Chapter 1

Legal system

BASIC PRINCIPLES OF NATIONAL LEGAL SYSTEM

The legal system (legal system) is the sum of all legal norms that are within a given period of time in the territory of that State. Legal standards are grouped together into broad units, depending on how they relate relationships and what is the subject legislation. The most general division of the legal system is the division into private law and public law. This division has become of crucial importance since the year 2014, in which the new Civil Law (the new Civil Code) contains a basic regulation of all legal branches of private law.

The legal norms are divided into several sectors according to the constitutional, family, criminal, labor, civil, commercial, administrative, financial law. The sources of law are the forms, the forms in which the law enters into. Legal theory distinguishes between the two law groups from the time of Roman law:

Private - whose primary concern is the protection of the interest of the individual, is regulated social relations on the basis of equality of the participants, this includes the right of civil, family, business

Public - includes regulations issued for the benefit of the entire society, governed by the state relations in which the State acts as a superior participant, the bearer of power (authorities state) against subordinates such as constitutional, criminal, administrative, financial

There is no precise boundary between public and private law - we can include, for example, labor law.

Constitutional law is a pillar of law. It is part of public law. It mainly regulates:

- values and principles that determine the nature of state power (republic, democracy, rule of law, etc.)
- the structure of the state bodies and their functions (status of parliament, government, courts, president, etc.)
- territorial organization, the status of municipalities,
- addressing national issues, the status of minorities, the status of a citizen (citizen status, citizenship issues, fundamental rights and freedoms, citizens' obligations)
- principles of foreign policy, position in the international community.

Legislation creation and application can still be within a single state internally divided. This is especially true if the state is established as a federal one. Czechoslovakia was also a federation between 1969 and 1992. At that time, Czechoslovakia had its own bodies, Slovakia had its bodies, and federal bodies were superior to them. At that time existed the Czech National Assembly, the Slovak National Assembly and the Federal Assembly. The Federal Assembly adopted regulations on the basic issues of the functioning of the state, while the individual national authorities adjusted their own affairs.

This was the case, for example, in the territory of today's Czech Republic at the time of the existence of Austria-Hungary (creation of dualism: 1867). First there was the Habsburg constitution - Austrian, where the Hungarians were one of the nations, just like the Czechs. Unlike the Czechs, however, the Hungarians gained the origin of dualism. That means that the monarchy began to be called Austria-Hungary: it was obvious that Hungary wanted to modify its own affairs. Therefore, some issues related to defense policy, military matters and similarly important issues were addressed at federal level, but other common issues were taken by the Austrian and Hungarian legislatures in particular.

A similar division functioned in the time of the Czechoslovak federation (name) ČSFR did not apply until 1989, i.e. the title has been given a "federative" attribute

since the fall of totalitarianism, but this does not mean that there was no federation before 1989 - it is not essential whether it is in the title - the name prior to 1989 was governed by ideological).

The character of the Czech state summarizes the first article of the Constitution of the Czech Republic, stating that Czech the republic is a democratic, sovereign, unified, legal state. At the same time, the democratic attribute means that public power is exercised through representatives who are elected in free parliamentary elections. The fact that the state is sovereign means that the Czech authorities cannot have the sovereignty of an international body. The Czech Republic is a united state because it is not divided according to a federal arrangement. Finally, the legal state means that the state authorities must comply with the law. They have to rule the law, not the specific authorities or officials and their interests (the fact is that in history the dictatorial regimes also tried to impress the government of the law, but in reality the law and the courts were heavily abused to fulfill political interests). In history, however, in some phases it was true that the sovereign was not limited to anyone at all (sometimes God, but sometimes the sovereignty of God is identified) or nothing.

Part of the legal order, or the individual legal branches, are also legal principles = certain rules. Legal principles have been shaped by classical Roman lawyers - hence have undergone a long history of social development. Today, their existence is related to the contemporary state of the law, whether or not expressly expressed in current legal norms.

It is said that the legal principles rationalize the whole legal order, that they are its starting point and criterion, leading ideas. Sometimes they are explicitly expressed in a legal regulation, sometimes they are not written, but regardless of this, they always apply - by their very nature. They are ranked among the sources of law, but no specific rule of conduct is contained, they are highly abstract - they are also called "standards without concrete testimony". This shows the direction that is followed or does not hinder specific legislation. A particular standard reads everyone out of the

prescription, but without at least an intuitive knowledge of the principles on which that regulation stands, a superficial observer can hardly differentiate the correct interpretation of the norm from the wrong one. Nevertheless, let us never forget that legal principles are not values in themselves, they are not self-serving, they are neither dogmas nor higher goals to which the legal regulation would be - even the highest legal principles are still just instruments to serve achieving one, to achieve justice.

The most important purpose of legal principles is their role in the legislative process and further in the process of interpretation or application of law (legal principles extend the argumentation space, fill the "gaps" in the law, or fill in vague legal terms). A high degree of generality of legal principles often leads to a very subjective consideration of a given authority (e.g. a judge) - when interpreting a law, sometimes the court is obliged to deviate from a clear text and focus on the purpose and purpose of the law, taking into account relevant legal principles, cases where the text of the law would obviously lead to absurd and perhaps irrational situations ⇒ The Constitutional Court of the Czech Republic has declared that the court is not expressly bound by the literal wording of the statutory provision but may and may even deviate from it if it is necessary for serious reasons the purpose of the law, a systematic link, or one of the principles. However, it is necessary to avoid arbitrariness in such cases and the court's decision must be based on rational reasoning - the purpose and purpose of the law cannot be sought only in the words and sentences of a legal regulation, since the law contains and must always contain principles recognized by democratic legal states.

In interpreting or applying the law, it is therefore necessary to take into account the possibility of applying legal principles, but at the same time taking into account the degree of generality. It is therefore desirable to distinguish principles relating to the entire scope of a particular legal order and principles which are valid only for a particular branch of law or legal institution. There are, for example, principles operating within the civil procedural law and also principles relating to criminal proceedings, which in one and the same case may contradict each other in the

application, but given their distinction to principles falling within a particular branch of law, they cannot be identified as principles that collide. The current trend is the development of legal principles, particularly at international level ⇒ the principles of European contract law (European Contract Law) have emerged within the framework of the European Contract Law Commission, which is made up of a group of independent lawyers and academics.

Legal principles are considered to be the source of law at all, others are typical of public or private law, and others are relevant even for special legal branches. Among the municipal principles we can include:

- ignoratia iuris non excusat - ignorance of the law
- lex posterior derogat priori - the law later abolishes the earlier law
- in dubio pro reo - in doubt in favor of the defendant
- lex retro non agit - the law does not act backwards
- lex specialis derogat generali - a special regulation abolishes the general rules
- lex superior derogat inferiori - the law of higher legal force cancels the law of lower legal force
- nemo ultra posse obligatur - no one is obligated
- nullum crimen, nulla poena sine lege - no crime, no punishment without law
- pacta sunt servanda - contracts must be observed
- neminem leadere - do not harm others

And other principles such as the principle of justice, the principle of no harm, equality before the law (it follows directly from the principle of justice, the law applies equally to all subjects, means exclusion of privileges, and exclusion of respect for status - nobleman, subject or social class) the principle of the rule of law, the principle of legal certainty, the principle of the rule of law, the principle of legality (the rule of law is the basic prerequisite for the good functioning of law, a state which fails to

respect its own laws, is not competent to fairly demand their fulfillment by its citizens, a prerequisite for fulfilling the idea of justice).

ESTABLISHMENT OF THE CZECH REPUBLIC

As mentioned above, the Czech Republic has been in the Austro-Hungarian Empire since the mid-17th century. From the 17th to the 19th Century, the centralization of the monarchy facilitated the preference of the German language in state and church self-government. At the end of the 18th century, the Czech national revival began to grow, i.e. the effort to revive Czech culture and language, and later to gain political power by parties representing the interests of Czech ethnicity.

In the second half of the 19th century, Czech political figures, such as Frantisek Palacky, took the view that federalized Austria could be a suitable living space for the Czech nation and other Slavic nations. This idea was linked to the idea of so-called Austro-Slavism = the political opinion that the Slavs are or should be the mainstay of the Habsburg monarchy, the wider cultural and economic cooperation of the Slavs in the Habsburg monarchy, especially the Czechs (and Czechoslovaks) and the South Slavs.

After the First World War and after the defeat of Austria-Hungary, after October 28, 1918, the Bohemian Crowns, parts of the Kingdom of Hungary, including the Carpathian Ruthenia, were connected to a new state unit, Czechoslovakia. His first president was Tomáš Garrigue Masaryk.

After the declaration of independence, border conflicts with Poland and Hungary took place, as well as the riots in the German regions of the country. In 1938,

Czechoslovakia was forced to transfer Germany to a large border area (the Sudetenland) by the Munich Agreement. The southern regions of Slovakia and the Carpathian region fell to Hungary. A small part of the Czechoslovak territory, especially the Tesin region, was occupied by Poland. The name of this truncated state department began to be written with a hyphen (Czecho-Slovakia). For the remaining short period of time since the Munich Agreement, until the complete break-up of Czechoslovakia in March 1939, the Second Republic was named. On March 14, 1939, Slovakia declared independence, and after the occupation by German troops on 15 March 1939, the Protectorate of Bohemia and Moravia was declared the rest of Czechoslovak territory. The German occupation of Czechoslovakia met the massive resistance of the country's population and groups supported from abroad. In May 1945, the liberation of Czechoslovakia was completed, and a formally democratic state was restored. The 1945-1948 period is sometimes called the Third Republic.

After World War II, the country became a totalitarian state and part of the Eastern Bloc under the Soviet Union. In 1960, the new constitution was changed to the Czechoslovak Socialist Republic (CSSR). At the end of the 1950s and in the 1960s liberalization gradually progressed, until January 1, 1969, the unitary state formally turned into a federation of two sovereign national states - the Czech Socialist Republic (CSR) and the Slovak Socialist Republic (SSR). The Velvet Revolution, launched on November 17, 1989, overthrew the Communist regime and enabled the restoration of democracy and free enterprise. There have been contradictions between the Czech Republic and the Slovak Republic which eventually led to the collapse of the common state. Czechoslovakia ceased to exist in the peace process on 31 December 1992. The former National Republic has taken over the legal order of the divestiture federation and divided its assets and liabilities. On March 12, 1999, the Czech Republic was admitted to NATO and on 1 May 2004 it joined the European Union. In 2004, it acceded to the Schengen agreements, which became part of the Schengen area on 21 December 2007.

CZECH REPUBLIC AND EUROPEAN UNION

The Czech Republic officially applied for membership in 1996 when Prime Minister Vaclav Klaus submitted the Czech Republic's application for accession to the European Union. Accession negotiations began in March 1998. Five years later, President Vaclav Klaus and Prime Minister Vladimir Spidla signed an Accession Treaty in Athens, which entered into force on 1 May 2004, when the Czech Republic became a full member of the European Union.

Accession negotiations concerned the free movement of persons, the free movement of services, goods and capital, the enforceability of law, the redistribution of money within the EU and the common currency.

Free movement of persons

- The purpose of free movement of persons is to work freely in any state of the European Union.
- Many old Member States did not allow immediate entry of citizens of the new Member States into their labor market. Citizens of the Czech Republic were able to work without restrictions only in Great Britain, Ireland and Sweden. The Czech Republic did not require any transitional periods, so citizens of other Member States could apply for work without any discriminatory restrictions in the Czech Republic.
- The so-called 2 + 3 + 2 system was introduced, when, after the end of the multi-year period, the countries had to argue that opening up the labor market is a direct threat to their economies and threatens them with internal problems. This issue was reopened at the European Commission in January 2006.

- Since 1 May 2006, the possibility of working in the following countries has opened: Greece, Portugal, Finland and Spain. France did so in the summer of 2008. Germany and Austria opened their labor markets for Czech citizens only in 2011.
- On 22 December 2007, the Czech Republic also became part of the Schengen area, which removes border controls with other EU countries.

Free movement of services, goods and capital

- the territory of the European Union is a customs union where goods lawfully marketed in one Member State may be exported to other Member States without customs or quantitative restrictions. Czech companies have also opened a multi-market service market. The free movement of capital has created new investment opportunities
- prior to joining, a survey of Eurochambers' European Chambers of Commerce on readiness to join the EU was conducted in the candidate countries in which Czech businesses were considered ready (70%)

Law Enforcement

- When applying for EU accession, the Czech Republic had to adopt norms, laws and decrees in the legislative order to harmonize Czech law with European law. However, this unification is not over, and given that the European Parliament is not giving up and creating new and new laws that are also new to the Czech Republic, it is subsequently obliged to accept them
- It is easy to say that EU law is standard in interpreting other norms, Czech law. If there is a discrepancy between the legal regulations of the European regulations and the Czech laws, priority is given to the interpretation of European law. It is the Czech legislator's responsibility to harmonize Czech regulations according to EU standards. The Czech Republic is bound by EU law logically from the accession of the Czech Republic to the EU, as of 1 May

2004. The Czech Republic lost part of the legislative initiative because it is handed over to the EU. Here is the basic legislative body of the European Parliament.

- Directly effective European legal standards can be invoked by citizens before national courts. In criminal law, Member States recognize one another as the European Arrest Warrant
- With regard to the priority, direct effect and obligation of Euroconform interpretation, EU law and, in part, EU law is required to be applied by all the authorities of the Member States. However, the application of general and administrative courts is particularly important as a form of dispute resolution. They receive a Union mandate and become co-sponsors of EU law. EU law most often occurs before administrative courts because it resolves disputes over the exercise of state authority, which is largely bound by EU law. The first and preferred application of Community law in the area of administrative law takes place in administrative proceedings before the administrative authorities, which have an obligation to apply Community law on their own initiative and to prioritize Community law in the event of a conflict with a national standard.

Redistribution of money within the EU

- The Czech Republic, as the acceding State in 2004, entered the running budget period 2000-2006. The first drawdown took place by the end of 2006
- Since the beginning of its membership, the Czech Republic has become the so-called "net beneficiary", i.e. that the EU budget revenues exceeded the expenditure
- In 2013, the Czech Republic gained 84 billion net budget revenue from the EU thanks to the acceleration in the use of the EU Structural Funds, thus continuing to be the net beneficiary; for the year 2017 the net income was 55.4 billion

- The Czech Republic used the European Social Fund to improve the employment situation. It is one of the four Structural Funds of the European Union and aims to improve the employment situation. It is not just about developing employment or reducing unemployment, but also promoting equal opportunities and the integration of socially disadvantaged people.
- In the first budget, three operational programs of the European Social Fund (ESF) were implemented: OP Human Resources Development, the Single Program for the Capital City of Prague (SPD3) and the EQUAL Initiative (CIP EQUAL), which concerned the integration of socially disadvantaged fellow citizens . The Joint Regional Operational Program (JROP) is associated with the aim of supporting the balanced and sustainable economic development of all regions of the Czech Republic

The common currency

- The commitment to adopt the euro was also part of the EU accession, but the commitment does not provide for a concrete date of adoption
- The European currency unit, or the EURO (symbol €), is the currency of the European Economic and Monetary Union
- Members of the European Economic and Monetary Union are all EU countries. All countries must cooperate and respect the decision taken by the European Central Bank. Another group of countries with established currency is euro area members. These countries have entered the third stage by accepting the euro as their currency.
- The Czech National Bank will take care of monetary policy in the introduction of the euro, and the Ministry of Finance will take over the institutional adoption of the euro. Since 20 February 2006, the National Coordination Group has also been working on the adoption of the Euro, and this group is in charge of the cooperation of all the institutions involved.
- The adoption of the euro in the Czech Republic is expected at the earliest in 2019 or 2020

JUDICIAL PROCES

The judiciary is in addition to the legislative power and executive power of one of the three branches of state power. The judiciary therefore performs specific state authorities, which are independent courts. Judicial power is not derived from any other state power but always from the sovereign that the citizens are in the democratic states as those from which the existence of state power and its legitimacy are based. The autonomy and independence of the judiciary is therefore also one of the basic features of the modern rule of law, and its exercise is therefore governed by certain general principles:

- **the principle of independence and impartiality of judges**
  - the separation of judiciary and administration, looser ties in the organization of the courts, the binding of the court only by law, not by subordinate regulation, decision-making according to internal convictions and conscience, stems from the nature of the judicial power, the court as an unincorporated third party
  - Personal guarantees - judge, appointment of judges, irrevocability, incompatibility, untranslatable, disciplinary liability, employment status, criminal liability, immunity
  - procedural guarantees - impartiality, public, consistency, directness, free evaluation of evidence, secrecy of voting polls, senate decision-making
- **the principle of the exercise of justice only by the court**
  - the judiciary is all that requires a solution only by an independent court, the exercise of justice belongs exclusively to the state, it means both the status of the court in the system of state bodies and the fundamental judicial protection of the violated or threatened rights and interests, the judiciary is exercised in the name of the republic, the constituted system of courts

- it does not mean that other authorities (notaries, arbitrators, arbitration tribunals, court bailiffs) cannot decide - it is in case of dissatisfaction that they can go to court. Other authorities use elements of persuasion, only the court can enforce coercion

- **the principle of the legal judge**
  - The jurisdiction of the court and the judge is laid down by the law, no one may be taken away from his lawful judge, and it is a legal regulation, not a subordinate - the direct influence is the legislative power not the executive. Determining the legal judge avoids any undue influence on the judge.
- **the principle of choir (senate) decision making**
  - both judges and presiding judges can be held in the senate, connected with the principle of participation of laymen in court proceedings; in the case of a single judge, it is actually the exclusion of a lay member
  - the composition of the Chambers is determined by the Constitution
- **the parties have equal status before the court (including the state as a separate legal entity)**

In the system of courts, there are no relations of superiority and subordination. In the Czech Republic, this system is four-member:

- Supreme courts (namely the Supreme Court and the Supreme Administrative Court)
- High courts
- regional courts
- District courts

The Constitutional Court is a special constitutional body of judicial type that protects constitutionality by assessing the conformity of both the laws and the decisions of other institutions with the Constitution on a qualified proposal.

