Draft

**LAW**

**of… 2021,**

**Amending Certain Laws in the Context of Capital Market Development**

Parliament has passed the following Act of the Czech Republic:

PART ONE

**Amendment of the Act on Commodity Exchanges**

Art. I

Act No. 229/1992 Coll., on Commodity Exchanges, as amended by Act No. 216/1994 Coll., Act No. 105/1995 Coll., Act No. 70/2000 Coll., Act No. 2 85/2005 Coll., Act No. 444/2005 Coll., Act No. 296/2007 Coll., Act No. 230/2008 Coll., Act No. 227/2009 Coll., Act No. 247/2011 Coll., Act No. 420/2011 Coll., Act No. 407/2012 Coll. and Act No. 183/2017 Coll., is amended as follows:

1. In the heading of Section 28, the words „and dispute resolution from stock exchange trades” shall be deleted.
2. In Section 28 (1), the words „disputes referred to in Subsection (3) by independent arbitrators’ shall be replaced by the words „property disputes by independent arbitrators, with the exception of disputes where another legal regulation excludes the conclusion of an arbitration agreement“.
3. In Section 28, the Subsection (3), including footnote 6, shall be deleted and the designation of the Subsection (1) shall also be removed.

PART TWO

**Amendment of the Income Tax Act**

Art. II

Act No. 586/1992 Coll., on Income Tax, as amended by Act No. 35/1993 Coll., Act No. 96/1993 Coll., Act No. 157/1993 Coll., Act No. 196/1993 Coll., Act No. 323/1993 Coll., Act No. 42/1994 Coll., Act No. 85/1994 Coll., Act No. 114/1994 Coll., Act No. 259/1994 Coll., Act No. 32/1995 Coll., Act No. 87/1995 Coll., Act No. 118/1995 Coll., Act No. 149/1995 Coll., Act No. 248/1995 Coll., Act No. 316/1996 Coll., Act No. 18/1997 Coll., Act No. 151/1997 Coll., Act No. 209/1997 Coll., Act No. 210/1997 Coll., Act No. 227/1997 Coll., Act No. 111/1998 Coll., Act No. 149/1998 Coll., Act No. 168/1998 Coll., Act No. 333/1998 Coll., Act No. 63/1999 Coll., Act No. 129/1999 Coll., Act No. 144/1999 Coll., Act No. 170/1999 Coll., Act No. 225/1999 Coll., Judgment of the Constitutional Court, promulgated under No. 3/2000 Coll., Act No. 17/2000 Coll., Act No. 27/2000 Coll., Act No. 72/2000 Coll., Act No. 100/2000 Coll., Act No. 103/2000 Coll., Act and No. 121/2000 Coll., Act No. 132/2000 Coll., Act No. 241/2000 Coll., Act No. 340/2000 Coll., Act No. 492/2000 Coll., Act No. 117/Coll. Act No. 120/2001 Coll., Act No. 239/2001 Coll., Act No. 453/2001 Coll., Act No. 483/2001 Coll., Act No. 50/2002 Coll., Act No. 128/2002 Coll., Act No. 198/2002 Coll., Act No. 210/2002 Coll., Act No. 260/2002 Coll., Act No. 308/2002 Coll., Act No. 575/2002 Coll. Coll., Act No. 162/2003 Coll., Act No. 362/2003 Coll., Act No. 438/2003 Coll., Act No. 19/2004 Coll., Act No. 47/2004 Coll., Act No. Act No. 257/2004 Coll., Act No. 280/2004 Coll., Act No. 359/2004 Coll., Act No. 360/2004 Coll., Act No. 436/2004 Coll., Act No. 562/2004 Coll., Act No. 628/2004 Coll., Act No. 669/2004 Coll., Act No. 676/2004 Coll., Act No. 179/2005 Coll., Act No. 217/2005 Coll., Act No. 342/2005 Coll., Act No. 357/2005 Coll., Act No. 441/2005 Coll., Act No. 530/2005 Coll., Act No. 545/2005 S b., Act No. 552/2005 Coll., Act No. 56/2006 Coll., Act No. 57/2006 Coll., Act No. 109/2006 Coll., Act No. 112/2006 Coll., Act No. 179/2006 Coll., Act No. 189/2006 Coll., Act No. 203/2006 Coll., Act No. 223/2006 Coll., Act No. 245/2006 Coll., Act No. 264/2006 Coll., Act No. 29/2007 Coll., Act No. 67/2007 Coll., Act No. 159/2007 Coll., Act No. 261/2007 Coll., Act No. 296/2007 Coll., Act No. 362/2007 Coll., Act No. 126/2008 Coll., Act No. 306/2008 Coll., Act No. 482/2008 Coll., Act No. 2/2009 Coll., Act No. 87/2009 Coll., Act No. 216/2009 Coll., Act No. 221/2009 Coll., Act No. 227/2009 Coll., Act No. 281/2009 Coll., Act No. 289/2009 Coll., Act No. 303/2009 Coll., Act No. 304/2009 Coll., Act No. 326/2009 Coll., Act No. 362/2009 Coll., Act No. 199/2010 Coll., Act No. 346/2010 Coll., Act No. 348/2010 Coll., Act No. 73/2011 Coll., Judgment of the Constitutional Court, promulgated under No. 119/2011 Coll., Act No. 188/2011 Coll., Act No. Act No. 329/2011 Coll., Act No. 353/2011 Coll., Act No. 355/2011 Coll., Act No. 370/2011 Coll., Act No. 375/2011 Coll., Act No. 420/2011 Coll., Act No. 428/2011 Coll., Act No. 458/2011 Coll., Act No. 466/2011 Coll., Act No. 470/2011 Coll., Act No. 192/2012 Coll., Act No. 399/2012 Coll., Act No. 401/2012 Coll., Act No. 403/2012 Coll., Act No. 428/2012 Coll., Act No. 500/2012 Coll., Act No. 503/2012 Coll. Coll., Act No 44/2013 Coll., Act No 80/2013 Coll., Act No 105/2013 Coll., Act No 160/2013 Coll., Act No 215/2013 Coll., Act No. 241/2013 Coll., legal measure of the Senate no. 344/2013 Coll., the Constitutional court ruling, published under no. 162/2014 Coll., Act No. 247/2014 Coll., Act No. 267/2014 Coll. Act No. 332/2014 Coll., Act No. 84/2015 Coll., Act No. 127/2015 Coll., Act No. 221/2015 Coll., Act No. 375/2015 Coll., Act No. 377/2015 Coll., Act No. 47/2016 Coll., Act No. 105/2016 Coll., Act No. 113/2016 Coll., Act No. 125/2016 Coll., Act No. 148/2016 Coll., Act No. 188/2016 Coll., The Constitutional Court ruling, published under No. 271/2016 Coll., Act No. 321/2016 Coll., Act No. No. 454/2016 Coll., Act No. 170/2017 Coll., Act No. 200/2017 Coll., Act No. 225/2017 Coll., Act No. 246/2017 Coll., Act No. 254/2017 Coll., Act No. 293/2017 Coll., Act No. 92/2018 Coll., Act No. 174/2018 Coll., Act No. 306/2018 Coll., Act No. 32/2019 Coll., Act No. 80/2019 Coll., Act No. 125/2019 Coll., Constitutional Court ruling promulgated under no. 303/2019 Coll., Act No. 364/2019 Coll., Act No. .../20 20 Coll. (ST 118), Act No. .../2020 Coll. (ST 126), Act No. .../2020 Coll. (ST 212), Act No. .../2020 Coll. (ST 231), Act No. .../2020 Coll. (ST 244), Act No. .../2020 Coll. (ST 254), Act No. .../2020 Coll. (ST 464), Act No. .../2020 Coll. (ST 572), Act No. .../2020 Coll. (ST 674) and Act. No. .../2020 Coll. (ST 678), is amended as follows:

1. In Section 4 Subsection (l) in point 1, the words „paying a pension, whether in respect of life insurance, death or living till death and pension insurance“, shall be replaced by „or in case of a living till the specified age or earlier death“.
2. In Section 4 Subsection (l) point 4, the words „whether for life insurance, for death or living till death, for pension insurance“ shall be replaced by „or for living till a specified age or earlier death“.
3. Section 6 Subsection (9) (p) is as follows:

„(p) income in the form of a contribution paid by the employer to the tax-supported savings product for the employee’s old age of up to CZK 50,000 per year,“.

