

Press Release

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The 8th Edition of the Act of the Year has been Launched *Experts to Vote through the End of May*

Prague, 12 April 2017 – Entrepreneurs will yet again decide about the best Act of the Year. They may vote on and select legal regulations with a positive impact on business until May. The aim of the survey is to foster discussion among Czech entrepreneurs, politicians and experts on the quality of the Czech legislative environment. The eighth year of the competition is being held by Ambruz & Dark Deloitte Legal in cooperation with partners. Last year's winner is the Act on Contract Register.

The six nominees include the **Amended Civil Code, the new Public Procurement Act, the Electronic Sales Records, the EU directive on the protection of know-how, changes in the disclosure of open data and the abolition of the Foreign Exchange Act.**

"The Nomination Committee of the Act of the Year comprises over twenty authorities on various business areas. At its meeting, it selected six legal regulations on which experts will vote through the end of May 2017," says Tomáš Babáček, Chairman of the Nomination Committee of the Act of the Year survey and an attorney at Ambruz & Dark Deloitte Legal, and adds: "The Nomination Committee had a heated discussion before the nominated acts were selected. Having a discussion as to the area and the form in which the state is to adjust business through legislation is something we cannot do without. Consensus in such complex situations as the regulation of business will not materialise by itself if we all merely do business in a market environment. It is not only vital to regulate business, but also to protect and support it."

Novelties Include a Content Platform

An intrinsic part of the project is a narrative part featuring articles, comments and opinions where distinguished experts are given space to discuss topics related to the project's subheading: Law for Business. The purpose of the new opinion platform is

to enable experts to voice their opinions towards the proposers of the bills.
"However, the media and experts will also be allowed to use it," says Babáček.

About the Act of the Year

The nominees of the survey, in which hundreds of representatives of companies take part every year, include legal regulations adopted in the past calendar year that have a significant impact on the business environment. The prestigious project is organised by **Deloitte** and its legal office, **Ambruz & Dark Deloitte Legal**, in cooperation with other partners.

The Act of the Year is a joint project of companies, associations, non-profit organisations and other entities engaged in the quality of business regulation in the Czech Republic. This year's edition has newly seen the participation of the **Confederation of Industry, Confederation of Commerce and Tourism** and the **Chamber of Commerce**. Partnership and patronage of the project has been assumed by the **Czech Bar Association**. The project aspires to be a highly visible content initiative uniting the views of distinguished experts on the Czech market.

The nominees for the Act of the Year 2016 include the following legislative acts:

New Acts for Entrepreneurs: Less is More!

(Minor Amendment to the Civil Code)

Regulation: Act No. 460/2016 Coll. amending Act No. 89/2012 Coll., the Civil Code, and other related acts

Author: Ministry of Justice

Rationale: The amendment only addresses evident deficiencies and removes an excessive administrative burden, e.g. powers of attorney for notarial records only need to be officially certified, collective statutory bodies do not need to designate representatives for dealings with employees etc. In essence, the Civil Code has thus been saved from major changes for which the time is not ripe yet and where issues need to be addressed chiefly through practice and judicial interpretation. The one thing entrepreneurs need most is a stable and predictable legal environment.

Business Know-How: Can we Protect ourselves against Espionage?

(Directive on the Protection of Undisclosed Know-How and Trade Secrets)

Regulation: Directive (EU) 2016/943 of the European Parliament and of the Council of 8 June 2016 on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure

Author: European Commission

Rationale: The Directive harmonises the levels of protection of trade secrets across the EU. So far it has been fragmented, with the weaker links threatening the rest of the internal market in the combat against theft and industrial espionage. The directive addresses the unlawful acquisition, use and disclosure of trade secrets, compensation of damage and protection against the abuse of protective measures in a competitive race, and defines when trade secrecy may be broken, such as during

the work of investigative journalists and as part of whistleblower protection. The objective is to support the investments of EU businesses into innovations.

Straightening of the Business Environment and Increased Efficiency of the State Administration

(Electronic Sales Records)

Regulation: Act No. 112/2016 Coll., on Sales Records

Author: Ministry of Finance

Rationale: Electronic sales records are part of the process of digitising and modernising the state administration. More efficient and effective collection may straighten the business environment which has, in certain areas, been distorted by tax evasion for a long time. The issues under discussion include the ratio of the expected benefits to costs namely for minor entrepreneurs, and the impact on basic rights and data protection. Other issues include implementation, such as the inclusion of payment card transactions which are already being digitally recorded or the frantic and often inconsistent interpretation.