- Requirements for the court and judges are: a court established by law, independence, and impartiality.
- Requirements for court proceedings: public, public declaration of the judgment, fair hearing, speed of proceedings,
- Warranties of the accused: the presumption of innocence - the principle of presumption of innocence guaranteed in Article 6 2 of the Convention, is recognized as a criminal offense, such a person shall be considered as innocent unless proven guilty according to law

the right to be informed of the allegations - to make each accused acquainted in detail and urgently with the nature and cause of the charge in a language he understands

the right of defense - the other guarantor of the person against whom the criminal proceedings are brought is the right of defense, this right includes other rights and the right to adequate preparation of the defense, the right to defend itself or to choose the defense counsel, or the defense counsel under certain conditions

free assistance to the interpreter

SUMMARY

The character of the Czech state summarizes the first article of the Constitution of the Czech Republic, stating that the Czech Republic is a democratic, sovereign, unified, legal state. At the same time, the democratic attribute means that public power is exercised through representatives who are elected in free parliamentary elections. The fact that the state is sovereign means that the Czech authorities cannot

have the sovereignty of an international body. The Czech Republic is the united state because it is not divided according to a federal arrangement. Finally, the legal state means that the state authorities must comply with the law. They have to rule the law, not the specific authorities or the officials and their interests.

Part of the legal order or legal branches, where appropriate, are also legal principles = certain rules = ignorance of the law, the later act repeals the earlier law, in doubt in favor of the accused, the law does not act retroactively, special regulation cancels the legal regulation in general, the law of higher legal force cancels the law lower legal power, impossible, no one is bound, no crime, no punishment without law, contracts must be observed, no harm to others.

Czechoslovakia ceased to exist in the peace process on 31 December 1992. The former National Republic has taken over the legal order of the divestiture federation and divided its assets and liabilities. On March 12, 1999, the Czech Republic was admitted to NATO and on 1 May 2004 it joined the European Union. In 2004, it acceded to the Schengen agreements, which became part of the Schengen area on 21 December 2007.

The judiciary is in addition to the legislative power and executive power of one of the three branches of state power. The judiciary therefore performs specific state authorities, which are independent courts. Judicial power is not derived from any other state power but always from the sovereign.

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Chapter 2
Contracts Law

CONTRACT

The contract is generally understood as a will of two contracting parties, which directs to secure an investment from a jointly profitable project. The project can be understood as something as simple as buying goods, or something as complex as the construction of a skyscraper. By the treaty, the parties have the will to establish a commitment among them and to govern the content of the treaty. The performance that is the subject of the obligation must be nature of property and correspond to the interest of the creditor, even if that interest is not merely property. The obligation arises from a contract, from an act of unlawful conduct or from another legal fact that is eligible under the law. The obligation cannot be changed without the creditor and the borrower, unless the law provides otherwise. The creation and duration of an obligation shall not prevent, unless a statement is made of the basis on which the debtor is obliged to perform; the creditor is obliged to prove the reason for the commitment.

Contracts may be synallagmatic -> where the parties have mutual obligations or asyllagmatics when the obligation arises only on one side. If the parties are rational, they will want to conclude the contract only on the condition that the benefit will be in their own interest and will only agree to terms of the contract that will improve their position. In order for a contract to be effective, the essential functions of contract law must be vital, which form the basis for concluding effective contracts. It is therefore necessary to allow cooperation on the part of the parties and thus to create a legal framework that will support this cooperation (cooperation will be more profitable than breach of the obligation). It is also necessary for contract law to set up such rules (mandatory and constructive contract law standards) that effectively fill in contract gaps and thus reduce total transaction costs. Another precondition for contract law is the allocation of risk that should be allocated to the most efficient (cheapest) assurance from an economic analysis point of view. In the end, it is still

necessary to mention the motivation of the parties to effectively disclose information in the contractual relationship, as only fully informed contractual the parties can effectively act, spend resources, and more accurately assess potential risks in the future.

From the point of view of the Civil Code (here and after as "CC"), it must be said that it offers more freedom to the parties. The provisions on contract law are fundamentally dispositive, and the contract applies to the principle of non-formalities, where the CC states that everyone has the right to choose arbitrary form of law if not limited by law (such as the establishment or transfer of rights in rem) or an agreement with the other. Efficiency has a high correlation with transaction costs, which may be minimal, on the one hand, to motivate the parties to conclude the contract or, on the other hand, so high that the parties cannot enter into a commitment.

CONTRACT FORMATION

The process of concluding the contract consists of 2 steps, namely the proposal to conclude the contract (offer) and accept the offer (acceptance). The bidder (offeror) and the person who accepts the offer (the acceptant) appear in the process of concluding the contract. The proposal to conclude a contract ("offer") must make it clear that the person who makes it intends to conclude a contract with the person to whom the offer is made. Legal negotiation is a tender if it contains the essential elements of the contract in such a way that the contract can be concluded by its simple and unconditional acceptance and if it results from the applicant's will to be bound by the contract if the offer is accepted. The offer made orally must be accepted without delay, unless something else stems from its content or the circumstances in

which it occurred. This is also the case if a person's offer has been submitted in writing. Offer made in writing to an absent person must be received within the time limit specified in the tender. If the deadline is not specified, the offer may be accepted at a time of reasonableness in the proposed contract and the speed of the funds used by the proposer to send the tender. Even if the offer is revocable, it cannot be withdrawn within the time limit for receipt, unless it is reserved in the offer. A revocable offer may be appealed only if an appeal is made to the other party before it has sent the offer. The offer cannot be appealed if irrevocability is expressed in the offer and if the offer is rejected, it expires with the refusal effect. Should one of the parties die or lose its right to enter into a contract, the offer shall cease as soon as it is apparent from the offer itself or from the nature and purpose of the proposed contract.

The offer also includes advertising of goods or services in the catalog or the display of goods if this has happened in the seller's business. If such offer is accepted, the business must meet the contract. This obligation is only forfeited by the exhaustion of inventories or the loss of their ability to meet the contract.

The offer must be accepted by the person who is the bidder (the addressee) and who accepts it with his explicit consent. If the person is silent, this does not mean consent, and if the person fails to comment on the offer, he / she is deemed not to have accepted the offer and has not concluded the contract.
If the addressee will be interested in signing the contract but with some amended or modified terms, it is not a contract. From the legal point of view, it presents a new offer. The proposal to conclude a contract may be directed to more than one person, for example, when buying a co-ownership of more than one person, the offer will be addressed to all co-owners. The contracts are then concluded by accepting all the addresses.

It is also possible to cancel acceptance of the offer. The condition is that the abolition of the acceptance occurred to the proposer at the latest with this acceptance. In

practice, it is customary that offer will not be accepted by explicit expression of will but by simple negotiation by the acceptor in accordance with the contract. This means that the customer orders the goods by e-mail and the supplier, without confirming the order, supplies the goods. The agreement is concluded as soon as the parties have negotiated its content. Within the limits of the law, the parties are left free to negotiate the contract and determine its content. In negotiating the conclusion of a contract, the parties shall communicate to each other all the factual and legal circumstances of which they know or must to know, so that each of the parties may be convinced of the possibility of entering into a valid agreement and that each of the parties is manifestly willing to conclude the contract. If the parties reach so much in the negotiation of a contract that the conclusion of the contract is highly likely, the party who acts unfairly against the justified side of the other party in the conclusion of the contract for the conclusion of the contract will act unfairly without having a fair reason for doing so. A party that acts unfairly will compensate the other party for damage, but at most to the extent that corresponds to the loss of the uncontracted contract in similar cases.

The parties to the contract may also agree that a third party or court shall designate an agreement. The most common case will be the agreement that the buyer's purchase price is determined by the expert's opinion. This is a stand-by condition and the contract becomes effective as soon as the missing person completes the requisite. At one negotiating, the parties may enter into several contracts, yet each such contract, its validity, performance and duration are assessed separately. It is also possible to conclude the opposite agreement and make several separate contracts dependent on each other, so the duration of one contract is a precondition for others. An example of such a contract is that when the lease is concluded, the parties may agree that the tenant will provide some other services to the lessor, but the termination of the lease will also terminate the provision of these services.

As to the form of the contract, it means how the contract is to be concluded, whether a written form is required or that oral proceedings are sufficient. It is also possible to

conclude a treaty without words, but it is required that the will of the parties to be concluded and the requirements of the agreement be clearly demonstrated. A typical example is the purchase of goods in the supermarket. We also know special ways of concluding contracts, namely auctioning, public tender for the most appropriate offer and public competition. At the auction, the contract is closed by a strike, the offer made is canceled if a higher offer is made, or the auction terminates otherwise than by a strike. The offer will be defined in written form, at least in general terms, the subject matter of the performance and the other content of the intended contract, and determine the manner in which the offer will be submitted and the deadline for ofering as well as the time limit for the notification of the selected tender. The contest conditions will be published in the appropriate manner. The bidder selects the most appropriate of the offers and announces its acceptance in the manner and within the time specified in the competition terms.

The public offer is an expression of the will of the petitioner, addressing indefinite persons with a proposal to conclude the contract. On the basis of a public offer, the contract is concluded with the person who promptly announces in a timely manner and in accordance with it that the public offer is accepted. If a public offer simultaneously takes several persons, the contract is concluded with the one chosen by the petitioner.

Invalid is a contract whereby somebody abuses the distress, inexperience, intellectual weakness, excitement or recklessness of the other party, and gives to himself or to another promise or to provide a transaction whose value is to grossly meet one another.

PARTIES OBLIGATIONS

The agreement of the parties is binding and may be amended or revoked only with the consent of all parties, or for other legitimate reasons. For others, the contract acts only in cases specified in the law.

From the commitment, the creditor has the right to a certain claim as against the debtor, and the debtor is obliged to satisfy this right by fulfilling the debt. From the obligation, the borrower is obliged to give something, to do something, to abstain, or to tolerate something, and the creditor is entitled to demand it from him.

If, after the conclusion of the contract, circumstances change to the extent that performance under the contract becomes more difficult for one party, it does not alter its obligations to meet the debt. If the change in circumstances is so significant that the change establishes in the rights and obligations of the parties a particularly gross imbalance by disadvantaging one of them either by an unreasonable increase in the cost of performance or by a disproportionate reduction in the value of the subject of the transaction, the party concerned has the right to claim the restoration of the negotiation of the contract , if it proves that the change could not reasonably have been assumed or influenced and that the fact came only after the conclusion of the contract, or that the party concerned became known only after the conclusion of the contract. The exercise of this right does not entitle the party concerned to postpone the performance. The right of the party concerned does not arise if he has assumed the risk of changing circumstances.

If, under the contract, the debtor is to be served on a third party, the creditor may require the debtor to do so. If one undertakes to secure for the other party to fulfill the third party, he undertakes to assume the third party to provide the rendered service. However, if someone is required to fulfill what has been agreed, the third party will compensate for the damage suffered by the creditor, unless the fulfillment occurs.

SAMPLE CONTRACTS

The most common types of contracts include, for example, a purchase contract, a loan, a lease, a credit, a deposit, transport contract, a contract of work.

Purchase contract

The Purchase Contract serves to make a transfer of ownership of the property from one person (the seller) to the other (the buyer). This agreement contains the obligation for the seller to surrender the purchased item to the buyer and to allow him / her to acquire ownership of it. The buyer has an obligation to take over the item in question and to pay the purchase price, but the purchase price does not have to be paid until he has the opportunity to check it. Any costs incurred by the seller in connection with the delivery of the item at the place of performance are paid by the seller himself, e.g. packaging, transport to the place of performance. Similarly, the costs associated with the takeover of the item at the place of delivery are covered by the buyer himself, e.g. transport from the place of performance.

Danger of damage to the case (after the risk of damage to the goods from the seller to the buyer no longer causes damage to the seller to violate the obligation to perform properly and to deliver the damaged item undamaged) goes hand in hand with the charging of the property right.

To conclude the purchase agreement, it is necessary for the parties to agree on at least the essential requirements - the expression of the thing to sell and buy something, to specify the thing, to determine the purchase price for which it is being transferred. By negotiation of these requirements a purchase contract will be established. In the case of a purchase contract for movable assets, it is possible to conclude the contract without fixing the purchase price. The agreed purchase price

is the price at which the comparable item is sold at the time of the purchase agreement under similar terms.

The seller is obliged to alert the purchaser in the negotiation of the purchase contract of the defects he knows about. Buyers are obligated to follow the maintenance instructions of the seller. Otherwise, if buyers fail to obey instructions, they lose the warranty.

The purchase agreement may be negotiated as a sub-arrangement, such as reservation of the right of ownership, reservation of the re-sale and sale, pre-emption right, trial purchase, clause of the better buyer, price clause.

Loan

We know 3 types of loans:

1. An informal contract whereby the lender free of charge gives the client a specific intended use without the duration of the sale or the purpose for which it is intended to be used. This is a friendly help. It is not stipulated that the subject must be an unusable thing. The debtor must return the matter to the borrower on request or at any time, but it may not cause the lender to cause difficulties (for example, returning at an inappropriate time or inappropriate manner) against his will. The Prosecutor shall compensate for the damage caused to the case unless it is the damage that arose from the normal use of the thing to be counted on.
2. The second type as a borrowing provides more obligations to both parties than the lender, first of all the temporary use of the non-usable property, that is, the arrangement of the duration of the loan. The loan is free of charge, but it is necessary to negotiate the purpose of using the item, unless agreed, should be used in a reasonable way. The borrower may not leave the matter to another person without the permission of the lender. If this happens, the lender may request the return of the case back before the expiration of the agreed duration

of the borrower. The general may require the borrower to return the property prematurely only if the borrower uses it in contravention of the contract or it is possible to negotiate the reason for early repayment, which the lender could not predict. The borrower is obliged to give the borrower a thing in a state fit for its use and instruct the borrower to use the thing unless it is a generally known rule.

3. The third type of a loan is an agreement by which the borrower undertakes to leave a species-specific representative thing to the borrower and the borrower undertakes to return the thing of the same kind over time. If the money is subject to interest, interest can also be negotiated, but this is not necessary. The loan is not determined for what purpose the funds are to be used.

Lease agreement

By the lease, the landlord undertakes to leave the tenant for temporary use. The Lessee undertakes to pay to the Lessor a consideration known as rent. The subject of the lease may be a real estate (or part of it) or a movable thing. It is also possible to rent a thing that will only occur in the future if it is possible to determine it sufficiently precisely when the lease is concluded.