1. In Section 6, Subsection (16) is deleted.
2. Section 8 Subsection (1) (e) and (f) are as follows:

„(e) benefits from supplementary pension insurance with state contribution pursuant to the Act on Supplementary Pension Insurance with State Contribution, Supplementary Pension Savings and Pension Insurance,

(f) benefits from personal insurance,”.

1. Section 8 Subsection (6) are as follows:

„(6) Benefits from the Supplementary pension insurance with state contribution pursuant to the Act on Supplementary Pension Insurance with State Contribution, Supplementary Pension Savings and Pension Insurance shall be the taxable amount after deduction of contributions paid and state contributions paid by the Czech Republic, in the case of benefits in the form of a pension, contributions paid and state contributions shall be spread over a defined period of retirement. Personal insurance benefits are the tax base after deduction of premiums paid, in the case of benefits in the form of a pension, the premiums paid shall be spread over a defined period of retirement.“.

1. In Section 8, Subsection (7) is deleted.

The existing Subsection (8) shall become Subsection (7).

1. In Section 15 Subsections (5) and (6) are as follows :

„(5) Contributions totaling not more than CZK 48,000 paid by a taxpayer in the tax year for his tax-supported old-age savings product may be deducted from the tax base.

(6) In the case of contributions to supplementary pension insurance with state contribution pursuant to the Act regulating supplementary pension insurance with state contribution and to supplementary pension savings, only the portion of the monthly contribution exceeding the amount for the highest state contribution under the Act on suppementary pension insurance or the Act on Pension Insurance, may be deducted. In the case of the payment of a single premium for private life insurance, for the purposes of Subsection (5), the contribution paid during the taxable period of insurance shall be the pro rata part of the single premium attributable to that taxable period, determined to the day.“.

1. The following Sections 15a and 15b are inserted after Section 15, including the headings:

„Section 15a

**Product for saving for old age**

(1) For the purposes of income taxes, the product of savings for old age is understood

(a) supplementary pension insurance with state contribution according to the Act regulating supplementary pension insurance with state contribution,

(b) supplementary pension savings,

(c) pension insurance with a pension insurance institution,

(d) private life insurance,

(e) a long-term investment account and a similar account held by a person in the territory of a Member State of the European Union or a State constituting the European Economic Area entitled

1. provide the customer asset management service, if it is an financial instrument, at the discretion of the contractual arrangement, or

2. accept deposits from the public.

(2) For the purposes of income tax, an institution of pension insurance means a provider of financial services entitled to

(a) operate on the principle of fund management,

(b) established for the purpose of providing retirement benefits beyond the mandatory retirement system136) on the basis of contract or otherwise, on the basis of the agreed participation in pension insurance and carries out activities arising therefrom and

(c) authorized and operates pension insurance in a Member State of the European Union or a State constituting the European Economic Area and subject to the supervision of the competent authorities in that State.

(3) For the purposes of income taxation, private life insurance means living till death insurance with an insurance company authorized to carry on insurance business in the territory of a Member State of the European Union or a State constituting the European Economic the space in which the sum insured for living till death is agreed

(a) at least CZK 40,000 if the insurance period is at least 5 and at most 15 years, or

b) at least CZK 70,000 if the insurance period is more than 15 years.

Section 15b

**Tax support of product savings for old age**

An old - age savings product is tax - supported if:

(a) it is agreed or otherwise determined that the disbursement of funds and services from this product shall only be made to the taxpayer who negotiated the product, except for disbursement of funds and services in the event of death, and

(b) the disbursement of funds and benefits from that product is only allowed

1. after 60 calendar months from the date of origin of the product, but at the earliest in the calendar year in which the taxpayer reaches the age of 60, and in the case of supplementary pension savings benefits to which the supplementary pension savings law entitles, than his/her retirement age under the Pension Insurance Act, at the earliest when he/she reaches the age of 5 years below his/her retirement age under the Pension Insurance Act,

2. in the case of the third-level invalidity of the taxpayer,

3. after the death of the taxpayer, or

4. after the end of the product savings for old age.

(2) For the purposes of exempting an employee’s income in the form of a contribution paid by an employer to his tax-supported old-age savings product, the old-age savings product shall not be tax- supported even if it is agreed or otherwise determined that from this product to this employer.

(3) Employees shall notify their employer that their old-age savings product has ceased to be tax-supported by the end of the calendar month in which this occurred.

(4) The tax refund of the savings product for retirement shall be refunded in the taxable period in which the taxpayer reaches the age of 60 before the expiry of 60 calendar months from its origin,

(a) the funds have been disbursed, except in the case of:

1. the payment of funds or benefits due to the invalidity of a third-level taxpayer,

2. the payment of funds or benefits after the taxpayer’s death, or

3. benefits from supplementary pension savings to which the supplementary pension savings law was entitled to attain an age of 5 years below its retirement age under the pension insurance law, or

(b) the product ceases to exist without payment of, or performance of, the product, unless the product cease to exist

1. due to the death of the taxpayer, or

2. with the simultaneous transfer of the saved funds to a tax-supported savings product of the same type or, in the case of a supplementary pension scheme with a state contribution, with the simultaneous transfer of the saved funds to a tax-supported supplementary pension savings.

(5) Returning the tax support of a savings product to old age means

(a) income accruing according to Section 10 in the amount of the total taxpayer contributions paid for this product, which were deducted from the tax base for the immediately preceding 10 taxation periods,

(b) the impossibility of deducting from the tax base contributions paid by the taxpayer to his tax-supported old-age savings product,

(c) income accruing pursuant to Article 6 in the amount of the total contributions paid by the employer for that product, which were exempted during the tax year in which the tax aid is repaid and in the 10 immediately preceding tax periods, this income is not considered to be paid by the taxpayer of income from employment,

(d) the impossibility of reducing the benefits of that product by the contributions paid by the employer for that product for the purposes of determining the taxable amount, except

1. contributions in the amount of income accruing pursuant to Section 6,

2. contributions paid by the employer before 1 January 2000 to the supplementary pension insurance with a state contribution under the Act governing the supplementary pension insurance with a state contribution, and

3. contributions paid by the employer before 1 January 2001 for private life insurance.”.

1. In Section 17 (1) (d) the words „joint-stock companies with variable share capital“ shall be replaced by „investment fund“.
2. In Section 17b (1) (c) in the introductory part of the provision, the words „joint-stock companies with variable share capital“ shall be replaced by „investment fund“.
3. In Section 19 (12), the words „variable capital constituting” are deleted.
4. In Section 23f (h) the words „joint-stock companies with variable share capital“ shall be replaced by „investment fund“.
5. Section 36 (2) the point (k) is as follows:

„(k) the performance of pension insurance with a state contribution under the act governing pension schemes with state contribution, supplementary pension savings, pensions and personal insurance.“.

1. In Section 36 Subsection (2), point (o) shall be deleted.

The existing points (p) and (r) shall be renumbered (o) and (p).

1. Section 37c shall be deleted.
2. In Section 37d, the words „,for its sub-fund” shall be inserted after the word „points”.
3. Section 38g Subsection (6) shall be as follows:

„(6) The tax return shall be filed by the taxpayer who incurred income pursuant to Section 6 as part of the refund of the tax support for the old-age savings product.“.

1. Section 38k Subsection (5) (f) and (g) shall be as follows:

„(f) what amount is deducted from the tax base pursuant to Section 15 (5) contributions paid to their pension supplementary insurance with state contribution under the Act regulating pension supplementary insurance with state contribution, additional retirement savings or pension insurance,

(g) in what amount it deducts the contributions paid for its private life insurance from the tax base pursuant to Section 15 (5),”.

1. In Section 38k Subsection (5), the following point (h) is inserted after point (g):

„(h) the amount to be deducted from the taxable amount referred to in Article 15 (5) of the funds transferred to its long-term investment account or equivalent account,“.

The existing points (h) to (j) shall be designated as points (i) to (k).

1. In Section 38l Subsection (1), the following point (j) is inserted after point (i):

„(j) a long-term investment or equivalent account agreement and, on an annual basis, confirmation by the person maintaining the account of the funds transferred to that account by the taxpayer during the previous tax year,“.

The existing points (j) and (k) shall be designated as points (k) and (l).

