled pensioners. The current five-year debt relief option remains in place.

The requirements for a request to authorise debt relief should also be alleviated, since under the amendment it will no longer be necessary to document one's revenue for the last three years and expected earnings over the next five years. In both cases, the 12-month period will be sufficient.

The Senate discussed the draft on 19 December 2018 and returned it to the Chamber of Deputies with amendments.

Paulína Macháčová

SK: Limitation on consumer contract

The legal protection of consumers was again strengthened by the latest amendment to the Civil Code.

It will not be possible to enforce or secure limitation of consumer contracts. However, this does not apply to the exercise of security if the rights under the consumer contract were secured before the expiry of the limitation period.

It remains possible to change the content of the suspended right, replace it with a new right or restore its enforceability (e.g. by recognising the debt), but only based on the legal act of the debtor who knew about the limitation.

Under the transitional provisions, the new legislation will not apply to proceedings for recovery of rights under a consumer contract in court, enforcement or arbitration proceedings commenced before the effective date of this amendment.

The amendment is a response to the recent decision of the Constitutional Court of Slovakia that the statutory observation of the courts on limitation of consumer contracts is unconstitutional. Despite the presidential veto, Parliament again approved the amendment. The Act will enter into force on the date of its proclamation in the Collection of Laws.

Simona Laktišová

SK: The term "operator" on social networks

The Court of Justice of the EU has ruled that the term "operator" also includes the administrator of a fan page on a social network. The Office for Personal Data Protection therefore recommends administrators of Facebook fan pages to contact Facebook, because they are jointly responsible for processing visitors' personal data. (HM)

CZ/SK: Register of Beneficial Owners of Legal Entities

Czech legal entities registered in the Commercial Register were obliged to register their beneficial owners in a special register at the latest by 1 January 2019. In Slovakia, so-called end beneficiaries are obliged to register by 31 December 2019 (newly established companies will fulfil this obligation upon initial registration). (TM)

CZ/SK: Exit taxation in the Czech Republic and Slovakia

With effect from 1 January 2020, the obligation to tax profit when transferring a taxpayer's assets abroad without change of ownership will be introduced at the price usual in the country from which the taxpayer was transferred. We therefore recommend carrying out any structuring as soon as possible.

The Slovak regulation has already enacted the "exit tax" with effect from 1 January 2018.

(Jan Tecl) [MOORE STEPHENS](#)

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CZ: Increase in the amount of income decisive for employee contributions

From 1 January 2019, the amount of income decisive for employee contributions increased from the current CZK 2,500 to CZK 3,000.

In the case of small-scale employment, where the agreed amount of the employee's income from this job is less than CZK 3,000 or deductible income has not been agreed at all, the pension and sickness insurance premiums will be paid only for the calendar months in which the employee earned deductible income of at least CZK 3,000.

This amendment concerns employees working under employment contracts or agreements to perform work. In the case of employees working under an agreement to complete a job, the contribution limit remains unchanged at CZK 10,000 even after 1 January 2019. However, in the case of an agreement to complete a job, lawmakers are currently discussing an increase of the threshold to CZK 11,500.

Kateřina Demová

News from Dvořák Hager & Partners

Three of our colleagues have been promoted to Managing Attorneys:



Dominika Veselá (Prague) has long focused on real estate law and heads the real estate practice at Dvořák Hager & Partners. She is a graduate of the Faculty of Law of Charles University in Prague and the Faculty of Finance and Accounting of the University of Economics in Prague.



Jiří Kokeš (Prague) is a leading expert in commercial and financial law, including mergers and acquisitions, investment fund issues and capital markets. He graduated from the Faculty of Law of Charles University in Prague and also studied law at Trinity College in Dublin.



Jana Sapáková (Bratislava) focuses on labour law. She studied at the Faculty of Law of Matej Bel University in Banská Bystrica and graduated from the Faculty of Law of the Ludwig Maximilian University of Munich.

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