The contract can be concluded verbally, only for renting an apartment and a house with a view to securing housing needs prescribed by law in a mandatory written form The rental agreement should include a description of the subject of the lease, the date of the lease of the subject of the lease to the lessee, the condition in which the subject of the lease is situated upon its taking over by the lessee, the purpose of the lease, the period to which it is concluded, the amount of the rent, the rights and obligations of the parties, (the deposit is typical), the possibility of premature termination of the lease, the possibility of making changes, etc.

The lease agreement can be negotiated for a fixed or indefinite period. If the contract does not specify the time agreed, the lease is negotiated for an indefinite period. The rent is paid in the agreed amount(money) and in the agreed terms. Rent may also be negotiated in a currency other than the Czech crowns or, for example, in regular rentals of the tenant.

Lessor:

- has the right to secure its claims against the lessee by the lawful detention right,
- handed over a thing with everything that is necessary for proper use of the thing,
- has an obligation to provide the lessee with undisturbed use of the property for the duration of the lease
- is not responsible for the defect of the leased thing, which at the time of conclusion of the lease was known by the parties and which does not prevent the use of the case

Tenant:

- is obliged to use the thing as a proper economic operator for the purpose or for the usual purpose, and to pay the rent
- if the defect is to be remedied by the landlord, the lessee can only use the thing with difficulty and the landlord has not received a defect even after the tenant has informed the tenant of the right to a reasonable rent discount or he can make the repair himself and claim the costs
- has an obligation to notify the landlord that the rented property has a defect to be remedied by the landlord as soon as it has been discovered or discovered
- has an obligation to enable the landlord to inspect, lease or access the rented property for the purpose of carrying out the necessary repairs or maintenance of the item, the lessor must notify the lessee in advance of the inspection in good time

Credit / Loan

The CC does not stipulate formal requirements and the conclusion of the credit agreement, so it can also be concluded orally. A credit/loan is a pledge contract, since the borrower is entitled to interest. It is a consensual contract. The creditor undertakes, under the terms agreed by the parties, to provide the borrowed on demand funds up to a certain maximum amount.

The loan can also be negotiated as a bond for a particular purpose. Breach of this obligation creates the right of the creditor to withdraw from the contract. If the time for the funds to be returned is not agreed, it is returned within one month of the request.

Deposit

Within the deposit/custody, the occupier undertakes to take over from the

custodian to keep it for him. The subject of custody can be both a foreign matter and a thing of its own. For safekeeping, it is necessary to set up the custody of the parties. For example, a forgotten coat in a restaurant does not mean a safe deposit.

Transport contract

The contract of carriage deals with the relationship between the passenger (sender of the consignment) and the carrier. In the case of a foreign element, that is, in cross-border movement, the content of the contractual relationship is usually governed by international treaties, such as the Convention on the Contract for the International Carriage of Goods by Road.

The CC refers to the so-called transport rules, which may include, for example, transport documents, the rights and obligations of the carrier and the passenger in the course of transport, contracts for the transport of persons and things need not be in writing. If the carrier carries a thing, it has the right to require the sender to confirm the shipment's order.

The essential terms of the contract are, in the case of passenger transport, the designation of the carrier and the passenger, the beginning and end of the shipment and the passenger's obligation to pay the carrier fares. In the case of the transport of a thing, the essential part of the contract is the designation of the sender and the consignment, the place of dispatch, and the destination and the sender's obligation to pay the freight.

The basic rule for liability for damage to the consignment is that the carrier is responsible for the damage which is detrimental to professional care, within the time frame between the takeover and the unloading at the place of destination. The carrier has a notification obligation in the event of a loss event.

Contract for work

By a contract for work, the contractor undertakes to carry out the work at his own expense and for the client and the client undertakes to take over the work and pay the price for it.

Whether it is a contract of work or a contract of sale in a specific case, it must be considered in several respects:

1. Material aspect - if the thing is made of material that was mostly brought by the client or the work predominates over the material, it is a contract of work
2. the nature of the subject of performance - in the case of maintenance, repair or modification of the thing, it is a contract of work

The works contract does not have to be written in writing, the essential terms of the contract for the work are the designer and the client, the specification of the work and the obligation to pay the price of the work.
If the defective performance is a material breach of contract, the Customer is entitled to:

- to eliminate the defect by delivering a new item without defect or by supplying the missing item
- to remove the defect by repairing the item
- a reasonable discount on the price of the work
- withdraw from the contract

TERMINATION OF CONTRACTS

Fulfilling is a typical way to end the commitment. The filling must be in the manner at the place and time as agreed. What is to be accomplished will result from a concluded contract, with the debtor being obliged to perform only what has been arranged and the lender cannot compel him to provide anything else. The creditor cannot be forced to accept some other fulfillment from the debtor. The parties can arrange for the commitment to be fulfilled in a number of ways - issuing bills, checking, opening a letter of credit. The borrower has to meet his debt at his expense and danger, properly and on time.

If the party fails properly, it is a faulty performance. Faults are divided into legal and factual. Legal defect - If a third party applies a right to the subject of performance without knowing the acquirer. Faulty deficiency - if the provided performance is lacking in features that have been set or negotiated by the parties, we are talking about factual defects. The liability for defects depends on whether the defects are removable or irreparable. For removable defects, the transferee may request a repair or addition of what is missing, or exercise the right to a discount on the price. In the case of unavoidable defects for which the item cannot be properly used, the purchaser may request reasonable discounts on the price of the goods or, if necessary, withdraw from the contract and request a refund.

If one of the parties fails **to discharge its debt** properly and in good time, it becomes late, in the event of a serious breach of the contractual obligations, the other party may withdraw from the contract, thereby ending the obligation.

Other ways of discharging the obligations are agreement, netting (if the parties have mutual obligations to perform the same kind), termination by payment of severance pay, merger of the person of the creditor and the debtor, debt forgiveness,

termination, resignation, subsequent impossibility of fulfillment and death of the debtor or the creditor.

SUMMARY

By the treaty, the parties have the will to establish a commitment among them and to govern the content of the treaty. The performance that is the subject of the obligation must be nature of property and correspond to the interest of the creditor, even if that interest is not merely property. The obligation arises from a contract, from an act of unlawful conduct or from another legal fact that is eligible under the law. The process of concluding the contract consists of 2 steps, namely the proposal to conclude the contract (offer) and accept the offer (acceptance). The bidder (offeror) and the person who accepts the offer (the acceptant) appear in the process of concluding the contract.

Invalid is a contract whereby somebody abuses the distress, inexperience, intellectual weakness, excitement or recklessness of the other party, and gives to himself or to another promise or to provide a transaction whose value is to grossly meet one another.

From the commitment, the creditor has the right to a certain claim as against the debtor, and the debtor is obliged to satisfy this right by fulfilling the debt. From the obligation, the borrower is obliged to give something, to do something, to abstain, or to tolerate something, and the creditor is entitled to demand it from him.

The most common types of contracts include, for example, a purchase contract, a loan, a lease, a credit, a deposit, transport contract, a contract of work.

Methods of termination of obligations include fulfillment, agreement, offsetting (if the parties have mutual obligations to perform the same kind of obligations), termination by payment of severance pay, merger of the person of the creditor and the debtor, debt forgiveness, termination, resignation, subsequent impossibility of fulfillment and death of the debtor or the creditor.

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STORY

Felipe and Isabella need to rent an apartment. They are not so experienced in that sphere and that is why they decide to take the real estate agency like a consultant. They specify the requirements for the apartment (location, size and budget) and the real estate agency will offer them the most suitable offers. It is possible to sign the mediation contract between them and the real estate agency, but it is not a duty and the agreement can be only mutual. The usual commission/fee for rent mediation is one monthly rent and it is paid after signing of rental agreement with the owner of the property. These are the following steps in the process of renting apartment:

- Searching the suitable property (via internet or by real estate agency)

- The viewing of the properties
- finding od all important information concerning the chosen property (furnishings of apartment, monthly rent with the way of payment, period of rent, notice period, deposit guarantee, parking, date of taking over, services fee – electricity, gas, internet etc.) All that information should be specified in the rental agreement
- signing of the rental contract – the contract can be in English and it is necessary to specify all above mentioned information. The template of the rental contract is available here.
- The first payment of the rent together with deposit guarantee (usually in the amount of 1 – 3 mothly rent)
- Taking over the apartment and signing of the taking over protocol with the detailed specification of furnishings, gauge states and number of keys. The template of the taking over protocol is available here.
- It possible that the owner will ask to transfer the payment of the services (electricity, gas, water etc.) directly to the tenant. It is not unusual situation and it is necessary to change the payer at the particular offices. Those process is usually possible to arrange online , but sometimes it is necessary the personal visit, it depends on the local provider.
- Transfer of the commission fee to real estate agency

Chapter 3

Employment Law

Every day, one million people meet in the Czech Republic with labor law. The first document on the territory of today's Czech Republic, which also contained legal aspects of the work, was "*Ius regale montanorum*" - the upper code of Wenceslas II. from the years 1300-1305[1]. Labor law has historically emerged from the need to protect the weaker party - employee. The aggregate designation for all obligations governed by labor law are called employment relationships and are governed by the Labor Code, the New Civil Code and the Law on employment. The Labor Code sets out the basic principles of the labor relations they express values that protect public order[2]:

a) special legal protection of the status of an employee,
b) satisfactory and safe working conditions,
c) fair remuneration of the employee,
d) proper performance of work by employees in accordance with the legitimate interests of the employer,
e) equal treatment of workers and the prohibition of discrimination between them

These labor relations are shared individually and collectively. The difference between them is in the subjects between which rights and obligations arise. If they are an employee and the employer, we are talking about an individual employment relationship. If they are subjects union organization and employer (or employers' association), we speak on collective labor relations. In the other parts we will focus mainly on individual employment relationships.

Individual labor relations are divided into basic and secondary relations depending on what is theirs legal reason for the occurrence. Basic labor relations include relationships based on a contract of employment or an agreement to work outside the employment. In all other cases, we are talking about secondary labor relations, for example an act of unlawful conduct that establishes the obligation of one party to compensate for damage or in case of death of an employee when a liability arises between the employer and the surviving spouse / wife (the subject of the obligation is the employee's financial rights against the employer at the time of his death).

Labor law is based on the rule that labor relations can only come into being with the free consent of the individual and the employer. Until the creation of a labor law the relationship between the Contracting Parties is equal. Czech labor law distinguishes 2 ways of setting up an employment relationship, through a contract of employment and appointment.

[1] BĚLINA, Miroslav. Employment Law. 4th edition. Prague: C.H.Beck, 2010. 624p.

[2] Law no. 262/2006 Codex.: Labor code.

EMPLOYMENT CONTRACT

In most cases, the employment relationship is based on a contract of employment. The emergence of an employment relationship by appointment is an extraordinary way that results from the choice of the competent authority.

As mentioned above, employers and employees are participants in individual employment relationships. Employers may be a person (natural person) or a legal person. If the employer is a natural person, the ability of a natural person to have rights and obligations in employment relationships as an employer, i.e. a legal person, is made by birth. The legal person acting as an employer may be a natural person who is right. Co-legitimacy arises from reaching the age of 18 or marrying. More often, however, the employer is a legal entity, especially a business corporation. Employers may also be the Czech Republic itself as a state. In this case, the relevant organizational component is the state.

Employee can only be a person a natural person who has a legal personality and authority, and who gets 15 years of age. Persons under the age of 15 and those who have not completed compulsory schooling may perform artistic, cultural, sporting or advertising activities under the conditions laid down in the Employment Act.

The employer is not limited in how he chooses his employee, it is the employer's internal affair. However, in relation to the Charter of Fundamental Rights and Freedoms, it is not possible to deny a person the right to employment on grounds of race, color, gender, sexual orientation, language, religion, political opinion, membership of political movements, trade unions and other associations, state of health, marital status. The employer is entitled to require from the employee only data that are directly related to the conclusion of the employment contract before the employment. The Labor Code lists the information that is of a personal nature and is not directly related to the performance of the job and the employment relationship and therefore its employer cannot require information:

- pregnancy
- Family and property affairs
- Sexual orientation
- Origin
- membership in a trade union organization
- membership in political parties or movements
- accessories to the church or to religious societies
- Criminal Integrity

Employer cannot obtain this information even from third parties. The only case when the employer may require this information is if it is based on the nature of the work to be performed. On the other hand, the employer is obliged, prior to the conclusion of the employment contract, to identify the natural person with the rights

and obligations which would result from the employment contract, the terms and conditions of remuneration to be performed by the employer. Also, the employer is required to ensure that the person is subjected to an initial medical check-up (for example, at night work) prior to the establishment of the employment relationship in some statutory cases. When establishing an employment relationship, the employer establishes a personnel record of the employee that he / she has to carry out in relation to himself / herself, employees and authorities that are entitled to require some information (courts, police, labor offices, etc.). This personal record contains the data:

- name, surname, title, date and place of birth, permanent address, nationality
- identification number
- evidence of the creation, change, termination of the employment relationship
- Copies of previous employment documents
- Qualification data
- data on medical fitness for work - medical report from the preliminary preventive inspection
- medical fitness data

The most common way of setting up an employment relationship is to conclude a contract of employment, but this does not give rise to employment. A labor contract is a bilateral legal action consisting of a concurrent speech of the natural person and the employer to enter into an employment relationship.

The contract of employment must have basic legal requirements and must be concluded in writing and each party must receive one copy of the contract. An employment relationship may also be based on an orally negotiated employment contract if the parties have already begun to fulfill its content.

Non-compliance with the written form of the employment contract may be sanctioned. The employment contract must be concluded prior to the entry of the employee into work or at the latest on the date of commencement of work before work commences. The employment contract must include:

a) the type of work to be performed by the employee for the employer,
b) the place or places where the work is to be carried out,
c) the date of commencement of work.

Unless the parties agree on these matters, the contract of employment will not arise.

Defining the type of work means defining the work tasks to which the employee is employed undertakes and is not obliged to perform work of any other kind. In other words, the type of work is working a position which is defined by the concurrent expression of the will of the Contracting Parties. Type of work can be defined narrower or wider, it´s not legally defined as it should be exactly defined. The place of work can also be defined wider (region), narrower (specific address) or alternatively. The last essential requirement is the day of going to work that can be

either determined by a precise calendar date or may be otherwise specified, for example by day following the successful completion of the employee's study. Arranging the day of joining work is an important requirement, as this is a working day. If employee does not come to work on the agreed day without hindering any obstacleor the employer does not know about this obstacle within a week, the employer may withdraw from contract.

In some countries of the European Union there is no obligation to enter into employment contracts in writing form, so the employer is required to inform the employee in writing form about the content of the work ratio.

The Czech Republic, as a Member State of the European Union, can take up employment without the conditions of anyone from another EU country. We distinguish three categories of foreigners whose legal regime is regulated in a different way. This is an alien:

- Permanent residence on the basis of a residence permit in the Czech Republic. Their status is proved by these foreigners after reaching the age of 15 years with a certificate of residence permit issued by the Police of the Czech Republic. These foreigners are considered to be employed as nationals of the Czech Republic. They do not need a work permit and, with the exception of certain professions where the law requires citizenship (e.g. civil service), are not restricted in choosing employment.
- citizens of the Member States of the European Union and their family members. These citizens are in labor relations in the Czech Republic have the same legal status as citizens of the Czech Republic. Citizens of the EU therefore in The Czech Republic does not need a work permit and has the right to stay during this period of employment. Similarly, EU citizens are also considered citizens of the European Economic Area (EEA) countries, from Norway, Iceland and Liechtenstein. They do not need work permits citizens of Switzerland.
- citizens from third countries. These foreigners need a work permit from the competent Labor Office for recruitment and throughout their employment in the Czech Republic. Exceptions are the cases when another arrangement is made by an international treaty to which the Czech Republic is bound. These foreigners also need a residence permit for employment purposes. This permission is issued to them by the Alien Police on the basis of a request attested by a work permit.

If a citizen of the European Union or a foreigner who is not required to enter the work without work permit (for example, a permanent resident, an asylum-seeker, a resident), is the employer or the legal or natural person to which those natural persons are entitled the foreign employer is sent on the basis of an employment contract, is obliged to do so to inform the relevant labor office in writing at the latest on the day of their arrival work. A similar obligation applies to cases where the

duration of employment occurs the fact that these people no longer need work permits. This obligation to inform the employer must be fulfilled within 10 calendar days from the date, when there is a fact that does not require a work permit.