Art. III

**Temporary provisions**

1. For tax on income for the tax period commenced before the effective date of this Act, as well as the rights and responsibilities of them related to using the Act No. 586/1992 Coll., As amended effective before the effective date of this Act.
2. Section 6 Subsection (9) (a) shall apply to supplementary pension insurance with state contribution pursuant to the Act on Supplementary Pension Insurance with State Contribution, Supplementary Pension Savings, Pension Insurance and Private Life Insurance Section 6 (16), Section 8 (1) (e) and (f), Section 8 (6) and (7), Section 15 (5) and (6), Section 36 (k) and (o) and Section 38k (1) (f) and (g) of Act No. 586/1992 Coll., as amended before the effective date of this Act.
3. The maximum amount that can be exempted under Section 6 (9) (p) of Act No. 586/1992 Coll., as amended as of the effective date of this Act, shall be reduced by the sum of the amounts that are exempt from tax pursuant to Section 6 (9) (a) of Act No. 586/1992 Coll., as amended, before the effective date of this Act.
4. The highest amount that can be deducted for tax periods from the tax base pursuant to Section 15 (5) of the Act No. 586/1992 Coll., as amended, effective from the date of entry into force of this Act shall be reduced by the sum of amounts for tax period deducted from the tax base pursuant to Section 15 (5) and (6) of the Act No. 586/1992 Coll., as in force before the date of account activity of this Act.

PART THREE

**Amendment of the Advertising Regulation Act**

Art. IV

Act No. 40/1995 Coll., on the Regulation of Advertising and amending and supplementing Act No. 468/1991 Coll., on the Operation of Radio and Television Broadcasting, as amended, as amended by Act No. 258/2000 Coll., Act No. 231/2001 Coll., Act No. 256/2001 Coll., Act No. 138/2002 Coll., Act No. 320/2002 Coll., Act No. 1 32/2003 Coll., Act No. No. 217/2004 Coll., Act No. 326/2004 Coll., Act No. 480/2004 Coll., Act No. 384/2005 Coll., Act No. 444/2005 Coll., Act No. 25/2006 Coll., Act No. 1 09/2007 Coll., Act No. 160/2007 Coll., Act No. 36/2008 Coll., Act No. 296/2008 Coll., Act No. 2 81/2009 Coll., Act No. 132/2010 Coll., Act No. 28/2011 Coll., Act No. 2 45/2011 Coll., Act No. 375/2011 Coll., Act No. 275/2012 Coll., Act No. 279/Coll. 2013 Coll., Act No. 3 03/2013 Coll., Act No. 202/2015 Coll., Act No. 180/2016 Coll., Act No. 188/2016 Coll., Act No. 26/2017 Coll., Act No. 66/2017 Coll., Act No. 183/2017 Coll., Act No. 299/2 017 Coll., Act No. .../2019 Coll. (ST 302), Act No. .../2020 Coll. (ST 180) and Act No. .../2020 Coll. (ST 193) is amended as follows:

1. A new Section 5k is inserted after Section 5j, which, including the title and footnotes 42 and 43, are as follows:

„Section 5k

**Financial instruments**

(1) Advertising for financial instruments42) that encourages investment in them shall not contain a statement from which it appears that the return on investment in them is certain.

(2) Advertising of financial instruments must not be aimed at persons who are in material need43), especially in the form of representation of these persons or the use of elements, means or events which these persons are mostly targeted.

(3) Advertising of financial instruments must include a visible and clear warning stating: „Warning: The return on investment is not always guaranteed, every investment involves risk. High returns represent a higher risk, low returns are not always a guarantee of lower risk.”.

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42) Article 3 of Act No. 256/2004 Coll., on Capital Market Business, as amended.

43) Section 2 (2) of Act No. 111/2006 Coll., on Assistance in Material Need, as amended.”.

1. In Section 8 (2) point (b) and in Section 8a (d) the text „5i or Section 5j“ is replaced by the text „5i, 5j or 5k“”

PART FOUR

**Amendment of the Enforcement Code**

Art. IN

In Section 34 (3) of Act No. 120/2001 Coll., On Bailiffs and Enforcement Activities (the Enforcement Code) and on amendments to other acts, as amended by Act No. 286/2009 Coll. and Act No. 396/2012 Coll., in the first sentence, the words „money institution for cooperation“ shall be replaced by „money institution or financial institution for cooperation” and the words „money institution cooperation“ by „money institution or financial institution“ and in the second sentence “shall not be required“ „or financial institutions are not required”.

PART FIVE

**Amendment of the Financial Arbiter Act**

Art. In I

Act No. 229/2002 Coll., on the Financial Arbiter, as amended by Act No. 558/2004 Coll., Act No. 57/2006 Coll., Act No. 264/2006 Coll., Act No. 2 81/2009 Coll., Act No. 285/2009 Coll., Act No. 180/2011 Coll., Act No. 241/2013 Coll., Act No. 278/2013 Coll., Act No. 336/2014 Coll., Act No. 378/2015 Coll., Act No. 452/2016 Coll. and Act No. 171/2018 Coll., is amended as follows:

1. In Section 1, at the end of Subsection (1), the period shall be replaced by a comma and the following point (k) is added:

„(k) administrator of the long-term investment account in the establishment and maintenance of the account or asset management for this account.“.

1. In Section 3, at the end of Subsection (1), the period shall be replaced by a comma and the following point (k) is added:

„(k) the manager of a long-term investment account in establishing, maintaining or managing the assets in that account.“.

PART SIX

**Amendment of the Bonds Act**

Art. In II

Act No. 190/2004 Coll., on Bonds, as amended by Act No. 378/2005 Coll., Act No. 56/2006 Coll., Act No. 57/2006 Coll., Act No. 296/2007 Coll., Act No. 230/2008 Coll., Act No. 227/2009 Coll., Act No. 230/2009 Coll., Act No. 2 81/2009 Coll., Act No. 160/2010 Coll. 199/2010 Coll., Act No. 355/2011 Coll., Act No. 172/2012 Coll., Act No. 227/2013 Coll., Act No. 3 03/2013 Coll., Act No. 137/2014 Coll. Coll., Act No. 183/2017 Coll., Act No. 307/2018 Coll., Act No. 277/2019 Sb., Law no. 119/2020 Sb. and Act No. .../2020 Coll. (ST 501) is amended as follows:

1. In Section 6 Subsection (1) (g) the word „owner“ shall be replaced by „first acquirer“ ,
2. Section 9 including the title is as follows:

„Section 9

**Particulars of terms of issue**

(1) The emision conditions shall always contain at least a reference to the information contained in the prospectus

(a) facts stated in Section 6 Subsection (1) (c), (d), (f) and (j),

(b) whether it is a physical bond, an immobilized security or a book-entry security,

(c) the period for subscription of the bond issue,

(d) information on how the bond yield is determined or that the bond is without yield,

(e) information on how and where the bond is to be repaid, including, where applicable, the due date and the amount of each installment, if the amount due is to be repaid in installments,

(f) the method of notifying the holders of a bond meeting (the „owners’ meeting“) and the method of publishing and making available additional information on the bond, and

(g) determination of the date which is decisive for attendance at the owners’ meeting.

(2) If no later than the date of the issue published prospectus, the terms of issue contains further

(a) the issue rate and, where appropriate, the method of its determination,

(b) method and place of subscription of the bond,

(c) the manner and time limit for the transfer of bonds to individual underwriters,

(d) the method and place of payment of the issue rate of the subscribed bond, if it is paid by means of a cash payment, or other way of its settlement,

(e) information on taxation of bond yield,

(f) data necessary to identify persons involved in securing the issue of the bond, repayment of the bond and payment of the bond yield, stating the manner of their participation in these activities,

(g) the identification of the bond under the international numbering system for the identification of securities, and

(h) information on who, when, and with what result the rating was granted, if this information is known to the issuer .

