

Country-specific Information Czech Republic

Beneficial Owner Registry Authority

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The Country-specific Information is intended to help identify and verify the beneficial owners with regard to relevant foreign legal entities. It offers an initial overview of the legal framework, main legal forms and the sources of information available in the respective jurisdictions regarding the identification and verification of beneficial owners.

Please note that the information provided in this document is not intended to provide a complete overview over the legal system of the jurisdictions concerned and does not constitute a binding assessment by the Austrian Federal Ministry of Finance. The responsibility for the assessment of the documentation requirements for each legal form and the identification and verification of the jurisdictions concerned lies with the legal entities and the obliged entities.

1.1 General information

The civil law system of the Czech Republic is based on the continental type and is therefore similar to the civil law of Germany or Austria. A **new Civil code** became effective in **2014**, which constitutes a fundamental recodification of private law in the Czech Republic together with the Commercial Corporations Act and the Private International Law Act.

1.2 Registers

1.2.1 National public registers

There are **6 public registers** in the Czech Republic as set out by the **Act No. 304/2013 Coll., on the Public Registers of Legal and Natural Persons and on the Register of Trusts** (hereinafter “the **Act on Registers**”). These are:

- Register of Associations
- Register of Foundations
- Register of Institutes
- Register of Associations of Unit Owners
- Commercial Register
- Register of Publicly Beneficial Associations

All of these contain a number of **general facts** enumerated in **Section 25** of the **Act on Registers** as well as a number of additional facts specific to individual legal forms. Most importantly, all legal persons registered in the public registers must disclose their statutory body

The registers are maintained by **7 regional registrar courts** and are **openly available** to the public **for free** at <https://or.justice.cz/ias/ui/rejstrik> in the national language.

Individual companies can be searched by their name, names of members of its elected bodies or their identification number. Each inset also contains a **collection of instruments** (*sbírka listin*) where a large number of instruments enumerated in Section 66 of the Act on Registers can be found, most importantly final accounts and founding instruments of the legal person. An electronically certified copy of **registered information** may be downloaded by anyone **free of charge**.

Czech registrar courts also maintain the **Register of Trusts** (Sections 65a et seq. of the Act on Registers). This register is **not public**, but is accessible to a number of public authorities, the trustees or anyone with legal interest (Section 65e of the Act on Registers). Access to the respective data is granted by the Ministry of Justice.

The registrar court registers an established company or trust only after reviewing a founding juridical act in the form of a notarial instrument archived (and, with the exception of trusts, publicly available) in the relevant register in the collection of instruments.

1.2.2 BO-Register

The Register of information on beneficial owners (also referred to as "Register of beneficial owners") is a **public administration information system** in which data on beneficial owners defined by law are entered. The beneficial owners

- (1) of **legal entities** registered in one of the **public registers** of legal and natural persons (see section 1.2.1.) and the beneficial owners
- (2) of "svěřenské fondy" – see section 1.3.4.) registered in the register of trusts are registered.

The records are kept by the **registrar courts**.

The records of beneficial owners are comprehensively regulated by § 118b et seq. of the **Act on Registers**. Entries in the register are made either by the relevant register court or by a notary.

The register of beneficial owners is **not public**. It is currently specifically intended for use by persons and bodies defined by law in connection with their legal obligations (bodies active in criminal proceedings, contracting authorities, etc.).

The deadline for registration of the beneficial owners of legal entities registered in the Commercial Register expired on 1 January 2019. Legal entities registered in the Commercial Register after 1 January 2019 are obliged to register their beneficial owner without undue delay after their registration. Legal entities registered in other public registers (i.e. in particular associations, foundations, institutes and associations of unit owners) and arrangements registered in the register of trusts should register their beneficial owners by 1 January 2021.

There are currently **no direct sanctions** associated with a possible non-fulfilment of the registration obligation within the specified period.