Written information includes the records kept in the records the employer is required to keep. The employer or the legal or natural person to whom those persons were entitled foreign employer on the basis of the contract sent to work, is obliged within 10 calendar days at the latest, notify the competent employment office of their termination of employment or posting.

DIFFERENT TYPES OF EMPLOYMENT

From the point of view of specifying the rights and obligations of the employee and the employer, the employment conditions can be classified according to the duration of the employment relationship, according to the person of the employer, according to the place of work, according to the way of establishment and by the amount of working hours. By the duration of the employment relationship, we divide employment into fixed-term and indefinite employment. An atypical form of employment in the broader sense refers to those employment relationships that are not for an indefinite or non-full-time basis. In practice, however, the notion of atypical employment is used in a narrower sense, irrespective of the type of employment and the duration of the employment relationship. The basic feature is the smaller regulation of these types of labor relations, with the parties having a greater degree of freedom.[3] From the notion of "atypical" it is obvious that this is something unusual. However, fixed-term employment has a strong presence in the labor market. In the Czech Republic, a fixed-term employment relationship of almost 10% of employees aged 15-64 has been negotiated, and this is even greater in the EU.[4] Therefore, it can be speculated whether fixed-term employment relationships can be subordinated to atypical employment. In most publications this is so. Fixed-term employment relationships are regulated in the Labor Code. The difference from the indefinite employment is in the arrangement of the future duration of the employment relationship.[5] It is clear that the law prefers employment for an indefinite period. Unless the duration of the employment relationship has been explicitly agreed, an irrefutable legal presumption exists that the employment relationship is negotiated indefinitely.[6] The preference of negotiating employment

[3]PICHRT, Jan. Generally, atypical forms of employment. In: PICHRT, Jan; MORÁVEK, Jakub. (eds.) *Atypical employment - the way to higher employment?*Prague: Wolters Kluwer, 2015, p. 13-14.

[4]Employment statistics. *Eurostat: Statistics Explained* [online]. 2015 [cit. 30. 01. 2018].
[5]GALVAS, Milan a kol. *Employment Law*. 2nd edition. Brno: Masarykova univerzita, 2015, p. 259.
[6] KOTTNAUER, Antonín. *Labor law in practice. Basic Labor Relations and Recodification*. Prague: Leges, 2014, p. 158

for an indefinite period can also be found in the context of changing the employment relationship from a certain period to an indefinite period of employment.

Reference negotiating employment contracts for an indefinite period is a consequence of the principle of special legal protection status of employees governed by the Labor Code, on the other hand, cannot be employed on fixed-term contracts be completely removed from the legal order, since it has the effect of encouraging labor market flexibility. The negotiation of the duration of the employment relationship is therefore not an essential part of the employment contract and it is only on the parties whether they negotiate a fixed-term contract or not. The purpose of negotiating fixed-term employment relationships is to guarantee the duration of that employment relationship. In many cases, the employer is unable to provide the employee with a contract of indefinite duration, in particular in the case of operational reasons, the limited duration of specific work or the staff member on maternity leave. Also, by negotiating a fixed-term contract, the probationary period is replaced in practice.

In many cases, however, a fixed-term employment relationship is only negotiated because of a better employer's position. The employer has a relaxed situation in the event of a cancellation of the employment relationship, which will be discussed in the following chapters. It is also more advantageous for employers to negotiate a fixed-term employment relationship in terms of severance pay, since termination of employment does not involve severance payments upon termination of employment.

If the parties negotiate the duration of the employment relationship, it is a fixed-term employment relationship. This arrangement is usually a contract of employment, but it can also be arranged in a separate contract. The duration of the employment relationship must not be concluded for more than 3 years. Thus, the duration of the employment relationship can be agreed with a specific date (eg until 1 January 2018) or by specifying a time period (e.g., 7 months). The parties are also able to negotiate the duration of the employment relationship based on facts that do not refer to a specific date. However, such facts must be objectively detectable.

The reason for negotiating a fixed-term employment relationship is often the impossibility of employing employees for an indefinite period of time for various reasons, lack of jobs. In practice, a probationary period is normally replaced by a fixed-term employment contract. However, it may be negotiated at the same time as a fixed-term contract. The Labor Code regulates the probationary period and stipulates that the probationary period must not exceed 3 months from the beginning of the employment relationship, or 6 months from the head of the employee. The probationary period must not be negotiated for more than half of the duration of the fixed-term employment relationship. If the probation period is negotiated over a three-month period, it will result in invalidity. However, the trial period will be only partially inaccurate than the maximum agreed time.

In addition to the abovementioned fixed-term employment contracts, the Labor Code regulates their repetition. The duration of fixed-term employment relationships can be negotiated for a maximum of 3 years and can be repeated up to two times. A renewal of the fixed-term employment relationship is also considered. The maximum possible duration of the fixed-term employment relationship can then be repeated for up to 9 years.

Czech Labor Law also recognizes agency employment. Such employment is classified as an atypical form of employment where an employee does not work for a labor agency as employer, but does it for the user. The employee then follows the instructions of the user. The reason for different arrangements for negotiating and repeating fixed-term employment is mainly the purpose of agency employment, which is to provide shorter-term needs for a specific workforce for the user. The employment agency can negotiate an unlimited number of fixed-term employment contracts with a hired employee if it is a work for the user. However, the exception is not applicable to employees of the employment agency who do not work for the user.

Among the basic labor relations we include not only the employment relationship, but also legal relationships based on agreements on work done outside the employment relationship. Although agreements on work done outside the employment relationship in the Czech Republic are widespread, they are classified as atypical forms of employment. These agreements are a looser employment relationship between the employer and the employee, where there is a greater degree of flexibility and freedom of contract between the parties. These employers can effectively perform their tasks. On the other hand, employees are less protected than in employment. Non-employment agreements include work-performance agreements and work-related agreements.

Under a negotiated work performance agreement, the scope of the work may not exceed 300 hours per calendar year, with the work also taking into account the work done by the employee under another employment agreement with the same employer. An agreement on work may be closed if the average size of work does not exceed half the weekly working time. The scope of the work can be more than 300 hours per calendar year. For both the labor agreement and the labor agreement, the law provides for the duration of such an agreement as an agreement. However, the agreement may also be negotiated indefinitely.[7]

BASIC OBLIGATIONS OF THE PARTIES

The labor-law relationship is far more affected by a number of constraints that affect the "absolute" choice of decision-making. This restriction stems from the public

[7]VYSOKAJOVÁ, Margerita a kol. *Labor Code. Comment.* 5th edition. Prague: Wolters Kluwer, 2015, p. 197

interest of the state in the protection of entities that are in the labor relations in the position of the weaker, i.e. the employees. The limitation of the state's autonomy lies in the protection of values such as the protection of the health and life of citizens, as well as the Institute of Health and Safety at Work. The state also oversees the area of social affairs, for example, the state employment policy (implementation of active employment policy) and the resulting employer's duty to create job vacancies, jobs for a special group, and people with health restrictions or women taking care of young children.[8] Of course, most employers are trying to avoid employing people with disabilities, it is not their duty. We are talking about small companies whose number of employees does not exceed ten. Employers with more than 25 employees with the employment contract are obliged to employ persons with disabilities in the amount of the mandatory share of these persons in the total number of employees of the employer. The mandatory share is 4%.

It's not easy for women with small children. Here, the employer is often absent and tries to avoid unnecessary complications. In the event that they employ such a woman, she already has the duty and the woman to have the right to protect her in the form of mandatory standards.

Competitive clause

The Employer has the right to enter in the labor contract the clause on the competition clause, i.e. the agreement to prevent abuse of information acquired in connection with the performance of employment, which the employee undertakes to take for a certain period of time after the end of his employment, for a period of one year, refrain from engaging in a gainful activity which is identical to, or is of, a competitive nature. That is fine, the employer has the right to do so, but violation on his part is that he interprets this provision by his own interpretation, that is to say, contrary to the law, and forgets that he is obliged to provide the employee with adequate financial compensation but at least the average monthly earnings for each month of performance of the commitment, but not longer than one year. It relies on the employee's ignorance and part of the performance in the contract is missing. He should also consider what internal information, knowledge, technology the employee comes into contact with. However, if an employee enters into a termination agreement, the employer will pay cash compensation, and it is incumbent on him to refrain from acting in a manner that would be contrary to the agreement. The employer is also entitled to negotiate a contractual fine for the violation or may withdraw from the agreement if the employee has changed his previous work and no longer comes into contact with important information. Conversely, an employee may terminate the agreement if the employer fails to pay off, 15 days after maturity.

[8] PRŮŠA, L. *Economics of Social Services*. 2. edit. Prague : ASPI, a.s. , 2007. p. 11-19.

The employment contracts often contain a chapter on sanctions. Employers consider that they can grant them to employees for breach of their duties, sanctions for failure to prepare the records for the transactions executed, summaries of the agreed working meetings, prepared travel books on a certain date of the following month or part of the employment contract are sanctions for late arrivals. However, such a procedure does not comply with the Labor Code. Under the principles of the Labor Code, the employer determines that an employer may not impose financial penalties on the employee for breach of the obligation arising from the employment relationship unless it is a matter for which the employee is responsible.

Initial medical examination

For certain jobs, it is the duty of the employer to ensure, in cases specified by the state health authorities, that the employee undergo an initial medical checkup. If it is not communicated to a doctor, it is possible to attend a doctor. The employer should prefer a doctor who knows the work environment.

Reporting obligation

At the time of the first employee's arrival, the employer is obliged to notify the relevant health insurance company about the basic information within 8 days after the start of the employment, and is obliged to register with the health insurance company for the payment of the employee's insurance premium. This obligation does not end, but it must notify the relevant social security administration within 8 days of the entry of the employee, and it is also the duty to notify the employment of each of his employees also within 8 days. The same obligation is also at the end of the employment relationship, again within 8 days.

Working hours

Even in the current economic crisis, the employer has to start from the statutory working hours (it must not exceed 40 hours a week) and due to poor sales, he cannot set shorter working hours. Arranging shorter working hours is a free expression of the will of both parties - employees and employers. There is no legal entitlement to shorter working hours. Setting weekly working hours may not be part of a contract.

Switching to another job

If the employee is unable to perform the job according to his employment contract, the employer has the obligation to transfer it to another job. In some personal events in the life of the employee, which make it impossible for him / her to work, labor law seeks to protect employees from termination of employment (even against his / her will). In such situations, the employer is obliged to impose other work on the

employee. The Act regulates these cases in the framework of the modification - compulsory and optional:

- the employer is obliged to transfer the employee to another job
- the employer can transfer employees to another jo;
- Employer transfers employees unilaterally
- Employer transfers employees with his / her consent.

What matters is how the employment contract is adjusted. If more than one type of work is agreed in a contractual relationship, the employer does not need permission if he transfers employees to another job under a contract of employment. We are talking here about the device. Using the layout does not change the content of the employment relationship. It is the employer's responsibility to allocate a kind of contract work.
A change in content in a contract of employment occurs when the employee is transferred to another type of work. This is a one-sided interference with the agreed contractual basis of employment. The content is changed and the employee is obliged to perform the work according to the type of transfer. The employer has the right to assign work by type of transfer. However, the transfer to another type of work can only be done in accordance with the law.
We distinguish several situations. The first, if the employer cannot assign the job, can be transferred even without the employee's consent, because the obligation is imposed by law. The second case is the transfer of the employee at his own discretion. The last variant comes with the employee's approval.

BASIC RIGHTS OF EMPLOYEES STEMMING FROM LEGISLATION

The Labor Code has a higher level of protection for employees who are worse off seeking employment on the labor market for reasons of a biological or social event. These are disabled people, women and adolescents. Women are not allowed to perform work that would endanger their pregnancy. The employer is obliged to transfer them to another job under the same financial terms. For women who are breastfeeding, they are obliged to establish a room for their rest and breastfeeding breaks.

Right to rest

Relaxation, we could call it an activity where an employee in this time span between the work shifts should supplement and draw strength, restore the organism, regenerate. The employer has an obligation to assign work to employees during working hours. In addition, the employee has a break and a resting place. Rest periods are not working hours. On the working day there is a change of work and rest. With the rest, we can meet in the form of breaks in work, relaxation between two shifts, safety break, rest between working weeks (weekend days), holidays and holidays.

The purpose of the break in work is to determine the optimal layout of the work performance and the necessary rest of the employee. It can be provided at any time during the working hours in order to meet the employee's recreational purpose and meals. It should not be at the beginning and at the end of the shift, it is forbidden by the Labor Code. It is not excluded that the break may be divided into several breaks, the condition is that one part lasts at least fifteen minutes, and at most after six hours of continuous work the total breaks will be thirty minutes. Allowed breaks in meal work do not count towards working time. For longer-lasting shifts or subsequent overtime, a break of thirty minutes is required after a further six hours. Thus, if the employee works part-time, for less than six hours of working time, the employer does not have to give him a break for food and rest. The break is not working time, so the employee can leave his workplace for a specified period of time.

For work activities that cannot be interrupted, guarding of objects, a break into working hours is counted. Employee is therefore entitled to a reasonable period of time in which to eat and to rest. Employer's duties do not include recording of breaks at work but are required to keep records of working time, overtime and standby. Juveniles up to 18 years of age are tightened by working conditions; breaks must be provided for up to 4.5 hours of continuous work.

Right to wage and salary

The Labor Code defines the provision of remuneration for personal performance as the primary duty of the employer. The term "remuneration for work done" can be found in all forms of basic labor relations, which are the employment relationship and the legal relations established by the labor agreement and the activity agreement.

The law excludes the conduct of dependent work without payment. Wages are cash benefits provided by the employer to the employee for their work. The employer also has the option of providing part of the wage in a natural form. The amount of wages is negotiated on the basis of the autonomy of the will by the subjects of the labor-law relationship.

The minimum wage has two basic functions in relation to employees and employers. The task is to achieve its balanced level from the point of view both of the employees, employees and employers.

The social protection function of the minimum wage should protect employees from poverty and allow them to live at the level of modest consumption and social

contacts. Employers have a minimum wage protection function to ensure a level playing field for wage competition.

The economic-critical function of the minimum wage creates prerequisites for the income motivation of citizens to seek, receive and perform work, for the benefit of employees through work income to persons with social income. For employers, the minimum wage is the lowest level of wage costs for employees. If the pay (if paid or remunerated from the agreement) is not equal to the minimum wage in the calendar month, the employer is obliged to provide the employee with a wage supplement equal to the difference between the wage reached in the calendar month and the respective minimum monthly wage or the difference between wage 1 hour worked and the corresponding minimum hourly wage. The employer has the obligation to provide the employee with a supplement, regardless of whether it was lower or not. The minimum wage in the year 2018 is 12 200 CZK / month for employees remunerated with monthly wages for weekly working hours of 40 hours. The salary bill serves as a one-sided action on the part of the employer and determines the salary of the employee in public services. Salary is defined as the employee's cash benefits provided by the employer. Therefore, it is not possible to provide a part in the form of a natural fulfillment.

A salary tariff creates the employee's right to a certain wage component at a certain amount. The type of work in the employment contract and the catalog of work is decisive for the inclusion of an employee in a particular grade. The applicable salary rates are set out in the Labor Code.

Personal obstacles on the part of the employee

These are the types of work barriers where the employee does not ask for a job, because the mere fact of existence proved by the employee by the employer creates an obligation for the employer to excuse the employee's absence at work. The employee is obliged to always prove such an obstacle and to announce in good time.

Labor law respects that there may be objective reasons in the employee's life to make it impossible to perform work. Obstacles at work need to be taken into account for the fact that employees are prevented from doing their job and are recognized by law or by employers.

In addition to incapacity for work during the first fourteen days when the employer is required to provide employees, the employer is not obliged to pay wages or salaries to employees other than those for whom the Government prescribes a set of obstacles at work, the amount of working time and pay. Obstacles include maternity leave, the worker is responsible for giving birth for twenty-eight weeks) and two or more children for thirty-seven weeks. At the maternity leave the female worker enters the six weeks before the birth. The employer is obliged to provide a worker or employee with parental leave at their request, up to the age of three years of the child.