(3) The issuing conditions shall further contain at least a reference to the information contained in the prospectus as intended by the issuer

(a) the issuer’s decision that the bond issue will be issued gradually (in tranches) within the subscription period,

(b) the issuer’s right to proceed pursuant to Section 7 point (b), or the issuer’s right to proceed pursuant to Section 7 point (c),

(c) information on the lien on the bond for which repayment of the bond or payment of its yield is ensured by the pledge and the manner in which the lien will be exercised, including any information pursuant to Section 20,

(d) the method of drawing lots for a bond whose yield is linked to the bond that is drawn,

(e) an indication that the issuer has decided pursuant to Section 17,

(f) information that the information pursuant to this Act will be published and made available in a language other than Czech,

(g) information on the issuer’s decision to exclude the possibility to separate the right to the payment of the bond yield from the bond,

(h) the issuer’s right to repay the bond before its maturity date, including the pro rata yield, specifying the conditions and method of early repayment and also the method of calculating the value of the not returned and not repayed coupons under Section 19 (4),

(i) the right of the bond holder to request repayment of the bond or, as the case may be, the pro-rata yield before the maturity date, and to define the conditions under which it is authorized to do so,

(j) the wording of the arbitration clause if disputes on the rights and obligations associated with the bond, if they are to be resolved by arbitration,

(k) for convertible bonds, the method of notification of the date from which the right to exchange for another bond or other bonds or shares or shares may be exercised and the place and time limit for exercising this right, where convertible bonds are dematerialized bonds, the date which is relevant to the determination of the person entitled to exercise the rights under those bonds,

(l) in the case of a senior bond, the method of notification of the date from which the right to preferential subscription of shares may be exercised and the place and time limit for the exercise of that right, if the senior bonds are dematerialized bonds, the date which is decisive for the determination of the person entitled to exercise the rights from those bonds,

(m) the subordinated bond conditions and the degree of subordination upon according to Section 34 and

(n) in the case of a subordinated bond, the determination of a different order of satisfaction of subordinated debt claims, including in relation to the satisfaction of other claims, including claims from other subordinated bonds, or differently in relation to the claim corresponding to the repayment right and other rights attached to the bond .

(4) If the prospectus is not published at the latest on the issue date, the issuing conditions shall, in accordance with the issuer’s intentions, also contain

(a) information on when, how and where the bond yield should be paid, unless the yield is determined by the difference between the nominal value of the bond and its issue rate,

(b) an indication that the repayment or payment of the bond is secured by a third party and where the contract arranging the collateral is available to investors,

(c) an indication of the other rights attaching to the bond, and

(d) an indication of who will keep the register of dematerialized bonds.“.

1. Next to the Section 9 is inserted a new Section 9a, including the heading is as follows:

“Section 9a

**Particulars of the terms of issue of below-the-limit bonds**

(1) In addition to the information specified in Section 9, the terms of issue of the bond shall include information pursuant to Subsection (2) if:

(a) the bond is publicly offered,

(b) the propectus is not published before the date of issue,

(c) the total value of consideration of bonds higher than the amount corresponding to 100 000 EUR and lower than the amount corresponding to 1 000 000 EUR, this amount is calculated for bond issues offered in the Member States of the European Union over a 12-month period.

(2) The terms of issue of a bond pursuant to Subsection (1) shall also contain

(a) the issuer’s registered office,

(b) the month and year of the issuer’s commencement of business, if the date of commencement of the activity coincides with the issuer’s establishment, the date of the issuer’s establishment shall be entered instead,

(c) the principal activity of the issuer,

(d) the amount of the minimum investment, if the amount of the minimum investment is equal to the nominal value as the outstanding amount by u, the nominal value shall be entered instead,

(e) the anticipated volume of the issue,

(f) a description of the purpose of the issue,

(g) the planned ratio of external funds to equity,

(h) information that the prospectus has not been approved by the Czech National Bank or the supervisory authority of another Member State of the European Union,

(i) the annual reports and financial statements of the issuer for the last 2 financial years or the beginning of the issuer’s establishment, whichever is the shorter, whether the financial statements are fully prepared, whether they contain a cash flow statement, whether they are audited, whether the auditor’s opinion is unqualified, annual reports and financial statements may be attached by means of a link to the issuer’s website,

(j) where the issuer is controlled by a legal person or a legal person is the guarantor of its debt obligations, the annual reports and accounts for the last 2 financial years or the period beginning with the establishment of that legal person, whichever is the shorter, including in relation to otherwise the issuer states that it is not controlled by a legal person and that the guarantor for its debt obligations is not a legal person, annual reports and financial statements may be attached by means of a link to the issuer’s website,

(k) name, registered office and identification number of persons offering bonds,

(l) information on how the repayment of the amount due is ensured or that the repayment of the amount due is not ensured,

(m) information on all issuer’s management bodies by indicating their name, including titles, designation of the position in the issuer, name of the legal entity where the most important work experience has been acquired, and the number of years of relevant experience, and

(n) where the issuer is controlled by a legal person, information in a graphical form on the structure of the consolidation unit, including data identifying the beneficial owner of the consolidating entity pursuant to Section 4 (4) of the Act on Certain Measures Against Money Laundering and Terrorist Financing.

(3) The issuer of a bond pursuant to Subsection (1) shall publish on its website no later than the issue date the terms of issue containing the information pursuant to Subsection (2); the second sentence of Section 3 (2) shall apply mutatis mutandis.

(4) The person offering the bond pursuant to Subsection (1) shall publish on its website no later than the issue date the terms of issue containing the information pursuant to Subsection (2); the second sentence of Section 3 (2) shall apply mutatis mutandis.“.

1. In Section 10 Subsection (2) point (b) is as follows:

„(b) a purely administrative or technical change,“.

1. In Section 10 Subsection (2), after point (b) the following new point (c) is inserted:

„(c) a change that does not adversely affect the position or interests of bondholders, or“

The current point (c) shall be renamed as point (d).

1. In Section 11 Subsection (3) (a) the text „pursuant to Section 9” is replaced by the words „required pursuant to Section 9 or 9a”.
2. In Section 21a (2), the words of the „State“ are replaced bythe words „European Union or another state ffrom the European Economic Area (the“ Member States”)“.
3. In the first sentence of Section 23 (5), the words „or did not attend the meeting“ shall be deleted.
4. In Section 23 (5), at the end of the first sentence, the words „, unless the terms of issue stipulate otherwise” are added.
5. In Section 23, the following Subsection (6) is inserted after Subsection (5):

„(6) The right referred to in Subsection (5) shall not be held by the bond owner who, according to the terms of issue or the prospectus, shall represent:

(a) tool from Tier 2 over pursuant to Art. 63 of the Regulation of the European Parliament and Council Regulation (EU) no. 575/2013,

(b) an instrument of eligible liabilities pursuant to Art. 72b of the European Parliament and of the Council (EU) no. 575/2013, or

(c) an eligible obligation to be taken into account for the purposes of fulfilling the obligation to maintain capital and depreciable liabilities of at least the minimum requirement or the internal minimum requirement under the Financial Market Recovery and Crisis Management Act.“.

The existing Subsections (6) and (7) shall be renumbered as Subsections (7) and (8).

1. In Section 25 (7), the text „(k) to (m)” is replaced by the text „(f) and (g), Section 9, Subsection (2) point (h)”.
2. In Section 26 the Subsection (1) is as follows:

„(1) The Czech Republic issues government bonds through the Ministry. Issuance conditions of government bonds are determined by the Ministry. The Ministry may determine common terms of issue that are the same for an unspecified number of Treasury bills. The Ministry shall publish the terms and conditions of government bonds and common terms and conditions of treasury bills in a manner allowing remote access, unless the terms and conditions of a government bond issued abroad or under the law of a foreign state. The common terms of issue of T-bills are supplemented for individual issues with data pursuant to Section 6 (1) (d), (f) and (j), Section 9 (2) (e) and (g) which are published by the Ministry in a manner allowing remote access.“.

1. In Section 26 (2), last sentence, the text „and under Section 9 (1) (g) and (j)” shall be replaced by“, Section 9 (2) (e) and Section 9 (2) (g)”.
2. In Section 26 (3), first sentence, the text „(1) (f) and (i) and Section 9 (2) (j) ”is replaced by the text „(2) (b) to (d) and f) and Section 9 (4) (d)”.
3. In Section 26 Subsection (4) is as folows:

„(4) Government bonds issued under Czech law shall be sold through the Czech National Bank or through a person or persons authorized to perform such activity. Government bonds whose transferability is limited or excluded and government bonds issued under the law of a foreign state are sold through the Czech National Bank, the Ministry or, in agreement with the Ministry, through a person or persons authorized to perform such activity.“.