1.3 General information on legal forms

The following legal forms are available in the Czech Republic:

1.3.1 Corporate entities (excluding legal forms of EU corporate law):

- unlimited partnerships (*veřejné obchodní společnosti, v.o.s.*)

- limited partnerships (*komanditní společnosti, k.s.*)
- limited liability companies (*společnosti s ručením omezením, s.r.o.*)
- joint-stock companies (*akciové společnosti, a.s.*)
- cooperatives (*družstva*)

All of these legal forms are regulated by **the Act No. 90/2012 Coll., on business corporations** (*zákon o obchodních korporacích*, hereinafter “**the Business Corporations Act**”).

1.3.2 Trusts

There are no trusts under Czech law. For the legal arrangement called „svěřenský fond“ see section 1.3.4.

1.3.3 Foundations and similar legal entities

- foundations (*nadace*)
- endowment funds (*nadační fondy*)

These property-based forms of legal persons are regulated by **Sections § 303 et seq.** of the **Civil Code**.

1.3.4 Legal arrangements similar to trusts

- *svěřenské fondy*

The legal arrangement „**svěřenský fond**“ has been notified to the European Commission as a legal arrangement similar to trusts pursuant to article 31 para. 10 of the consolidated directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing.

„Svěřenský fond“ is regulated in Sections 1448 et seq. of the **Act No. 89/2020 Coll., the Civil Code**. Trusts were an institution unknown to Czech law up until the enactment of a new Civil Code in 2012 which introduced a comprehensive regulation of trusts based on the model of trusts in the Civil Code of Quebec. Even though the law has been in effect for only 6 years, provisions concerning the establishment of trusts have already been significantly altered in an “emergency” amendment, the Act No. 460/2016 Coll., which took into account significant misgivings about the potential of trusts for concealment of illicit proceeds. The most important consequence of the amendment was the creation of a Register of Trusts and

making the existence of a trust conditional upon the registration of the trust in the Register of Trusts (with the exception of trusts established mortis causa).

1.4 Detailed information on specific legal forms

1.4.1 Limited Liability Company (s.r.o.)

The Limited Liability Company (*společnosti s ručením omezením*) is regulated by the **Business Corporations Act** (Sections 132 et seq.) and is comparable to the Austrian *Gesellschaft mit beschränkter Haftung*.

The Limited Liability Company comes into existence upon **registration** in the relevant register (Business Register). A certified copy of an inset in the register is thus proof of existence.

All business corporations (with the exception of cooperatives and joint stock companies) list all of their **members** along with the extent of their interest in the company in the **Business Register**. Although the registration of members itself is declaratory, the person registered in the public register may not argue against the legal acts of another person if the record in the register does not correspond with reality (Section 8 of the Act on Registers). In practice, the changes in membership are registered promptly and have to be substantiated by instruments submitted to the registrar court alongside an application for registration.

All business corporations register members of their statutory body (ie. natural persons with powers of representation) in the Business Register.

Proof of existence:

- Business Register excerpt

Proof of ownership:

- Business Register excerpt

1.4.2 Joint Stock Company / (a.s.)

Joint Stock Companies are regulated by Sections 243 et seq. of the **Business Corporations Act** and comparable to the Austrian *Aktiengesellschaft*.

Joint Stock Companies come into existence upon **registration** in the relevant register (Business Register). A certified copy of an inset in the register is thus proof of existence. The share capital of the joint stock company is at least CZK 2,000,000 or **EUR 80,000**.

In the case of Joint Stock Companies, only **sole shareholders** are registered in the **Business Register**. Other shareholders can prove their relation to the company by presenting an up-to-date copy of a **list of shareholders** which every joint stock company has to maintain if their shares have the form of registered shares (*Namensaktien*). If company shares were issued in the form of book-entry shares (*buchmäßig verwaltete Wertpapiere*) registered in a book-entry securities register, a **copy from the register** should be sufficient proof of ownership of a share. This register is usually kept by the company itself and provides information on the current owners of the shares.

All business corporations register members of their statutory body (ie. natural persons with powers of representation) in the Business Register.

Proof of existence:

- Business Register excerpt

Proof of ownership:

- List of shareholders / share register
- Bloomberg-Screenshot et al. (in case of a listed Company)