The law divides the employee's barriers to personal barriers to work where he or she carries out the usual work for himself / herself (temporary incapacity for work, maternity and parental leave, care for a child under 10 years of age, examination or treatment, marriage, funeral, childbirth); to obstacles at work due to the general interest, ie for the society or in the interest of the state (exercise of public office, blood donation, military duty, military exercise).

TERMINATION OF EMPLOYMENT

Ending the employment relationship for most people is not a pleasant matter. Whether it's on the part of the employee or the employer. Discontinuation of employment can only be in accordance with the law:

a) by the agreement
b) statements.
c) immediate withdrawal,
d) cancellation in probation period.

If the employee has an agreed fixed-term employment relationship, he / she ends with the expiration of the period.

Agreement on termination of employment

First of all, let us provide an agreement This is a bilateral legal act where the consent of both sides, employees and employers is needed, and the employment relationship ends on the date on which it is negotiated. However, the day of termination may not be set by a specific date, but also by another fact that does not raise any doubts, such as the end of a particular job or season. The agreement becomes valid as soon as the two parties agree on a concrete form of termination of the labor-law relationship. If it is not made in writing, it is invalid.

Testimony

As far as the termination is concerned, it falls into the category of unilateral legal acts, unlike the agreement. One of the participants, the employer or the employee, expresses the will to terminate the employment without agreeing with the other. Termination must be delivered in writing to the other participant in his / her hands, otherwise he / she will not become valid. Employee protection will take effect if the employer gives it. He has the obligation to give a clear explanatory reason. Employee does not need to. The reasons are exhaustively listed in the Labor Code:

a) if the employer or part of it is withdrawn,
b) where the employer or part of the employer moves,
c) if the employee becomes redundant in relation to the employer's decision,
d) if the employee is not allowed to carry out the work already done for
e) accident at work, occupational disease or for the threat of such illness
f) if the employee does not fulfill the preconditions stipulated by the legal regulations for the performance of the negotiated work or fails to fulfill the requirements for the proper performance of the work without fault of the employer,
g) if the employee is given reasons for which the employer could immediately terminate the employment relationship or for serious violation of the obligations arising from the legislation applicable to the employee employed.

An important safeguard before termination of the employment relationship is the employer's constraint towards an employee who may be in a difficult personal or healthcare situation for some time. The legal regulation directly prohibits the disclosure of data to such persons. The period of protection is called a protective period.

Already above, we have provided the reasons for the employer's disclosure of the data, the following are the facts where it cannot. An example is temporary incapacity for work if it is not intentional or has not been caused by the employee in a state of drunkenness or use of an addictive substance, pregnancy or maternity leave. An appropriate and frequent example of the termination of employment is the return after maternity leave, and there is often a violation of the fundamental rights of female workers.

At the end of maternity or parental leave, the woman may return to work and the employer must place her in a position corresponding to her employment contract. Nevertheless, there have recently been cases of employers reorganizing women after maternity leave and parental leave, and women have been forced to terminate their employment because their place has disappeared for organizational reasons. Employers may have their parent or parent on parental leave terminated by the employer only if the employer is abolished or relocated. The mere removal of the place of the employee on maternity or parental leave is not a reason to terminate the employment relationship.

Immediate cancellation of the employment relationship

This is a one-sided legal act and termination occurs by delivery. Termination of the employer's taxable reasons if the employee is legally convicted of an intentional criminal offense or if the employee violates the duty resulting from his work in a gross manner and on the part of the employee if, according to the medical opinion, he cannot continue to work or the employer has not paid his salary or pay within 15 days of the maturity date.

Canceling the trial period

This is the beginning of the employment relationship, which serves to mutual understanding of the employee and the employer. At this time, either party may terminate the employment relationship without giving any reason and without the consent of the other party, ie unilaterally. Of course, even at this time, it is possible to find protective elements on the part of the employee where the employer cannot cancel the employment during the first 14 calendar days of the temporary incapacity to work.

SUMMARY

Czech labor law distinguishes between two ways of establishing an employment relationship, namely a contract of employment and appointment. The most common way of establishing the employment relationship is to conclude a contract of employment, but this does not give rise to employment. A labor contract is a bilateral legal action consisting of a concurrent speech of the natural person and the employer to enter into an employment relationship. The employment contract must be concluded prior to the entry of the employee into work or at the latest on the date of commencement of work before work commences. The employment contract must include the type of work to be performed by the employee for the employer, the place or places of work in which the work is to be performed and the date of commencement of work. However, in relation to the Charter of Fundamental Rights and Freedoms, it is not possible to deny a person the right to employment on grounds of race, color, gender, sexual orientation, language, religion, political opinion, membership of political movements, trade unions and other associations, state of health, marital status.

From the point of view of specifying the rights and obligations of the employee and the employer, the employment conditions can be classified according to the duration of the employment relationship, according to the person of the employer, according to the place of work, according to the way of establishment and by the working hours. By the duration of the employment relationship, we divide employment into fixed-term and indefinite employment.

The rights of the employee include the right to rest, the right to remuneration for work, the right to health and safety at work, information on the risks of his work, and information on the measures to protect them from their activities; information must be comprehensible to employees.

Discontinuance of employment may only be in accordance with the law of agreement, termination, immediate revocation, cancellation in probationary time. If

the employee has an agreed fixed-term employment relationship, he / she ends with the expiration of the period.

Story

Felipe is working like the manager in the international company and that is why he is the citizen of EU, he does not need any work permission. He concluded a fixed-term contract for 2 years with the location in Prague. He has the status of the employee, so he does not have to worry about paying the health and social insurance paid by his employer.

Isabella is considering to begin with her business in the Czech Republic and at this point she collects the necessary information for the successful start of the business in the Czech Republic. She wants to know the Czech retail market and that is why she wants to work for the part time job like a shop assistance in a patisserie. She still needs to have a time for children, especially for Lisa and she still receives a parental allowance for Lisa. What are her possibilities to be employed? Is it possible at the same time to receive the parental allowance and to have another benefit/salary? What contract could you recommend her?

Answer:

1. First of all, the concept of maternity benefit (PPM), which is the sick pay paid by the Czech Social Security Administration, is to be distinguished from the state social support benefit - the parental allowance. The conditions for receiving the parental allowance are laid down in the State Social Support Act. The concurrence of parental allowance and employment is possible. It is important to ensure child care for the duration of work by another adult person. An employee may work with another employer of the same type of work agreed in the employment contract with the current employer as well as work of another type. In the case of work for another employer, once again, account must be taken of restrictions in accordance with the provisions of § 304 of the Labor Code (the same subject of the employer's activity).
2. For the purpose of the part time job we can recommend her 2 possibilities of working contract:
    a. Work-performace agreement (DPP) - an advantageous way of legally securing some of the one-time jobs to the employee who just needs a job. The agreement must be in writing. Employees can conclude an employment agreement with any number of employers, with each employer up to 300 hours per year. The maximum amount of the reward is not limited. Employee and employer do not pay health, social or sickness insurance benefits from bonuses of CZK 10,000 or less per month (gross) per employer. It may have such income with more than one employer. Of the rewards exceeding CZK 10 thousand per month, social, health and sickness insurance is paid as in the case of normal employment, from the whole amount. The same applies in cases where

the employee concludes more agreements with one employer at the same time and the sum of the monthly remuneration from the agreements exceeds CZK 10,000.

b. Working-life agreement (DPČ) –an advantageous way of employing less on time for regular employee activity, which is enough to make a living. If it is closed to a maximum of CZK 2500 per month, no health or social insurance is paid out of the rewards. If we need activities of a one-off character, we will use the Work- performance agreement. We can conclude an employment agreement for a work that does not exceed an average of half the weekly working time (assessed over the entire duration of the Agreement, but at most 52 weeks). The work agreement must be in writing and must state the agreed work, the agreed amount of working hours and the time at which the agreement is concluded (fixed or indefinite). More in the "Social Insurance" section below. Rewards from the Work-life Agreement are taxed in the same way as income from employment. This means that the employer deducts 15% from the remuneration of the income tax.

Even if you are earning a work-performance agreement (DPP) or a working-life agreement (DPČ), the minimum wage threshold applies to you, you cannot get the least work. Starting January 2018, the minimum wage is 12.200 CZK a month, and per hour of CZK 73 per 20 hellers.

For the first part time job we would recommend to Isabella to conclude Working-performance agreement. When she missed planned 300 hours, she can negotiate with her employer Working-life agreement (DPČ).

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Chapter 4

Business Law

The beginnings of business law can be found in ancient civilizations. Currently, commercial law is part of the legal order of the Czech Republic; it is a sector of private law, which means that the principles of private law, such as the principle of equality of participants in commercial law relations and the principle of contractual freedom, will apply.

Commercial law is a set of legal norms that regulate the property status of entrepreneurs and the relationships that arise between them in connection with their business activities. ***Business*** is an activity performed by a businessman:

- Consistently
- Independently
- by own name
- At your own responsibility
- To make a profit

All these business characters must be fulfilled at the same time.

Businessman is a person:

- Registered in the ***Commercial Register*** (public list in which the statutory data on entrepreneurs are entered and is kept in electronic form)
- Who is doing business under a trade license
- Or who is doing business under a non-trade license
- Or who operates agricultural production and is registered in accordance with special regulations

Businessman shall identify himself / herself with the following particulars which he / she is required to state in the commercial documents:

- ***business name / name*** - the name under which the entrepreneur is entered in the Commercial Register and is the name under which the entrepreneur carries out legal acts in his / her business activity. This name serves to identify the entrepreneur, his products and services and distinguish it from other entrepreneurs. It also has a promotional function and guarantees consumers and business partners a certain quality of products and services. A person shall be entered in the Commercial Register under a commercial firm usually formed on his behalf. The business name can only be used by the entrepreneur who has his first name in the Commercial Register and the name must not be misleading.

- ***seat - place / address*** of the business entered in the business register
- ***the legal form of a legal entity***
- ***identification number, if assigned***

An enterprise is a summary of things, rights (receivables) and other (goodwill) that belong to the entrepreneur and serve for the operation of the enterprise.

BUSINESS CORPORATIONS

The issue of commercial corporations is regulated by Act No. 90/2012 Coll. on Commercial Companies and Cooperatives (Act on Commercial Corporations) and Act No. 89/2012 Coll. Civil Code.

Business corporations are legal entities, and as a body of rights having rights and obligations, they will therefore be accountable for their obligations. By law, business corporations and cooperatives are considered commercial corporations. Commercial companies include a public limited company, a limited partnership, a limited liability company, a joint stock company and a European company and a European economic interest group. Cooperatives are a cooperative and a European cooperative society. A public limited company and a limited partnership are partnerships, and a limited liability company and joint-stock company are capital companies.

The reason for which business companies are set up is in most cases to carry out a business plan or to manage their own assets. Legal proceedings relating to the establishment, creation, change, cancellation or termination of a business corporation require a written form with officially authenticated signatures, otherwise they are invalid. It is important to divide the founding and emergence of society. The founding of a trading company takes place at the moment of signing the founding document, which is a social contract (see below). The social contract establishing a capital company requires the form of an authentic instrument. The collective agreement which establishes the cooperative is concluded by the adoption of constitutive meetings. The formation of the company takes place only after its registration in the Commercial Register. If the application for registration of a company is not filed in the Commercial Register within 6 months from the date of its establishment, the same effects shall apply as in the case of withdrawal or, in the case of a cooperative, as if all the applicants for membership have withdrawn their application.

Even after the formation of a business corporation, the court can declare it, even without its own motion, as invalid if

a) the social contract was not taken in the prescribed form,
b) the minimum redemption value of the capital has not been complied with, or
c) finds incapacity for legal acts of all founding members.

The court shall, on the proposal of the person having a legal interest therein, or at the request of the Public Prosecutor's Office, if it finds that there is a serious public interest, cancel the commercial corporation and order its liquidation if

a) has lost all business rights; this is not true if it is also established for the purpose of managing its own assets or for any purpose other than business,
b) is not able to carry out his / her activity for more than one year and fulfills his / her purpose,
c) cannot exercise his activities for insurmountable disputes between partners, or
d) operates an activity which, according to another legal regulation, can be performed only by natural persons, without the help of these persons.

PUBLIC LIMITED COMPANY

A public limited company is a personal company, belongs to the historically oldest forms of business companies. This form of business is used in a small private business where the risk of unlimited liability is relatively small and controllable (e.g. craft, retail, family businesses).

Basic characters

- **is a company of at least two persons involved in its business or the management of its assets and is guarantor of its debts jointly and severally**

- in the case where the partner is a legal person, he exercises the social rights and obligations of the authorized agent, who may be only a natural person

- may originate for the purpose of business or administration of its own assets

- **Establishment of a company** depends on writing and signing a social contract

Social contract

- a contract governing the mutual legal relations of the shareholders and, unless otherwise agreed in the social contract, the shares of the shareholders are equal and the minimum amount of the registered capital is not determined unless it is formed on the basis of a social contract

- it also contains the name of the company, the subject of the company's business or the indication that it was established for the purpose of managing its own property, and the identification of the shareholders by stating the name or surname, in the case of a legal person the name,

- the contract can be changed only by the agreement of all the partners, each member having one vote, unless the social contract determines otherwise

- the shareholder may join or withdraw from the company by changing the social contract, the acceding partner is also liable for the debts of the company that arose prior to its accession, but may require other partners to provide him with full compensation for the provided service and to cover the costs associated with

Statutory authority

- the statutory body of the company is all members of the company who meet the requirements laid down by the law, namely integrity, who did not experience the obstacle to the pursuit of a trade, the one in which the assets or assets of the business corporation in which he operates or worked in the past 3 years member of the body, no insolvency proceedings were conducted or if there is no other impediment to the office

- without the permission of all other partners, the partner may not engage in the business of the company, nor for the benefit of others, nor mediate the company's business for another

- a partner may not be a member of a statutory or other body of another commercial corporation having a similar business

- profit and loss are shared equally among the shareholders

- after the termination of the company's participation, the partner is liable only for the debts of the company that arose before the expiry of his participation

- the shareholder has the right to a 25% share of the amount in which he has fulfilled his deposit obligation

- the transfer of a shareholder's share in a public company is prohibited

Dissolution of the company

- the company is repealed:

a) the shareholder's testimony filed not later than 6 months before the end of the accounting period, on the last day of the accounting period, unless the social contract determines the time limit by another,
b) on the day on which the decision of the court,
c) the death of the partner, unless the social contract permits the inheritance of the share,
d) the dissolution of a legal entity partner, unless the social contract permits the transfer of a share in the legal successor,
e) the day on which the decision to adjudicate bankruptcy of the assets of one of the shareholders or the rejection of an application for the opening of insolvency proceedings for lack of property or the adjournment of bankruptcy because the property of the partner is totally inadequate,
f) on the day on which the decision to grant the debts of one of the shareholders,
g) a final decision on the execution of a decision by the affiliation of a shareholder in a company or by the law of the enforcement order to affect the share of an associate in the company after the expiry of the deadline stated in the call for fulfillment of the enforced obligation under a special legal regulation and if within this period suspension of execution, the power of decision on this,
h) the date on which none of the partners will meet the above requirements
i) the exclusion of a member, in particular, if the partner seriously violates his obligations or is unable to achieve the purpose for which the company was founded; or
j) other reasons specified in the social contract

LIMITED PARTNERSHIP

A limited partnership is a part of a private company even though it is not a typical personal company.

Basic characters

- is a company in which at least one partner guarantees for its debts limited (Kommanditist) and at least one partner unlimited (Complementary)
- the Public Limited Company provision applies to limited partnerships

Social contract

- contains the determination of which of the partners is a complementary and who is a Kommanditist, the amount of the contribution of each Kommanditist

- the shares of the co-candidates shall be determined according to the proportion of their deposits

- Kommanditist fulfills the deposit obligation in the amount and manner specified in the social contract, otherwise in cash and without undue delay after the establishment of its participation in the company

- for the debts of the company, the Kommanditist with the other partners jointly and severally guarantees the amount of their unpaid deposit according to the state of registration in the Commercial Register

- if the social contract determines that the Kommanditists are liable for the debts of the company up to the amount specified (limited amount), this amount shall be entered in the social contract, no lower amount may be agreed than the amount of the deposit

Statutory authority

- the statutory body of the company are all members of the company, the social contract may stipulate that the statutory body of the company is only some of the complementaries or one of them

- unless otherwise agreed by the social contract, all members shall decide in matters not attributable to the statutory body, with the special vote of the Complementaries and the Special Commanders

- profit and loss are divided between the company and the complementary, unless the social contract determines the division, divides the profit and the loss between the company and the complementary in half

Dissolution of the company

- it is sufficient to abolish the limited partnership that none of the complementaries meet the requirements to be a member of a business corporation under the law, such as integrity, barrier to maintenance and other

LIMITED LIABILITY COMPANY

Limited Liability Company is a historically new company and a very popular business company. It is the simplest type of capital companies, although it contains many elements of a personal company.