1. Section 34 is as follows:

„Section 34

(1) A subordinated bond is a bond where, in the event of the issuer entering into liquidation or issuing a decision on the issuer’s bankruptcy or, if the issuer is a foreign person, of another similar measure, the receivable corresponding to otherwise the terms of issue and other rights associated with this bond shall be satisfied only after the satisfaction of all other receivables or, if the terms of issue so provide, receivables determined by the terms of issue.

(2) Claims from subordinated bonds subject to subordination pursuant to Subsection (1) shall be satisfied in the cases referred to in Subsection (1)

(a) to the satisfaction of all claims to be satisfied, and

(b) in respect of any other claims of the issuer subordinated in accordance with Subsection (1), according to their established or agreed level of subordination, otherwise they are satisfied pro rata.

(3) The fact that it is a subordinated bond must be clearly indicated on the paper bond or in the relevant records and in all promotional messages concerning the subordinated bond.“.

1. In the heading of Part Four, the words „**AND BELOW-THRESHOLD BONDS**” shall be added.
2. A new Section 40a is inserted after Section 40, which reads as follows:

„Section 40a

(1) The issuer of a bond pursuant to Section 9a (1) commits an offense by failing to comply with its obligation under Section 9a (3).

(2) A person offering a bond pursuant to Section 9a (1) shall commit an offense by failing to comply with the obligation pursuant to Section 9a (4).

(3) A fine of up to CZK 20,000,000 may be imposed for an offense under Subsection (1).

(4) A fine of up to CZK 1,000,000 may be imposed for an offense under Subsection (2).“.

1. In Section 41, after the „Section 40” the following text „and 40a” is added.

PART SEVEN

Amendment of the Capital Market Business Act

Art. VIII

Act No. 256/2004 Coll., On Capital Market Business, as amended by Act No. 635/2004 Coll., Act No. 179/2005 Coll., Act No. 377/2005 Coll., Act No. 56/2006 Coll., Act No. 57/2006 Coll., Act No. 62/2006 Coll., Act No. 70/2006 Coll., Act No. 159/2006 Coll., Act No. 120/2007 Coll., Act No. 296/2007 Coll., Act No. 29/2008 Coll., Act No. 104/2008 Coll., Act No. 126/2008 Coll., Act No. 216/2008 Coll., Act No. 230/2008 Coll, Act No. 7/2009 Coll., Act No. 223/2009 Coll., Act No. 227/2009 Coll., Act No. 230/2009 Coll., Act No. 281/2009 Coll., Act No. 420/2009 Coll., Act No. 156/2010 Coll., Act No. 160/2010 Coll., Act No. 409/2010 Coll., Act No. 41/2011 Coll., Act No. 139/2011 Coll., Act No. 188/2011 Coll., Act No. 420/2011 Coll., Act No. 428/2011 Coll., Act No. 37/2012 Coll., Act No. 172/2012 Coll., Act No. 254/2012 Coll., Act No. 134/2013 Coll., Act No. 241/2013 Coll., Act No. 303/2013 Coll., Act No. 135/2014 Coll., Act No. 336/2014 Coll., Act No. 375/2015 Coll., Act No. 148/2016 Coll., Act No. 183/2017 Coll., Act No. 204/2017 Coll., Act No. 307/Coll. 2018 Coll., Act No. 111/2019 Coll., Act No. 204/2019 Sb. and Act No. 119/2020 Coll., is amended as follows:

1. In Section 15k new subsections 4 to 6 are added as follows:

„(4) When providing the main investment service referred to in Section 4 (2) (a) or (e) in respect of financial instruments that are not simple financial instruments, the management company must obtain a written statement from the customer that the customer is aware of the greater complexity and risk of such financial instruments and that it is unsuitable for them to these investment vehicles to invest more than 10% of its assets consisting of cash for and financial instruments and that it is inappropriate for him to invest in these financial instruments issued by a single issuer for more than 5% of its assets consisting of cash and financial instruments.

(5) An investment firm shall not be obliged to obtain a written declaration from the customer pursuant to Subsection (4) if the customer declares in writing that he is considered to be a rich investor because

(a) the value of its assets consisting of cash and financial instruments is at least CZK 2 500 000, or

(b) its gross revenue and profit before tax in the previous calendar year at least equivalent to 1 250 000 CZK .

(6) The provisions of Section 15h and 15i are not affected by Subsection (5).“.

1. In Section 29 the Subsection (3) is as follows:

„(3) The investment intermediary shall be entitled to provide the main investment services referred to in Section 4 (2) (a) or (e) in respect of investment securities and securities of collective investment.“.

1. In Section 29, at the end of the text of Subsection (4), the words „or a comparable foreign person authorized to conduct business in the Czech Republic“ shall be added.
2. Section 54 the Subsection (2) is as follows:

„(2) The Permanent Court of Arbitration shall adjudicate property disputes by independent and impartial arbitrators, if the parties so agree, with the exception of disputes for which another law precludes the conclusion of an arbitration agreement.“.

1. In Section 163 after Subsection (3) a new Subsection (4) is inserted:

„(4) As a manager of a long-term investment account, a legal person commits an offense by:

a) executes the instruction of the long-term investment account owner in violation of Section 193b (4),

b) does not hold in custody physical securities kept in the long-term investment account in contravention of Section 193b (6), or

c) keeps assets in the long-term investment account in violation of Section 193c.“.

The existing Subsections (4) to (6) shall be renumbered (5) to (7).

1. In Section 163 (7), the text „2 or 3” is replaced by the text „2, 3 or 4”.
2. In Section 193 (3), the reference to footnote no. 27, including footnote. 27, are repealed.
3. After the part 12, the part 13 is added that is as follows:

„PART THIRTEEN

**LONG - TERM INVESTMENT ACCOUNT**

Section 193a

**Long-term investment account contract**

(1) By a long-term investment account contract, the long-term investment account manager undertakes to open a long-term investment account for its owner, maintain a long-term investment account and allow depositing, withdrawing or transferring funds from this account to another long-term investments account of the same owner.

(2) With the agreement on the long-term investment account, the administrator of the long-term investment account may also undertake to manage the assets in that account.

(3) Maintain long-term investment account can only person authorized in the Czech Republic to provide the main investment service according to Section 4 (2) (d) or a person authorized to accept deposits under the law regulating the activities of banks from the public.

Section 193b

**Obligations of the manager of the long-term investment account**

(1) A long-term investment account manager must not transfer assets from a long-term investment account to another person without legal reason.

(2) The manager of a long-term investment account must not transfer assets from a long-term investment account to another person without adequate consideration, unless he fulfills an obligation imposed on him by law or executes the owner’s instruction to transfer assets from that account to another long-term investment account of the same owner.

(3) The manager of a long-term investment account shall not execute the instruction of the owner of this account if it is in conflict with legal regulations or with the obligation under the long-term investment account contract.

(4) The manager of a long-term investment account shall not execute an instruction by the account holder that would have significant tax implications unless the account manager informs the holder of these impacts in writing and the account holder in writing declares that he is aware of these impacts. The information referred to in the first sentence must be communicated to the account holder in text form, at least in Czech and English, in an appropriate size, in a clear and understandable manner. Figures are given in Arabic numerals. The text is retained if the information is communicated in such a way that the account seeker can keep it and display it repeatedly.

(5) The manager of a long-term investment account shall keep a record of the yields from assets held in the long-term investment account that have been subject to withholding tax.

(6) The manager of a long-term investment account must keep in custody securities in the long-term investment account. The delegation of another custody shall not affect the long-term investment account manager’s obligation to compensate the long-term investment account holder for the damage suffered by the breach of his obligation under Subsection (3).

Section 193c

**Assets held in the long-term investment account**

(1) The assets held in the long-term investment account may only constitute

a) cash,

b) simple financial instruments pursuant to Section 15k (3),

(c) collective investment securities issued by investment funds or foreign investment funds,

d) bonds issued by the Czech Republic,

(e) covered bonds,

(f) financial instruments that are not a simple financial instrument pursuant to Section 15k (3) , and

(g) derivatives that are entered into solely for the purpose of hedging assets held in a long-term investment account if the value to which the value of the instrument refers is an interest rate, exchange rate or currency.

(2) Financial instruments that are not a simple financial instrument pursuant to Section 15k (3) may not constitute more than 10% of the value of assets held in the long-term investment account, It does not apply if the account holder declares in writing that he considered wealthy investor of the reasons specified in Section 15k (5) (a) or (b).