Public Contracts to See the Administrative Burden Reduced

(New Act on Public Procurement)

Regulation: Act No. 134/2016 Coll., on public procurement

Author: Ministry of Regional Development/European Commission

Rationale: The new act reduces the administrative burden of public procurement and anticipates its gradual digitisation. It provides more space for assessing proposals based on the overall advantages rather than merely the price, additionally bringing greater flexibility in adjusting the contracts tendered. Certain aspects have seen the administrative burden increased, and the impact of the introduction of a non-refundable fee of CZK 10,000 for a motion to initiate proceedings is also being discussed. Otherwise, the meticulous preparation of the act, taking balanced account of numerous contradictory interests, needs to be commended. Multiple attempts to "gild" the act beyond the scope of EU directives have been successfully averted and a shift towards a more liberal public procurement environment has been pushed through. Practice will show what use contracting authorities will make of the new framework.

Wealth of Open Data

(Disclosure of Open Data Based on the Amended Act on Free Access to Information)

Regulation: Act No. 298/2016 Coll. amending certain acts in relation to the adoption of the act on services establishing trust for electronic transactions, Act No. 106/1999 Coll., on free access to information, as amended, and Act No. 121/2000 Coll., on copyright and rights related to copyright and on amendments to certain acts (the Copyright Act), as amended

Author: Ministry of the Interior

Rationale: From now on, public authorities must provide automatic access to the information in its publicly accessible records and registers referred to as "open data", i.e. remotely accessible and machine-readable data, whereby it is no longer necessary to ask for them individually. As a result, it will be possible to use the

wealth of these databases for business as well as studying or to increase the efficiency with which the functioning of the state is supervised.

Goodbye and Good Riddance to One More Act (Abolition of the Foreign Exchange Act)

Regulation: Act No. 323/2016 Coll. amending certain acts on currency circulation and foreign exchange management and revoking Act No. 219/1995 Coll., the foreign exchange act, as amended

Author: Ministry of Finance

Rationale: The Foreign Exchange Act has been part of Czech law since 1995. As foreign relations were gradually liberalised, impediments to international trade were removed and related responsibilities gradually revoked or the provisions transferred to other acts. This time, the remaining, almost empty Foreign Exchange Act has been abolished without replacement. Thanks for every clarification of law.

Members of the Nomination Committee

Tomáš Babáček, attorney, Ambruz & Dark Deloitte Legal, Chairman of the Nomination Committee of the Act of the Year

Richard Baček, lawyer, Siemens, s.r.o.

Marie Brejchová, President of the Association of In-House Lawyers of the Czech Republic, an in-house lawyer at PRE, a.s.

Monika Čírtková, attorney, own practice

Radek Hacaperka, Managing Director, CECED CZ – European Committee of Domestic Equipment Manufacturers

Marek Hlavica, CEO, Association of Communications Agencies

Štěpán Holub, attorney, representative of the Czech Bar Association

František Chaloupecký, Vice-President in charge of legislation, Confederation of Industry

Miroslav Chochola, Chairman of the Board of Directors / CEO EPRAVO.CZ, a.s.

Bohumila Jelínková, lawyer, BILLA spol. s r.o.

Veronika Ježková, attorney, Pro bono aliance

František Korběl, attorney at Havel, Holásek & Partners, lecturer at the Faculty of Law of Charles University, member of the Legislative Council of the Czech Government

Jaroslav Kramer, editor in chief of the Právní rádce (“Legal Advisor”) professional monthly

Zdeněk Mandík, head of the legislative and legal department of the Union of Towns and Municipalities of the Czech Republic

Radka Mašková, tax adviser, Tax Director at Deloitte Advisory s.r.o.

Martina Mikolášková, lawyer, Transparency International – Česká republika, o.p.s.

Jiří Nesrovnal, member of the presiding committee, Czech Chamber of Tax Advisers

Marta Nováková, President of the Confederation of Commerce and Tourism

Markéta Schormová, head of the department for legislation, information and advisory of the Office of the Czech Chamber of Commerce

Věroslav Sobotka, Legislation Manager, Association of Small and Medium-Sized Enterprises and Crafts of the Czech Republic

Karel Šimka, judge, Supreme Administrative Court

Monika Zahálková, managing director, Czech Institute of Directors (CIoD)

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