Basic characters

- a company whose debts are jointly and severally liable by the shareholders in the amount in which they failed to fulfill the deposit obligations according to the state registered in the Commercial Register at the time when they were called upon to fulfill the obligation

- a company comprised of 1-50 shareholders

- **compulsory deposit into the company** - the minimum deposit amount is CZK 1, unless the social contract determines that the amount of the deposit is higher

- **they are obliged to create bodies**

Social contract

- the contract includes the name of the company, the object of business or the activity of the company, the identification of the shareholders by indicating the name and the place of residence or the place of residence, the determination of the types of shares of each partner and the rights and obligations attached thereto, the amount of the deposit or deposits attributable to the share or shares, and the manner of their actions for the company, the deposit obligation of the founders, including the deadline for its fulfillment, an indication of who the founders determine by the executive or the directors

- the contract may be changed by agreement of all shareholders; a public document is required for this agreement

- before submitting the application for registration of the company in the Commercial Register, the entire deposit shall be paid and at least 30%

- the partner fulfills the deposit obligation within the term stipulated by the social contract, but not later than 5 years from the date of the company's establishment or from the assumption of the deposit obligation for the duration of the company

- the contribution may also be non-monetary, which is appreciated by an expert selected from the list of experts, the experts are selected by the founders when establishing the company, otherwise the manager

- the contract may allow the creation of different types of shares, if the social contract so determines, the shareholder may own more shares, even of different kinds

- the shareholder's share can be represented by a share certificate and each shareholder can transfer his share to another member

Statutory authority

- Company bodies - Managing Director, General Meeting, and Supervisory Board

- the statutory body of the company is **one or more directors**, if the social contract is determined, more than one member of the collective body

- the directors are responsible for the management of the company, if the company has more directors who do not constitute a collective body, the consent of majority of the company is required

- the manager ensures proper keeping of the prescribed records and accounts, manages the list of shareholders and informs the shareholders about the matters of the company

- the company will establish a **supervisory board** if the social contract so determines

- the Supervisory Board supervises the activities of the directors, looks into the commercial and accounting books, other documents and financial statements and controls the data contained therein, reports once a year on its activities to the general meeting, the member of the Supervisory Board cannot be a company executive

- the shareholders exercise their right to participate in the management of the company at or outside the general meeting

- the general meeting is convened at least once for the accounting period

- unless otherwise agreed by the social contract, the General Meeting is able to quote if partners are present who have at least half of all votes (each partner has one vote for each CZK 1 contribution)

- the general meeting decides by a simple majority of the shareholders present
- the consent of at least two thirds of the votes of all shareholders is required:

a) to adopt a decision to change the content of a social contract,
b) to a decision resulting in a change in the social contract,
c) the decision to accept a non - monetary contribution, and
d) the decision to wind up the company with liquidation

- Companions are listed on the list of shareholders who run the company

- the shareholders participate in the profits determined by the General Meeting for distribution among the shareholders in proportion of their shares, unless the social contract determines otherwise, unless the social contract or the general meeting specifies otherwise, the share in the profit is paid in the money

- a partner may lose his participation in the company by **performing a partner, an agreement to terminate the shareholder's participation, the exclusion of the partner, the cancellation of the shareholder's participation by the court**

Dissolution of the company

- the company is dissolved by a partnership agreement, which takes the form of an authentic instrument

JOINT-STOCK COMPANY

The joint-stock company is a separate entity of law and full legal capacity.

Basic characters

- **a company whose registered capital is allocated to a certain number of shares**

- the company treats the same conditions with all shareholders equally

- **the share capital of a public limited company is at least CZK 2,000,000 or EUR 80,000**

- the share is a security or book-entry security to which the rights of the shareholder are associated as a shareholder to participate under this Act and the Company's Articles of Association on its management, its profits and the liquidation balance upon its dissolution with liquidation

Statutes

- the establishment of a company requires the adoption of a statute, the person who has adopted the statutes and participates in the subscription of the shares is the founder

- the articles of association contain the name and subject matter of the business or activity, the amount of the share capital, the number of shares, their nominal value, the determination of whether and how many shares will be in the name or the owner if shares of different species are to be issued, the number of votes attaching to one share and the manner of voting at the general meeting; if the shares are to be issued with various nominal values, the Articles of Association also contain the number of votes relating to the amount of the nominal value of the shares and the total number of votes in the company, an indication of the internal structure of the company and the rules for determining the number of members the Board of Directors or the Supervisory Board, other data, if this law so provides

Statutory authority

- corporate bodies: the board of directors (the company's management) and the supervisory board (overseeing the exercise of the powers of the board of directors and the company's activities) = dual system

the Board of Directors (3 members) and the statutory director (appointed by the Management Board) = monistic system

- a company may change the system of its internal structure by changing its statutes

- shareholders exercise their right to participate in the management of the company at or outside the general meeting

- the General Meeting is able to quote if Shareholders holding Shares whose nominal value or number exceeds 30% of the registered capital are present unless the Articles of Association determine otherwise

- the general meeting decides by resolution and majority of the shareholders present

- the shareholder pays the issue price of the subscribed shares at the time specified in the Articles of Association or the General Meeting's decision to increase the registered capital, but not later than 1 year from the date of the company's establishment or from the increase in the registered capital

- the shareholder cannot be exempted from the deposit obligation unless it is a reduction in the share capital

- if the shareholder is in default or part of the deposit, the Board of Directors shall invite the Board of Directors to execute it within the additional time limit specified by the Company's Articles of Association, otherwise within 60 days from the date of delivery of the notice

- the excluded shareholder guarantees the redemption of the issue price of subscribed shares

- the shareholder is entitled to attend and vote on the General Meeting, the Articles of Association may restrict the exercise of voting rights by stipulating the highest number of votes of one shareholder

- if the Articles of Association so determine, the members of the company's organs are elected by a cumulative vote

Dissolution of the company

- the decision to abolish the limitation is a matter for the General Assembly, where the two-thirds majority of the shareholders is required

COOPERATIVE

There are close relationships between business and cooperative societies, even if they are separate from each other.

Basic characters

- **a community of uncommitted number of persons established for the purpose of mutual support of its members or third parties, possibly for the purpose of doing business**

- **has at least 3 members**

- the founder of the cooperative is the person who submitted the application to the founding cooperative no later than the start of the constituent meeting, did not take it back, its application was approved and fulfilled the conditions for membership and its creation, except for the fulfillment of the deposit obligation or the creation of an employment relationship

- the cooperative may be residential = in order to secure the housing needs of its members, it can manage houses with apartments and non-residential premises owned by other persons

social = systematically develops community-based activities aimed at promoting social cohesion for the purpose of labor and social integration of disadvantaged persons into society, with the priority of meeting local needs and using local resources according to the place of residence and the competence of the social cooperative, especially in the field of job creation, social services and health care, education, housing and sustainable development

Statutes

- the constituent meeting of the cooperative shall, in addition to the adoption of the Articles of Association, elect members of the cooperative bodies and approve the method of fulfillment of the basic membership fee and, if necessary, the entry fee

- the draft statutes shall be drafted by a co-author, who is a natural person in writing authorized to do so by the applicant for founding a cooperative

Statutory authority

- Cooperative bodies are

a) *Membership meeting* - the members of the cooperative, the liquidator and the persons to whom a different legal regulation has the right to participate in a member meeting shall be able to resign if a majority of all members having a majority of all votes are present, the members of the cooperative , each member shall have 1 vote in a poll

b) *the Board of Directors* - it is the statutory body of a cooperative, it is responsible for the management of the cooperative, it fulfills the resolutions of a member meeting, if it is not in conflict with the legal regulations, ensures the proper keeping of the accounting, presents to the member meeting for approval the financial statements and, profits or losses, has three members, elects its chairman and, if appropriate, one or more Vice-Presidents, unless the statutes

determine that they are elected by a general meeting, by majority vote of all its members

c) *the Audit Commission* - controls all activity of the cooperative, discusses members' complaints and may require any information and documents on the management of the cooperative, in the exercise of its competence the commission is independent of the other bodies of the cooperative, gives a written opinion on each financial statement, payment of the loss of the cooperative and the proposal for a decision on the payment of the members' fees, to the deficiencies noted by the Audit Committee, to the Board of Directors, to supervise the recovery, to 3 members, to elect its chairman and, if necessary, one or more vice-chairpersons

d) other bodies set up by statutes

- a member of the cooperative body may be only a member of the cooperative, each member of the cooperative having one vote in the body of the cooperative, the term of office shall not exceed 5 years, the term of office of the members of the elected body ends with all its members in the same way

- in a cooperative with fewer than 50 members, the statutes may stipulate that the board of directors is not established and the statutory body is the chairman of the cooperative

- each member participates in the basic capital of the cooperative by a basic membership fee

- the amount of the basic membership is equal for all members of the cooperative, the deposit obligation within the range of the difference between the basic membership deposit and the entry deposit must be fulfilled within the time limit specified in the statutes, which may not exceed 3 years

Dissolution of the company

- the cooperative is canceled by a resolution of a member meeting, by a court decision, upon expiry of the period for which the cooperative was established, by the achievement of the purpose

SUMMARY

Business is an activity performed by a businessman consistently, independently, by own name, at your own responsibility and to make a profit. All these business characters must be fulfilled at the same time.

Businessman is a person registered in the Commercial Register (public list in which the statutory data on entrepreneurs are entered and is kept in electronic form)who is doing business under a trade license, or who is doing business under a non-trade license, or who operates agricultural production and is registered in accordance with special regulations.

The issue of commercial corporations is regulated by Act No. 90/2012 Coll. on Commercial Companies and Cooperatives (Act on Commercial Corporations) and Act No. 89/2012 Coll. Civil Code.

Business corporations are legal entities, and as a body of rights having rights and obligations, they will therefore be accountable for their obligations. By law, business corporations and cooperatives are considered commercial corporations. Commercial companies include a public limited company, a limited partnership, a limited liability company, a joint stock company and a European company and a European economic interest group. Cooperatives are a cooperative and a European cooperative society.

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STORY

Isabella has obtained the rich experience during working like the employee with the sweets and she would like to start her own business in the Czech Republic. She considers to begin the entrepreneur with the Spanish sweets. Isabella has a several opportunities how to start with her own business:

1. **to establish a trade license** – the basic form of the independent business activity with no need of enter expenses. The first step in the process of getting a Trade License is choosing what trades you want to include in your Trade License. There are 80 Unqualified Trades that can be included in the Trade License. Another 32 trades (optician, driving instruction, water rescue service, etc.) are within Professional Trades. You must provide related education and/or experience if you want to include Professional Trades in your Trade License.

   Conditions to get the Trade licence

   - being over 18 years old
   - having to criminal record in the chosen fields

   How To Get A Trade License – Required Documents (Unqualified Trades Only)

   - Application form
   - Passport
   - proof of business address
   - list of chosen Trades
   - 1 000 CZK administrative fee for the Trade License authority
   - Criminal Background Check from your country of origin/Affidavit saying that you have never been convicted for any crime (the affidavit only applies to certain nationalities)

To establish a limited liability company (s.r.o.) - The **Czech limited liability company** is usually preferred by **small and medium sized businesses** and it is a **popular legal entity**, due to its requirements. It can be established either by **one founder** (person or legal entity) or by an **association of maximum 50 persons**. An **SRO** with a **single shareholder** can't set up or be the **sole shareholder of another SRO**. At the same time, one individual can be the **sole shareholder** of only **three other limited liability companies. T**he minimum compulsory deposit amount is CZK 1, unless the social contract determines that the amount of the deposit is higher.

What are the main requirements for company formation in Czech Republic?

The **new company set up in Czech Republic** has to be registered with the **Trade License Office** and this is a compulsory requirement for businesses set up in this country. To obtain the **trade license**, the following documents are required when **starting a company in Czech Republic**:

- the **statutory document** for **companies** that have not yet been registered with the **Commercial Register**;
- the **excerpt from the Register** – this is applicable for **companies** that have already been established;
- the **lease agreement** of the office space, which shows that the **company** has an **official business address**;
- the **payment proof** of the **administrative fee**, imposed to **all companies** requiring this service.

In not more than **90 days** since the **company** was set up or the **trade license** was released, the businessmen must **register with the Commercial Register** of the **Regional Commercial Court**. Along with the **standard application**, the founders must submit:

- **the** articles of association **– the** main statutory documents **of a** business set up in Czech Republic**;**
- documents **attesting the right to** develop business activities **on the** Czech Republic territory**;**
- confirmation **from the administrator of the** registered capital **and an** extract **from the** Trade Licenses Register**;**
- **a** certificate **from the** bank **stating the** deposited capital**, which can vary depending on the** company's business form**;**
- **a** list **with the** company managers **and their** signature and consent **for the registration into the** Commercial Register**;**
- clean criminal records **for all** representatives and members **of the** company **registered here.**

The owners must **submit an application at the Tax Office** for the **income tax**, **withholding tax** and **payroll tax registration** and for

the VAT **registration** no later than **15 days** since the **company was registered**. As a result, the **newly formed entity** will receive a **tax identification number**. The last step of **incorporation** is the **registration for social security** and **health insurance**, within **eight days after** the **first employee was hired**.

2. **To transfer the foreign company to the Czech Republic from Spain** – The foreign company may operate in the Czech Republic, either by establishing a branch office registered in the Czech Republic or by establishing a Czech company

Isabella has decided to establish the the trade licence in the beginning of the own business in the Czech Republic. When the business will be successful, she will consider to establish a limited company.

Chapter 5

Important Aspects of Civil Law and Public Law

VALID MARRIAGE AND DIVORCE

Marriage is regulated in the Czech Republic by the Civil Code in the family law section, as a private law. Basic principles of family law include the principle of child welfare, the principle of equality of family law subjects and the principle of mutual assistance.

Marriage is a permanent bond between man and woman, the main purpose of marriage is to found a family, to properly educate children, and to support and help each other. Marriage is the result of a free and complete affirmation of the will of men and women (engaged couple) who intend to marry together.

This may be a civic or religious marriage. If the spouses show the will to marry together, in person, before a public authority executing a marriage ceremony in the presence of the Registrar, it is a ***civil marriage***. If the spouses show willingness to marry together personally before a church body or a religious organization authorized to do so under another law, this is a ***church marriage***. If a marriage is to be enforced, the spouse must first submit a certificate issued by the registry office in whose jurisdiction the marriage is to be closed. The certificate must include a statement that the spouse has met all the requirements laid down by the law for marriage. No more than six months have elapsed since the certificate was issued for the marriage ceremony. If the marriage was closed, the marriage partner is obliged to deliver the marriage record to the registry office in whose administrative district the marriage was concluded within three working days of marriage.

The marriage ceremony is public and festive; it is done in the presence of two witnesses. At the marriage ceremony, they shall declare that the surname of one of them shall be their common surname, or shall retain both surnames, or the surname of one of them shall be their surname in common, and the surname of which shall

not be a common surname shall be added to the common surname in the second place his last name. If the couple retains their last name, they shall declare at the marriage ceremony which of their surnames will be the surname of their joint children.

A citizen of the Czech Republic may also marry outside the territory of the Republic before the diplomatic mission or consular office of the Czech Republic.

Legal obstacles to marriage

- *marriage cannot close a minor who is not fully right*

In exceptional circumstances, the court may authorize marriage to a minor who is not fully entitled and has reached the age of sixteen if there are important reasons for doing so.