(4) If the financial instrument is sold, repurchased or repaid pursuant to Subsection (1) (b), (c) or (d), or a cash settlement is provided from a derivative under Subsection (1) (d) is provided. The cash received remains part of the assets kept in the long-term investment account. This also applies to funds obtained as a result of the termination of the issuer of an financial instrument or securities acquired in exchange for other securities held in the long-term investment account.”.

The present part thirteenth is referred to as the fourteenth part.

PART EIGHT

**Amendment of the Act on Bankruptcy and Ways of its Resolution (Insolvency Act)**

Art. X

In Section 172 (2) of Act No. 182/2006 Coll., On Bankruptcy and Its Resolution (Insolvency Act), as amended by Act No. 32/2019 Coll. is at the end of the first sentence added words „or other similar subordinated securities representing the right to repay the outstanding issued under the laws of a foreign state”.

PART NINE

**Amendment of the Act on Supplementary Pension Savings**

Art. X

Act No. 427/2011 Coll., on Supplementary Pension Savings, as amended by Act No. 399/2012 Coll., Act No. 403/2012 Coll., Act No. 241/2013 Coll., Act No. 377/2015 Coll., Act No. 183/2017 Coll., Act No. 296/2017 Coll., Act No. 111/2019 Coll. and Act No. 119/2020 Sb., is amended as follows:

1. After Section 18, the following Sections 18a and 18b are inserted:

„Section 18a

(1) In order to carry out its duties, a management company shall use the following data:

(a) from the basic population register,

(b) from the information system of population register,

(c) the information regster of foreigners

(d) the identity card registration information system, and

(e) the information system for the registration of travel documents.

(2) The data used pursuant to Subsection (1) (a) shall be

(a) name, or names and surenames,

(b) the address of the place of stay ,

(c) the date, place and district of birth and, for the data subject born abroad, the date, place and country of birth,

(d) the date of death, if the court’s judgment is declared dead, the day indicated in the decision as the day of death or the date on which the data subject has not survived,

(e) nationality, and

(f) numbers and types of electronically readable identification documents.

(3) The data used pursuant to Subsection (1) (b) are

(a) name, or forename, surname, maiden name,

(b) date of birth,

(c) sex,

(d) the place and district of birth and, for the data subject born abroad, the place and country of birth,

(e) birth number,

(f) citizenship,

(g) permanent address,

(h) the date on which the court decision approving the contract of assistance or representation by a member of the household became final, including the reference number and designation of the court which approved the contract or representation, decided the name, surname and ID number of the guardian, the date of coming into force of a court decision on the abolition of restrictions on legal capacity, date proponent appeals court and the termination date represented by a household member,

(i) the date of death, and

(j) the date indicated in the court’s decision on the declaration of death as the date of death or the date on which the data subject has not survived.

(4) The data used pursuant to Subsection (1) (c) are

(a) name (s), surname, maiden name,

(b) date of birth,

(c) sex,

(d) place and state or district of birth,

(e) birth number,

(f) citizenship or more citizenship,

(g) the address of the place of stay,

(h) the date on which the court’s decision on limitation of legal capacity came into force, including the case number and the name of the court that ruled on limitation of legal capacity,

(i) the date of death, and

(j) the date indicated in the court’s decision on the declaration of death as the date of death or the date on which the data subject has not survived.

(5) The data used in accordance with Subsection (1) (d) are

(a) identity card number,

(b) date of issuing an identity card,

(c) identification of the authority issuing the identity card, and

(d) the expiry date of the identity card.

(6) The data used according to the Subsection (1) (e) are

(a) whose number and type of travel document,

(b) the date of issue of the travel document,

(c) the expiry date of the travel document, and

(d) identification of the authority which issued the travel document.

(7) Data that are kept as reference data in the basic population register shall be used from the information system of the population register, the information system of foreigners, the information system of identity card registration or the information system of travel document registration only if they are in the previous form.

(8) Of the data referred to in Subsections (2) to (6), only those data that are necessary in the given case may be used in a particular case.

Section 18b

(1) Pension companies shall be entitled to set up and manage an information system enabling them to use data held in the public administration information system, including data held in the basic register (hereinafter referred to as the „Data Use System”). If not established a company pension scheme for the use of data can benefit from these data through the use of data to set up and managed in the context of its financial group other entity.

(2) The system for the use of data must meet the conditions for the implementation of links between public administration information systems through the reference interface pursuant to the [Act on Public Administration Information Systems](aspi://module='ASPI'&link='365/2000%20Sb.%2523'&ucin-k-dni='30.12.9999').

(3) The system for the use of data shall enable remote and continuous evaluation of records on the provision and use of data for the purposes of data protection of data pursuant to a special legal regulation.

(4) The Ministry of the Interior shall check whether the system for using the data meets the conditions referred to in Subsection (2). If the Ministry of the Interior finds that the system for using the data does not meet the conditions referred to in Subsection (2), it shall invite the pension company or another entity to remedy it. This period shall not exceed 6 months.

(5) The Ministry of the Interior may, in the event that the data use system endangers the reference interface pursuant to the [Act on Public Administration Information Systems](aspi://module='ASPI'&link='365/2000%20Sb.%2523'&ucin-k-dni='30.12.9999'), prevent the use of data through this system until such time as the rectification is remedied.

(6) The provisions of the [Act on Basic Registers](aspi://module='ASPI'&link='111/2009%20Sb.%2523'&ucin-k-dni='30.12.9999') governing the identifiers of natural persons and legal entities and the agenda code, with the exception of the rule on the identification of a natural person in an individual agenda by only one agenda identifier, shall apply mutatis mutandis. The natural person’s agenda identifier clearly assigned to the natural person’s record in the data recovery system shall also be derived from the private user data identifier under [the Basic Registers Act](aspi://module='ASPI'&link='111/2009%20Sb.%2523'&ucin-k-dni='30.12.9999') assigned to a pension company or other entity.

(7) The provisions [of the Basic Registers Act](aspi://module='ASPI'&link='111/2009%20Sb.%2523'&ucin-k-dni='30.12.9999') regulating the registration of a public authority for the execution of an agenda shall apply to a pension company or other entity mutatis mutandis.“.

1. In Section 94, the following Subsection (3) is added:

„(3) If the participating fund creates and manages the pension company,that is an alternative participating fond (Section 108a to 108c), must be simultaneously created and manage subscriber fund, which is not an alternative to participating fund or mandatory conservative fund . This shall be without prejudice to the obligation under Subsection (1).“.

1. In part the seventh for his head in the following Title VI, which, including the title of is as follows:

„Title VI

Alternative Participation Fund

Section 108a

Exemption for the payment of a pension company in relation to an alternative participation fund

(1) Section 60 (3) and (4) shall not apply to an alternative participation fund.

(2) The amount of fee pursuant to Section 60 (1) (a) in the case of an alternative participation fund, shall not exceed 2,5% of the average annual value of the fund’s equity in the alternative participation fund. The fee thus determined shall be reduced by the cost of buying, selling and holding securities issued by the investment fund or by the foreign investment fund. The average annual value of the fund’s equity in each participating fund shall be determined at the last day of the relevant period as the simple arithmetic mean of the values of the fund’s equity of the participating fund for each day of the relevant period.

(3) The amount of fee pursuant to Section 60 (1) (b) in the case of an alternative participant fund shall not exceed 25% of the difference of the average values of pension units in the relevant period, and the highest annual average retirement unit during the period preceding the formation of the local pool multiplied by the average of the number of pension units in the relevant period.

Section 108b

**Asset composition in an alternative participant fund**

(1) An alternative participant fund shall invest the participant’s funds in the assets specified in Section 100 (1) (a) to (h) and in Subsection (2), while respecting the principles of risk-spreading of investment.

(2) An alternative participation fund shall also invest in:

a) investment securities that are not specified in Section 100 (2) (a) and (b), subject to Subsection (3),

b) securities issued by an investment fund or a foreign investment fund that can be publicly offered in the Czech Republic under the law governing investment companies and investment funds,

(c) gold, silver, platinum, palladium, iridium, rhodium, ruthenium, osmium or diamonds, or certificates representing them,

d) immovable property including accessories,

(e) shares in a legal person whose principal activity is the acquisition of immovable property, the management of immovable property and the transfer of title to immovable property for profit for the purpose of profit,

f) public infrastructure pursuant to the Building Act,

(g) intellectual property rights,

(h) vessels, aircraft, railway vehicles or machinery,

(i) claims on cash benefits ,

(j) shares in a trading corporation not incorporated in a security.

(3) It is not possible to invest more than 10 % of the value of the assets of an alternative participation fund in investment securities referred to in Subsection (2) (a).

Section 108c

**Investing of an alternative participation fund in collective investment securities**

(1) Section 105 shall not apply to an alternative participation fund.

(2) A pension company may invest no more than 10 % of the value of the assets in an alternative participant fund in securities issued by one investment fund or one foreign investment fund.

(3) A pension company may invest up to a maximum of 60 % of the value of the assets in an alternative participation fund in securities issued by investment funds or foreign investment funds.

(4) Within the limit referred to in Subsection (3), a pension company may invest up to a maximum of 20 % of the value of assets in an alternative participation fund in securities issued by qualified investors’ funds or foreign investment funds comparable to a qualified investors’ fund.

(5) The sum of the values of investments pursuant to Subsection (3) to one person may not exceed 35 % of the value of the assets in the participation fund. Persons forming a group are also considered to be one person.“.

Heads VI and IX become Heads VII to X.

1. In Section 115 (4), the words „fair value“ are replaced by the words „pursuant to a special legal regulation governing accounting“.
2. Section 115 (5) shall be repealed.
3. In Section 136 (4), the words are added „, this shall not apply to a savings strategy involving an alternative participation fund“.
4. In Section 170 (1), the text „Section 115 (5)” is deleted.
5. In Section 188 (3), the words „the Supplementary Pension Insurance Act, and if the Supplementary Pension Insurance Act does not contain the corresponding rules, then according to“ shall be deleted.
6. Section 190 (1) reads:

„(1) It is not possible at the same time to pay a participant’s contribution to supplementary pension savings and to be a participant in pension insurance, unless

(a) the payment of the last pension has been commenced from last pension, however, at the earliest from the calendar month immediately following the date of commencement of the payment of the benefit,

(b) the participant has suspended the pension insurance, however, not earlier than from the calendar month immediately following that in which the supplementary pension scheme was suspended, or

(c) the pension savings participant has suspended payment of the participant’s contribution, provided that, prior to the suspension, the supplementary pension savings contribution has been paid for at least 36 calendar months or at least 12 consecutive calendar months since the last suspension of contributions with the same pension company, however, no earlier than from the calendar month immediately following the month in which the participant’s contribution to supplementary pension savings was suspended.“.

1. In the first sentence of Section 191 (3), the words „with a pension company that manages this transformed fund“ are deleted.
2. In Section 191, at the end of Subsection (3), the sentence „It is not possible to transfer funds from a participant fund to a transformed fund” shall be added.
3. In Section 192 (3), the words „, profit reported in the financial statements of the transformed fund is the sum of the profit for the accounting period and retained earnings before and minus loss from and for the accounting period and accumulated loss for the previous period“.
4. In Section 193, Subsection (4) is deleted.

The existing Subsections (5) to (8) shall be renumbered (4) to (7).

PART TEN

Amendment of the Act on Investment Companies and Investment Funds

Art. X I

Act No. 240/2013 Coll., On Investment Companies and Investment Funds, as amended by Act No. 336/2014 Coll., Act No. 377/2015 Coll., Act No. 1 48/2016 Coll., Act No. 368/2016 Coll., Act No. 183/2017 Coll., Act No. 204/2017 Coll. and Law no. 119/2020 Sb., is amended as follows:

1. In Section 11 (1) at the end of the text of point (a) added the words „or to carry out various activities, which includes the management of investment funds or foreign investment funds” are added.
2. In Section 11 (1) at the end of the text of point (b) the words „or to carry out various activities, which includes the administration of investment funds or foreign investment funds” are added.
3. In Section 11 (4) the words „Subsection (6)“ are replaced by the words „Subsections (6) and (7)“.
4. In Section 11 (5), the words “some of the activities involving the management or administration of an investment fund or a foreign investment fund” shall be replaced by the words „activities pursuant to Subsection (1)”.
5. In Section 11 (5), the second sentence is deleted.
6. In Section 11, the following Subsection (7) is added:

„(7) A management company which is not authorized to exceed the relevant threshold may be, as an entrepreneur, a trustee of a trust fund which is not an investment fund.“ .

1. In Section 15, after Subsection (1) new Subsections (2) to (5) are added:

„(2) Entry in the list maintained by the Czech National Bank pursuant to Section 596 (f) last until the end of the calendar year following the calendar year in which the entry was made.

(3) Entry in the list maintained by the Czech National Bank pursuant to Section 596 (f) shall be renewed for a further 12 months by payment of the administrative fee. The Czech National Bank and shall confirm to the legal entity referred to in Subsection (1) the payment of the administrative fee without undue delay.

(4) The Czech National Bank shall delete from the list pursuant to Section 596 (f) on expiry of the registration.

(5) A person registered in the list maintained by the Czech National Bank pursuant to Section 596 (f) may, as an entrepreneur, be a trustee of a trust fund that is not an investment fund.“.

The existing Subsections (2) and (3) shall become Subsections (6) and (7).

1. The title of Section 21 and 48, the word „equipment” is replaced by “sources”.
2. In Section 21 (1), Section 48 (1) and in Section 517 (1) the word „equipment“ is replaced by the word „resources”.
3. Section 38 (1) (s) is as follows:

„(s) safekeeping of securities and keeping a register of dematerialized securities issued by the fund, „.

In Section 38 Sub. (1) below the point s) the following point t), which is as follows:

„(t) marketing investments in this fund, and“.

The existing point t) shall be designated as point u).

1. In Section 38 Subsection (2) is deleted.

The existing Subsections (3) to (5) shall be renumbered (2) to (4).

1. In Section 39 Subsection (2), the first sentence after the semicolon including the semicolon arfe deleted.
2. In Section 39 (2) the second sentence is deleted.
3. In Section 39 Subsections (3) to (5) are deleted.

The existing Subsection (6) becomes Subsection (3) .

1. In Section 68, second sentence, the word „i“ is replaced by the word „only“.
2. In Section 68, the words „, if this fund is a UCITS fund, the depositary of that fund shall act as depositary both for that fund and for its sub-funds’.
3. In Section 71 Sub. (1) point (b) the words “and other assets of the retail investment fund, which” shall be replaced by, „whose“.
4. In Section 83 Subs. (1), at the end of the first sentence, the words „and the qualified investors’ fund pursuant to Section 96 (a) and (b) need not have depositaries’, shall be added.
5. In Section 83 (2), the word „also“ is replaced by the word „only“.
6. Section 112 shall be repealed including the title.
7. In Section 169 Subsection (1) a second sentence shall be replaced by the phrase „investment fund that generates sub-funds must have status only in relation to the sub-funds and Section 189, first sentence, for it does not apply.“.
8. In Section 170 Subsection (2), after the word “shortcut“ the following text „„SICAR „, „.
9. In Section 170, the following Subsections (4) and (6) are as follows:

„(4) An investment fund that is limited partnership can create sub-funds .

(5) The provisions of Sections 165 to 169 and Article 191 (3) shall apply mutatis mutandis to a limited partnership on investment certificates that creates sub-funds. If this provision invokes the Sections regarding a joint stock company with variable capital, it means the limited partnership for investment certificates. If this provision invokes the Section regarding shareholder, it shall mean partner. And the statutes, means the statut pf the limited partnership.

(6) The status or decision of the shareholders may determine the division of profit and loss, other than in Section 126 Sub. 1, first sentence Business Corporations Act.“.

1. In Part Six, Title II, after Part 6, the following Part 7 is inserted, including the heading:

„Part 7

**Special provisions for joint-stock company**

Section 186a

(1) The name of an investment fund which is a joint-stock company and is not a joint-stock company with variable registered capital shall bear the designation „investment fund with fixed variable capital“, which may be replaced by the abbreviation „SICAF“.

(2) An investment fund which is a joint-stock company may create sub-funds.

(3) The provisions of Sections 165 to 169 shall apply mutatis mutandis to a joint-stock company which creates sub-funds and is not a joint-stock company with variable registered capital, If it invoke the provisions of this joint-stock company with variable capital, it means the joint stock company, which creates sub-funds and is not a public limited company with variable reistered capital.“.