- *marriage cannot be concluded by a person whose jurisdiction was limited in this area*
- *marriage cannot be concluded by a person who has previously married or a person who has previously entered into a registered partnership or other similar foreign-registered partnership and that marriage, registered partnership or other similar aliens concluded abroad*
- *marriage cannot be concluded between ancestors and offspring, nor among siblings; the same applies to persons whose kinship was born by adoption*
- *marriage cannot be concluded between the guardian and the guardian, between the child and the person in whose custody the child was entrusted, or the foster parent and the entrusted child*

If a marriage has been concluded, although a legal impediment has been prevented by it, the court shall declare the marriage invalid at the request of anyone having a legal interest therein unless the marriage hinders the impediment of limited authority. A marriage is considered valid until it is declared void. If the marriage was declared invalid, it is considered like it never happened.

A marriage cannot be declared invalid if it has ceased to exist or if correction has already taken place. Nor can a marriage be declared invalid if it has been concluded by a minor who is not wholly entitled or by a person whose legal capacity has been limited in that area and a child born alive has been conceived.

Duties and rights of the spouses

Spouses have equal responsibilities and equal rights. Spouses are obliged to respect each other; they are obliged to live together, to be faithful, to respect each other's dignity, to promote themselves, to maintain a family community, to create a healthy family environment and to take care of children together.

The husband has the right to have his / her second husband communicate his / her income and wealth, as well as his / her current and contemplated work, study and similar activities. And when choosing his / her work, study and similar activities, he / she must take into account the interest of the family, the other spouse and the minor who has not acquired full authority and who lives together with the spouses in the family household and, if applicable, other family members.

A husband has the right to represent his spouse in his normal affairs. Husbands have mutual maintenance obligations to the extent that they both provide essentially the same material and cultural level. The maintenance obligation between spouses is preceded by the maintenance obligations of both the child and the parents.

What belongs to the husband has property value and is not excluded from the law, is part of the joint property of the spouses. This does not apply if the common property ceases to exist on the basis of the law.

Termination of marriage

Marriage expires only for the purposes of the law, by divorce, by the death of one of the spouses, by the declaration of the dead.

Marriage can be divorced if cohabitation is deeply, permanently and irreparably distorted, and cannot be expected to be restored. Although marital coexistence is disrupted, marriage cannot be divorced if divorce is in conflict:

a) with the interest of a minor child of the spouse who has not acquired full authority, the interest of the child in the marriage is also determined by the court by a question asked by the guardian appointed by the court for the procedure for adjusting the relationship to the child for the period after the divorce;
b) with the interest of a spouse who, in particular, did not participate in the divorce by breach of matrimonial matters and which would be particularly gravely prejudiced by the divorce, with extraordinary circumstances in favor of the maintenance of the marriage unless the spouses have been living together for at least three years.

If the spouse has a minor who is not wholly entitled, the marriage will not be heard until it decides on the child's circumstances in the time after divorce.

If the spouse joins the marriage divorce by the other spouse, divorce the marriage court without identifying the causes of the marriage breakdown if it concludes that the same claim of the spouses as to the divorce of the marriage and the intention to divorce is true and if:

a) at the date of commencement of divorce proceedings, the marriage took at least one year and the spouses have not lived together for more than six months,
b) the spouses who are parents of a minor who has not acquired full jurisdiction have agreed to adjust the child's circumstances for the period after the divorce and the court has approved the agreement,
c) the spouses have agreed to adjust their property, housing and, where applicable, maintenance for the period after that divorce.

LEASE AGREEMENTS AND ACQUISITION OF REAL ESTATE

A lease is a well-known contract type that is often encountered both by entrepreneurs and by individuals. The lease contract deals with the Civil Code. By the lease, the landlord undertakes to leave the tenant for temporary use. The Lessee undertakes to pay to the Lessor a consideration known as rent. The subject of the lease may be a real estate (or part of it) or a movable thing. It is also possible to rent a thing that will only occur in the future if it is possible to determine it sufficiently precisely when the lease is concluded.

The contract can be concluded verbally, only for renting an apartment and a house with a view to securing housing needs prescribed by law in a mandatory written form. The rental agreement should include a description of the subject of the lease, the date of the lease of the subject of the lease to the lessee, the condition in which the subject of the lease is situated upon its taking over by the lessee, the purpose of the lease, the period to which it is concluded, the amount of the rent, the rights and obligations of the parties, (the deposit is typical), the possibility of premature termination of the lease, the possibility of making changes, etc.

The lease agreement can be negotiated for a fixed or indefinite period. If the contract does not specify the time agreed, the lease is negotiated for an indefinite period.

Rent may be negotiated as exclusive or non-exclusive. In the case of exclusive leasing, only the tenant has the exclusive right to use the thing that is the subject of the lease.

The rent is paid in the agreed amount (money) and in the agreed terms. Rent may also be negotiated in a currency other than the Czech crowns or, for example, in

regular rentals of the tenant. Landlords often require an annual adjustment (increase) in rents to reflect the rise in consumer price inflation. As a basis, inflation can be published annually by the Czech Statistical Office. It is at the parties' agreement whether the rent will be changed annually automatically, or the lessee will inform the lessee of the change in the rent (in advance) and whether it will be reduced if necessary.

The law generally does not limit the amount of security (deposit) that the lessee is obliged to provide to the lessor as security of his obligations under the lease. It is at the landlord's decision.

Lessor:

- has the right to secure its claims against the lessee by the lawful detention right,
- handed over a thing with everything that is necessary for proper use of the thing,
- has an obligation to provide the lessee with undisturbed use of the property for the duration of the lease
- is not responsible for the defect of the leased thing, which at the time of conclusion of the lease was known by the parties and which does not prevent the use of the case

Tenant:

- is obliged to use the thing as a proper economic operator for the purpose or for the usual purpose, and to pay the rent
- if the defect is to be remedied by the landlord, the lessee can only use the thing with difficulty and the landlord has not received a defect even after the tenant has informed the tenant of the right to a reasonable rent discount or he can make the repair himself and claim the costs

- has an obligation to notify the landlord that the rented property has a defect to be remedied by the landlord as soon as it has been discovered or discovered
- has an obligation to enable the landlord to inspect, lease or access the rented property for the purpose of carrying out the necessary repairs or maintenance of the item, the lessor must notify the lessee in advance of the inspection in good time

Sub-lease

If the lessor agrees, the lessee may establish a third party to the right of use; if the lease is concluded in written form, the landlord's consent also requires a written form.

The lease may result in the termination of the leased property, the parties' agreement on the premature termination of the lease, the termination of the lessee without the successor, the expiry of the term or the unilateral termination of the lease.

Lease agreed for an indefinite period terminates with one of the parties. If the matter is movable, the notice period is one month, if it is immovable, it is three months. The statement need not be justified; this does not apply if the party has the right to terminate the lease without notice.

If the tenant uses the thing even after the lease term and the lessor does not ask him / her to surrender the thing within one month, the rental agreement shall be reintroduced under the conditions previously agreed. If the rental period was initially more than one year, it is now valid for one year; if less than one year, it is now valid for this period.

Business lease of movables

Entrepreneurs doing business in the field of renting things rent a movable thing for money. It is more likely to be a short-term rent. The most frequent case of entrepreneurial lease is the lease of technological equipment, tools, equipment of the

premises, etc. The tenant has the right to terminate the lease at any time, the tenure is ten days.

Hire of means of transport

By a lease, the lessor undertakes to let the tenant for a certain period of time using the means of transport and the tenant undertakes to pay the rent to the lessor. The lessor submits the means of transport to the lessee together with the documents necessary for its operation, at the agreed time, otherwise without delay after the conclusion of the contract. The renter will only cover the means of transport if it has been arranged. The lessee pays the rent after termination of use of the means of transport; however, if the lease is agreed for a period longer than three months, the tenant pays the rent at the end of each calendar month.

TAX OBLIGATIONS

The tax system of the Czech Republic is similar in its main features to the systems of most advanced countries, especially European ones. Tax revenues come roughly equally from indirect and direct taxes.

Direct taxes include: personal income tax, corporation tax, real estate tax, road tax, property tax.

Indirect taxes include: value added tax, excise duty.

The statutory deadlines for tax compliance differ not only according to the type of tax but also according to the range of goods or type of business concerned. Tax payers who, according to Act. No 353/2003 Coll. on excise duties, as amended, the obligation to pay the tax arises, they are obliged to file a tax return separately for each

tax to the customs office within the 25th day after the end of the taxable period in which this obligation was created unless the Act on excise duties provides otherwise.

When importing selected products, a tax declaration is considered to be a customs declaration proposing the release of selected products into the relevant customs procedure.

Pursuant to the specific provisions of the Excise Duties Act, legal and natural persons who have the status of taxpayers have the right to ask for tax refund if they have purchased or have themselves manufactured and demonstrably used, for example, mineral oils for heat production and selected mineral oils for agricultural primary production and forest management, which have been purchased or produced by other (technical) gasoline and proven to be used for purposes other than for sale, for propulsion of engines, for the production of heat or for the production of mixtures.

Value added tax

The subject of the tax is:

- the supply of goods for consideration by a taxable person in the course of an economic activity with a place of performance within the country,
- provision of services for consideration by a taxable person in the course of an economic activity with a place of performance in the Czech Republic,
- Acquisition of goods from another Member State of the European Union for consideration effected within the country by a taxable person in the course of an economic activity or a non-taxable legal person (not established or set up for business purposes) or acquisition of a new means of transport from another Member State the State for consideration by a person who is not a taxable person,

- Import of goods with place of performance in the Czech Republic

A taxable person is a natural or legal person who independently carries out economic activities, unless the law provides otherwise. A taxable person is also a legal person who was not established or established for the purpose of doing business when carrying out economic activities. The state, regions, municipalities, organizational units of the state, regions and municipalities, voluntary unions of municipalities, the capital city of Prague and its city districts, and legal persons established or established by special legal regulation or pursuant to a special legal regulation are not considered to be in the exercise of powers in the field of public administration taxable persons, even when they charge a fee for the exercise of those powers.

The taxpayer becomes a taxable person established in the Czech Republic whose turnover for a maximum of 12 immediately preceding consecutive calendar months exceeds CZK 1 000 000, with the exception of a person who only carries out exempt transactions with no tax deduction. The taxable person is a payer from the first day of the second month following the month in which he exceeded the turnover determined if he has not been paid by the payer in advance.

Under the Value Added Tax (VAT) VAT Transfer Scheme, it will be extended by July to provide workers for construction or assembly work, to deliver goods as a guarantee, to deliver real estate sold by the debtor from a court decision or to arrange delivery of investment gold. It is considering an amendment to the VAT Act with the expected effect from July, as reported by the Financial Administration.

The transferred tax liability is based on the principle that, in the case of the provision of services or goods, VAT is not recognized by the seller but by the customer. The vendor will issue a tax document where it will not show the amount of VAT against the current tax document. Instead, it states that the amount of the tax is to be added and awarded to the customer. The aim is to avoid fraud and speculation in connection with VAT. However, the measure does not concern end-user small

consumers, but it is a measure at the level of VAT payers, i.e. companies and entrepreneurs.

Foreigners who work in the territory of the Czech Republic have the same tax rights and obligations as citizens of the Czech Republic. If the foreigner is a tax resident (tax payer) of the Czech Republic, then it means that he has unlimited tax liability in the Czech Republic. The Czech Republic's tax residents are those foreigners who reside or usually stay in the Czech Republic for more than 183 days during the tax year. On the contrary, a non-resident foreigner does not usually reside in the Czech Republic and usually stays here only temporarily, for example for the purpose of healing or study, etc., and has a permanent residence in another state.
A foreigner who is a taxpayer of the Czech Republic has a general obligation to include in his tax return not only income from sources in the Czech Republic but also his income from abroad. Revenue from abroad means revenue that flows from abroad and is taxed abroad. In order to avoid double taxation of the same income, of the same property, both in the State of the source and in the State of the recipient, and, where appropriate, that some income does not remain unpaid, there are double taxation treaties between States.

SUMMARY

Marriage is a permanent bond between men and women, the main purpose of marriage is to found a family, to properly educate children, and to support and help each other. Marriage is the result of a free and complete affirmation of the will of men and women (engaged couple) who intend to marry together.

Marriage expires only for the purposes of the law, by divorce, by the death of one of the spouses, by the declaration of the dead. Marriage can be divorced if cohabitation

is deeply, permanently and irreparably distorted, and cannot be expected to be restored. This may be a civic or religious marriage.

By the lease, the landlord undertakes to leave the tenant for temporary use. The Lessee undertakes to pay to the Lessor a consideration known as rent. The subject of the lease may be a real estate (or part of it) or a movable thing. It is also possible to rent a thing that will only occur in the future if it is possible to determine it sufficiently precisely when the lease is concluded.

Tax revenues come roughly equally from indirect and direct taxes. Direct taxes include: personal income tax, corporation tax, real estate tax, road tax, property tax.
Indirect taxes include: value added tax, excise duty.

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Story

Marriage in the Czech Republic falls under the jurisdiction of the Czech civil authorities, not the Embassy. An application for marriage (marriage license) should be submitted to the local Town Hall authorized to keep records for the area in which the bride or groom has a permanent residence. (There are some Town Halls that will perform marriages when neither bride nor groom are residents of the Czech Republic, but the applicant must check directly with the individual Town Hall to see if this will be possible.) With the exception of the passport, all must be translated

into Czech by a Czech certified translator, and some must also be certified as authentic.

- Valid unexpired passport
- Original birth certificate (or copy certified with an Apostille from the state in which you were born)
- If widowed, original death certificate (or certified copy) of former spouse
- If divorced, a legally valid final divorce decree
- Document confirming citizenship, permanent residence and legal ability to marry.
- Czech Foreigners Police statement that the person is in the Czech Republic legally.

Document number 5 may take the form of an affidavit sworn by the American citizen in person before a U.S. consular officer at this Embassy or a notary public in the United States. The document should include the American's full name, marital status, the number of his/her passport, date and place of its issuance, permanent residence address, confirmation that according to the respective state's laws he/she is free to marry. The document must also contain the full name and address of the non-American fiance(e), as well as his/her country of citizenship. An American may come to the Embassy to execute this document and have it notarized by a U.S. consular officer by appointment. Please make an appointment online before you visit the Consular section. The fee for the service is $50 (also payable in Czech crowns). The document must then be translated, like all other English-language documents.

NOTE: The birth certificate, any divorce or death certificates, and any other American documents described above, must be certified by the State in which the document was executed. Under a treaty to which both the U.S. and the Czech Republic are now party, a special certification is acceptable proof that a U.S. document is valid and authentic. This certification is called a "Hague Convention Apostille." It can be obtained only in the U.S. for American-issued documents; information on how and where to obtain the certification is available at the Consular

Section of the State Department website (www.travel.state.gov) under "International Judicial Assistance;" look for The Hague Convention information under "Notarial and Authentication Services."

Chapter 6
Data protection

LEGISLATION ON THE PROTECTION OF PERSONAL DATA

Personal data protection is regulated in the Czech Republic by a legal regulation, namely Act No. 101/2000 Coll., On the Protection of Personal Data and on Amendments to Certain Acts, and Other Legislation. In Czech constitutional law, the protection of personal data and privacy is also enshrined in the Charter of Fundamental Rights and Freedoms.

The right to protection of personal data is also regulated by super legally binding instruments. The Basic Extra-legal Legislation is the Council of Europe Convention No 108 of 28 January 1981 on the Protection of Individuals with regard to Automatic Processing of Personal Data, promulgated under No. 115/2001 Coll., which entered into force for the Czech Republic on 1 November 2001. This Convention is supplemented by the Additional Protocol of the Council of Europe of 8 November 2001 No. 181 to the Convention for the Protection of Individuals with regard to Automatic Processing of Personal Data on Surveillance and Data Flow Transboundary Control Authorities, promulgated under No. 29/2005 Coll., which for the Czech Republic entered into force on 1 July 2004.

From the point of view of the European Union, the Treaty on the Functioning of the European Union, as amended by the Treaty of Lisbon and the Charter of Fundamental Rights of the European Union, is the foundation in the protection of persons. The legal regulation is based on Directive 95/46 / EC of the European Parliament and of the Council of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data, which from 25 May 2018 will be replaced by the General Regulation on the protection of personal data (GDPR) because it does not keep pace with technological

developments. And the Czech law on the protection of personal data will be replaced by the GDPR and the Czech Adaptation Act.

GDPR is a legal framework for the protection of personal data across the EU that protects the rights of its citizens against unauthorized treatment of their data and personal data. The GDPR takes over all existing data protection and processing principles on which the EU's privacy system stands and confirms that protection travels across borders along with personal data.

From May 25, 2018, the General Data Protection Regulation (GDPR) adds new obligations:
Records of activities - all - will need to keep track of the activities that take place with personal data.

Reporting of breaches of security - all - the second generally valid obligation is to report violations of personal data breaches to the Office for Personal Data Protection within 72 hours of the occurrence of such an incident. Serious incidents with serious consequences are to be reported. If a data leak occurs, for example, in a bank where you have money deposited, and you might be threatened to lose it, the bank will be required to notify you and, in the extreme case, also by publicly reporting such a serious incident.

Codes and Certificates - Voluntarily - If some business, such as business, is performing the same or very similar activities with personal data, a Code of Conduct may be developed, for example by a professional association.

Data Protection Officer - Only Someone - Authorities and other bodies that decide on citizens' rights, including schools, will have to appoint personal data protection officers, a person who will deal with this issue and draw attention to potential shortcomings. It is assumed that the issue of personal data protection in the relevant industry will be understood. The delegate may be both an employee and an outsider. It is quite possible to use the possibility that a commissioner will be able to perform

such activities for several offices, schools and hospitals, as they will also have the duty to nominate a commissioner in terms of a large amount of data on the health status of patients in the hospital's information system. However, the Chief of Staff cannot be the head of the organization or the IT department because it would be in conflict of interest.

Impact assessment and consultation with the Authority - just someone - As well as the appointment of the Delegate, the impact assessment on personal data protection and the prior consultation with the Office for Personal Data Protection is not generally valid, it concerns those who intend to carry out large-scale risk operations with personal data such as large-scale profiling of people via the Internet, where detailed information about their private life is gained for marketing purposes, or the risk is using new technologies used, such as a large amount of patient health data. The list of these operations will be published by the Office for Personal Data Protection.

Penalties - always proportionate - violations of the general regulation of obligations imposed on high-volume, high-volume risk operations, generally large multinationals, may be subject to the maximum, large-scale, large-scale sanctions. Possible sanctions for breach of the obligations of the General Regulation will, as yet, be reasonable and in no case can they be liquidated.

PERSONAL DATA

Personal information is any information related to a natural person = ***the data subject*** => the person to whom the data relate, this data subject is considered to be determined or determinable if the data subject can be identified, directly or indirectly, by virtue of, in particular, more elements specific to its physical,

physiological, psychological, economic, cultural or social identity.

Some personal data are of such a nature that the data subject can harm himself or herself in society, at work or at school, and may discriminate against them. For this reason, a group of data that is considered to be sensitive to the data subject and which is provided with increased protection during processing is defined (exhaustively). Personal information may be sensitive or anonymous. ***Sensitive data*** is personal data of ethnic, racial or ethnic origin, political attitudes, membership of trade unions, religion and philosophical beliefs, convictions for the offense, health status and sexuality of the data subject and the genetic data of the data subject; sensitive data is also a biometric data that allows direct identification or authentication of the data subject = physical person. ***An anonymous indication*** is one that either in its original form or after processing cannot be attributed to a designated or identifiable data subject.

The processing of personal data means any operation or set of operations that the controller or processor manages systematically with personal data by automated or other means. These include, in particular, collecting, storing information, accessing, modifying or altering, searching, using, transmitting, disseminating, publishing, storing, exchanging, sorting or combining, blocking and disposing. Automated means that it is information system processing, i.e. through software that is automated from logic. It can therefore be simplified by means of computerized automation.

The processing principles are:

- <u>legality, fairness, transparency</u> - the controller must process personal data based on at least one legal reason and on the data subject in a transparent and correct manner,

- purpose limitation - Personal data must be collected for certain and legitimate purposes and must not be processed in an incompatible manner with those purposes,
- Data minimization - Personal data must be reasonable and relevant to the purpose for which they are processed,
- Accuracy - Personal data must be accurate,
- limitation of storage - personal data should be stored in a form that allows the data subject to be identified only for the necessary time for the purposes for which they are processed,
- integrity and confidentiality - technical and organizational security of personal data.

The data subject has the right to be informed about the processing of his or her personal data. This means the right to certain information about the processing of his or her personal data so that the principle of transparency of processing is met in particular. This includes information about the purpose of the processing, the identity of the controller, his legitimate interests, and the recipients of the personal data. In this case, it is a passive right, as the activity has to be developed by the controller against the data subject, so that the required information provided in the general regulation of the data subject provides, respectively, accessed.

Other rights of the data subject, which are often based on the data subject's (application) activity, include:

- the right of access to personal data,
- the right to repair, or supplement,
- the right to delete,
- the right to limit the processing,
- the right to data portability,
- the right to object,

- the right not to be subject to automated individual decision making with legal or similar effects, including profiling.

PERSONAL DATA MANAGER

An administrator is any entity, does not decide what legal forms, which determines the purpose and means of processing personal data, processes and is responsible for it. An administrator may be a natural person or a legal entity where the legal entity is a legal person and not an employee or a member of the company. The responsibility for the processing of personal data lies with the legal person as such.

An administrator may authorize or authorize ***the processor*** to process the personal data. The processor is then any entity that processes personal data under a special law or administrator. It is not the responsibility of an administrator to hire a processor. From an administrator, the processor differs by the fact that, within the framework of an activity for an administrator, he can perform only such processing operations as the administrator entrusts or derives from the activity for which the processor has been entrusted by the trustee. It should be noted that the processor is the processor only in relation to the personal data provided by the controller, not the personal data it processes for the purposes that are of direct concern to it. A typical processor is, for example, an external wage accounting firm (or a tradesman) or a cloud provider (repository, etc.). As with the administrator, the legal form does not determine the processor.

Administrator's responsibilities are:

a) *determine the purpose for which personal data are to be processed*,
b) *to determine the means and method of processing personal data*,

c) *process only the accurate personal data he has obtained in accordance with the law*
- if necessary, update the personal data if the controller finds that the personal data processed by him / her are not accurate with regard to the intended purpose, without undue delay, takes reasonable measures, in particular the processing is blocked and the personal data are repaired or supplemented, otherwise personal data will be liquidated
- Inaccurate personal data must be marked
- informations on the blocking, correction, supplementation or liquidation of personal data is the controller obliged to pass on to all recipients without undue delay,

d) *to collect personal data corresponding only to the intended purpose and to the extent necessary for the fulfillment of the purpose*,

e) *to retain personal data only for such time as is necessary for the purpose of its processing*

- at the end of this period, personal data may be retained for the purposes of the State Statistical Service only, for scientific and archival purposes

- when used for these purposes, the right to protection against unauthorized interference with the private and personal life of the subject must be respected and personal data anonymized as soon as possible,

f) *process personal data only in accordance with the purpose for which it was collected*

- processing personal data only within the limits set by law or, if the data subject has given its prior consent,

g) *to collect personal information only openly; it is excluded to collect data under the pretext of another purpose or other activity*,

h) *not to associate personal data that have been obtained for different purposes*

The administrator may process personal data only with the consent of a natural person. Consent must be freely given specific, informed and explicit indication of his

wishes by which the data subject signifies a declaration or other obvious confirmation of his agreement to the processing of their personal data. It is an active and voluntary expression of the will of the data subject, which must not be compelled to do so. Consent is one of the legal grounds on which the administrator may process and process personal data if the processing cannot be subordinated to purposes for which consent is not required.

Consent is always given for a particular purpose of processing that the data subject must know. Consent is revocable. Not always revoking consent means the obligation of the administrator to liquidate personal data, as withdrawal of consent is for a particular purpose for which personal data are processed and the controller may process personal data for other purposes for which it uses a different legal reason for processing than the consent of the data subject. In other words, in case of withdrawal of consent, the administrator is obliged to cease processing personal data for the purposes defined in the agreement. If consent was the only legal reason for processing, the dissolution of personal data will, as a rule, follow. Without such consent, they may process:

a) if it carries out the processing necessary to comply with the legal obligations of the controller,
b) where the processing is necessary for the performance of the contract to which the data subject is party or for the negotiation of the conclusion or modification of a contract made on the proposal of the data subject,
c) where necessary to protect the vital interests of the data subject, consent must be obtained without undue delay, and if the consent is not given, the administrator must terminate processing and discard the data,
d) in the case of legitimately disclosed personal data in accordance with a special legal regulation, but without prejudice to the right to the protection of the personal and personal life of the data subject,
e) where it is necessary to protect the rights and legitimate interests of the administrator, the recipient or other person concerned; such processing of

personal data shall not be contrary to the data subject's right to the protection of his or her private and personal life,

f) if it provides personal data on a public official, officials or public servants who are testifying about his public or official activities, his or her function or job position or,

g) if the processing is exclusively for the purposes of archiving pursuant to a special law.

When processing the personal data, the administrator and the processor shall ensure that the data subject does not suffer prejudice to his or her rights, in particular the right to the preservation of human dignity, and shall also ensure that unauthorized interference with the private and personal life of the data subject is ensured. The data subject must be informed of the purpose of the processing and the personal data that the consent is given to, the controller and the period. The data subject's consent to the processing of personal data must be capable of being demonstrated by the controller throughout the processing. Disagreement with processing must be expressed in writing.

If the processor finds out that the trustee is in breach of the obligations stipulated by this Act, he is obliged to immediately notify him / her and terminate the processing of personal data. Failing to do so, it shall be liable for any damage to the data subject, jointly and severally with the administrator.

The data subject may also request information about the processing of his or her personal data, in which case the trustee is obliged to pass this information without undue delay to the entity. The Administrator is entitled to require reasonable compensation for the provision of the information, not exceeding the costs necessary to provide the information.

SANCTIONS

In some cases, a violation of the municipal regulation is a fine. Not for any violation of the General Regulation, the administrator may be warned, for example, that the intended processing operation is likely to be in breach of the general regulation or that an administrator whose processing operation has violated the General Regulation may be advised or may be ordered to comply the data subject's request. Administrators may also be ordered among others to bring the processing into compliance with the general regulation.

Administrative fines are imposed on each individual case. In deciding whether to impose an administrative fine and deciding on the amount of an administrative fine in individual cases, due consideration shall be given to the following circumstances:

a) the nature, gravity and duration of the infringement taking into account the nature, extent or purpose of the processing in question, as well as the number of data subjects concerned and the extent of the damage caused to them;
b) whether the infringement was committed intentionally or negligently;
c) steps taken by the administrator or processor to mitigate damage to data subjects;
d) the level of responsibility of the administrator or processor, taking into account the technical and organizational measures introduced by the controller;
e) all relevant prior infringements by the administrator or processor;
f) the level of cooperation with the surveillance authority to remedy the breach and mitigate its potential adverse effects;
g) the category of personal data affected by the breach;
h) how the Supervisory Authority learned of the breach, in particular whether the administrator or the processor of the breach had reported and, if so, to what extent;

i) where measures have been previously imposed on the administrator or processor in relation to the same subject matter, the fulfillment of those measures;
j) compliance with approved codes of conduct or an approved certification mechanism; and
k) any other aggravating or attenuating circumstance relating to the circumstances of the case, such as the financial gain obtained or the avoidance of losses, whether directly or indirectly resulting from the breach.

The amount of the fines is divided into two groups according to the violation the administrator has committed. A fine may be granted up to a maximum of EUR 10 000 000 (or up to 2% of the total worldwide annual turnover in the case of an undertaking) or up to EUR 20 000 000 (or up to 4% of the total worldwide annual turnover if it´s a company). The division into two groups reflects the importance of breached obligations where the higher rate group has obligations whose breach is expected to increase the extent of interference with the right to protection of personal data provided by the General Regulation.

OFFICE FOR PERSONAL DATA PROTECTION

The Office for the Protection of Personal Data (OPPD) is not responsible for the adaptation of the Czech legal environment and preparation for a general regulation. However, it professionally supports the work of the government and ministries. Some law-regulated areas, such as the media, labor law, behavior and responsibility of minors, may be the subject of legislative changes, which should be drafted by the relevant ministries, preferably this year. The Office is in the case of amendments to the personal data protection legislation.

Since the adoption of the General Regulation, the Office has been providing consultations with representatives of professional, professional and industrial associations on the impact of GDPR on the operation of data controllers and processors. In particular, it addresses specific proposals for dealing with the practical implications of the General Regulation.

The OPPD is a member of the government working group, which is gradually discussing the issues and impacts of GDPR from autumn 2016. In addition to the experts of the Office, the group also includes representatives of ministries, industry and public experts.

The setting up of the independent supervisory authority under the GDPR is the responsibility of the state, specifically the government, until its effectiveness begins. The Office fulfills its obligations under the current law on the protection of personal data. The Office carried out a basic analysis of the powers and tasks of the Supervisory Authority under the GDPR and on its basis elaborated the documents which were submitted to the Ministry of the Interior for use in the amendment of the Act on the Protection of Personal Data.

The Office is an independent body, acts independently in its activities and is governed solely by laws and other legal regulations. The Office can intervene only on the basis of the law.

The Office supervises the observance of the obligations stipulated by the law in the processing of personal data, maintains the register of processing of personal data, receives complaints and complaints about breaches of the obligations stipulated by the law in the processing of personal data and informs about their processing, prepares and publishes the annual report on its activities lawfully, deals with offenses and grants fines according to law, ensures the fulfillment of requirements arising from international treaties binding the Czech Republic and directly applicable European Union regulations, provides consultations on the protection of personal data, cooperates with similar authorities of other states, the European Union

institutions and the bodies of international organizations active in the field of personal data protection. In accordance with European Union law, the Office fulfills a reporting obligation via the institutions of the European Union. Employees of the Office are chairpersons, inspectors and other staff. The inspection activities of the Office are carried out by inspectors and authorized staff.

SUMMARY

- The processing of data, whether ordered by law, is carried out at the discretion of the trustee or by agreement or with the consent of the persons concerned, **must be legitimate** and must not be contrary to legal regulations or morals.
- All data processing must be **based on one of the basic reasons** (legal titles for processing), most often contractual performance, legal obligations or legal authorization, the exercise of public authority or processing based on the consent of the person concerned.
- Everyone who collects, processes and retains personal data must clearly define (define and be able to explain) the intended purpose - **the purpose of the data processing.**
- All methods and forms, processing scope and retention time must **always be appropriate to the purpose of processing**.
- If the details of the processing are laid down in a public law regulation, they cannot usually be deviated from them. Any processing in the public sector must have a **clear legal basis**; such processing cannot be replaced by consent to the processing of data.
- Both the administrator and the person responsible for the processing of personal data must ensure that the personal data are adequately protected and

protected by **organizational and technical measures** - in proportion to the risk of processing.

- Processing should be **fair, fair and transparent to the individuals concerned**. The processing information provided by the data subject must be **clear, unambiguous and comprehensible**, **to the extent appropriate to the particular situation**.
- Processing **must not interfere with privacy**. Administrators can choose different reasonable means of processing, but in the case of modern technologies they are required to consider new risks and impacts on the privacy of individuals. In particular, it must consider the justification and justification of any sharing or publication of negative or otherwise sensitive data.
- After fulfilling the purpose of the processing, the person is obliged **to liquidate** the personal data. Longer retention periods may be set by statutory rules on archiving or specific use of data (State Statistical Service, sickness and pension insurance, etc.).
- Within the EU, the individual protection of personal data provided by the General Regulation (GDPR) is guaranteed in each Member State. The transfer of personal data outside the European Union can only take place under additional rules or under certain circumstances, such as the performance of a contract with the data subject.

SOURCES

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Story

From May 2018 it is valid the European legislative GDPR concerning the protection of personal data. Those legislativ eis important for all members of our family. Felipe should check the protection of his personal data by his employer. That protection should be specified in the work contract and felipe has to know how his employer will hadle with his personal data. He should also agree use of his photo and data on employer websites, newsletters and other related public documents.

Isabella should be aware of the protection of the personal data of her potential employees and should specify that protection to the work agreement.

That obligation is duty also for schools conecrning their childrens.

The GDPR provides the following rights for individuals:

- The right to be informed
- The right of access
- The right to rectification
- The right to erasure
- The right to restrict processing
- The right to data portability
- The right to object
- Rights in relation to automated decision making and profiling.