1. In Section 193 (2), the word „and” is added at the end of the text of point (b) .
2. In Section 193 (2) (c) the words „not investing“ shall be replaced by „or, in the case of a retail AIF, investing“.
3. In Section 193 (2), the comma and the word „a” are replaced by a dot at the end of point (c) and point (d) is deleted.
4. In Section 193, the following Subsection (6) is added:

„(6) The period specified in the statute of the investment fund investing in real estate or interests in real estate companies, but not later than 2 years from the date on which the investment fund was created, the current value of a unit, investment rises shares or other share of the investment fund is not calculated, in the case of an investment fund whose manager is not authorized to exceed the relevant limit.“.

1. After Section 193, a new Section 193a shall be inserted, including the title:

„Section 193a

**Issuance of participating securities of investment fund with legal personality**

For the issuance of the securities investment fund with legal personality the Section 130 (1) to (3) apply mutatis mutandis.“.

1. In Section 196 (2) is deleted and at the same time the marking of Subsection (1) is deleted.
2. In Section 295a, the text „and Section 325a” is added at the end of Subsection (1).
3. In Section 315 (1) sentence second with text „(e)” is replaced by the text „(d)“.
4. In Section 316 (2), introductory part, Section 318 (1) and (2), introductory part, Section 319 (1) and (2), introductory part, Section 320 (1) and (2), introductory part, Article 322 (3) and (4), Section 324 Subsection. 1 and 2, the introductory part of and in Section 325 Subsection. 1, 2 and 4 of the text „or (e)“ is deleted.
5. In Section 325a, the words „from the date this fund is entered in the list maintained by the Czech National Bank pursuant to Section 597 (a) to (d)” are deleted.
6. In Section 376 the following Subsection (3) is added:

„(3) The administrator of the mutual fund shall without undue delay after the liquidation distribution of mutual fund request to be removed from the list of mutual fund the mutual fund.“.

1. Section 434 including the title is as follows:

„Section 434

**Duty to prepare financial statements**

On the day of cancellation of the mutual fund without liquidation or on the day preceding the day of the mutual fund’s entry into liquidation, its administrator shall prepare extraordinary financial statements of this mutual fund according to the Act regulating accounting, the annual report shall not be drawn up on the date of cancellation of the mutual fund without liquidation or on the day preceding the day of the mutual fund’s entry into liquidation.“.

1. In Section 467, the following Subsection (6) is added:

„(6) The administrator of the unit trust shall notify the Czech National Bank of the cancellation of the unit trust with liquidation . The Czech National Bank shall record this fact in the list pursuant to Section 597 (b).”.

1. In Section 482 at the end point (g) the comma is replaced by the words em „and“ a point (h) is deleted.

The point (i) is designated as point (h).

1. In Section 483 (1) the text „, 480 or Section 481” is replaced by the text „482”.
2. In Section 485 (1) (c) the point of 5 and 6, the words „with a resolution of whether the management company is entitled to exceed a relevant threshold,” are deleted.
3. In Section 485 (1) (c) at the end of point 10, the comma is replaced by the word „and“ and point (d) is deleted.

The existing point (e) shall be renamed as point (d).

1. Section 487 reads:

„Section 487

In the operative part of the decision granting the permit pursuant to Section 482, the Czech National Bank shall state whether the main administrator is authorized to carry out

(a) retail AIF and foreign investment funds comparable to a retail AIF, or

(b) qualified investors’ funds and foreign investment funds comparable to the qualified investors’ fund.“.

1. Section 506a (1) (a) is as follows:

„(a) the manager or the administrator of that fund, or the liquidator, in the case of an investment fund with a legal personality, so requests .“

1. In Section 506a (b) the words „termination of a unit trust or“ shall be deleted.
2. In Section 506b, the following Subsection (3) is added:

„(3) If the decision of the Czech National Bank erased according to Subsection (2), the decision comes into force performing erasure.“.

1. In Section 510, the following Subsection (3) is added:

„(3) The Czech National Bank shall make the registration pursuant to Subsection (1) within 3 months of the date of the submission of the application, which has the required particulars and does not suffer from other defects, this period shall be extended by 3 months if necessary for the proper examination of the application.“.

1. Section 532 reads as follows:

„Section 532

(1) Application for authorization pursuant to [Sections 479](aspi://module='ASPI'&link='240/2013%20Sb.%2523479'&ucin-k-dni='30.12.9999'), [480](aspi://module='ASPI'&link='240/2013%20Sb.%2523480'&ucin-k-dni='30.12.9999'), [481](aspi://module='ASPI'&link='240/2013%20Sb.%2523481'&ucin-k-dni='30.12.9999'), [482](aspi://module='ASPI'&link='240/2013%20Sb.%2523482'&ucin-k-dni='30.12.9999') and [507](aspi://module='ASPI'&link='240/2013%20Sb.%2523507'&ucin-k-dni='30.12.9999'), granting consent pursuant to [Sections 508](aspi://module='ASPI'&link='240/2013%20Sb.%2523508'&ucin-k-dni='30.12.9999'), [509](aspi://module='ASPI'&link='240/2013%20Sb.%2523509'&ucin-k-dni='30.12.9999'), [515](aspi://module='ASPI'&link='240/2013%20Sb.%2523515'&ucin-k-dni='30.12.9999'), [520](aspi://module='ASPI'&link='240/2013%20Sb.%2523520'&ucin-k-dni='30.12.9999'), [525](aspi://module='ASPI'&link='240/2013%20Sb.%2523525'&ucin-k-dni='30.12.9999'), [527](aspi://module='ASPI'&link='240/2013%20Sb.%2523527'&ucin-k-dni='30.12.9999') and [529](aspi://module='ASPI'&link='240/2013%20Sb.%2523529'&ucin-k-dni='30.12.9999'), designation permit pursuant to [Section 531](aspi://module='ASPI'&link='240/2013%20Sb.%2523531'&ucin-k-dni='30.12.9999'), withdrawal of authorization pursuant to [Section 551 (1) Article 1 (a) d)](aspi://module='ASPI'&link='240/2013%20Sb.%2523551'&ucin-k-dni='30.12.9999') and [Section 646 (1](aspi://module='ASPI'&link='240/2013%20Sb.%2523646'&ucin-k-dni='30.12.9999')), change of authorization under [Section 647](aspi://module='ASPI'&link='240/2013%20Sb.%2523647'&ucin-k-dni='30.12.9999') and entry in the list pursuant to [Section 596](aspi://module='ASPI'&link='240/2013%20Sb.%2523596'&ucin-k-dni='30.12.9999') and [597](aspi://module='ASPI'&link='240/2013%20Sb.%2523597'&ucin-k-dni='30.12.9999'), as well as change of data entered in these lists, can be filed only electronically.

(2) The application pursuant to Subsection (1) shall contain data and documents proving the fulfillment of the prerequisites stipulated by this Act.

(3) The Czech National Bank shall, by regulation, stipulate the requisites of an application pursuant to Subsection (1) certifying compliance with the conditions laid down by this Act, its form and manner of filing.”.

1. In Section 597 point (d) the words „to which investments may be publicly offered in the Czech Republic, except in the case referred to in point (e),“ shall be deleted.
2. Section 597 (e) reads:

„(e) UCITS funds,”.

1. In Section 597 at the end of point (e) is replaced by a comma and supplemented with points (f) and (g), as follows:

„(f) retail AIF, and

(g) qualified investors’ funds.“.

1. In Section 599 Sub. 1 point h) and in Section 604 (1) (h) the words „equipment complied“ are replaced by „resources complied“.
2. In Section 604 (1) (m) the words „or 6“ shall be inserted after the text „Section 467 (3)”.
3. In Section 604 (3), the following point (e) is inserted after point (d):

„(e) fails to submit an application pursuant to Section 376 (3),“.

The existing points (e) and (f) shall be renumbered (f) and (g).

1. In Section 611 after Subsection (4) inserted new Subsections (5) and (6) are added:

„(5) A legal entity that has a license from the Czech National Bank’s operations in accordance with Section 479, 480, 481 or Section 482, commits an offense by failing to report a change of the Czech National Bank pursuant to Section 467 Subsection (1) first sentence.

(6) A foreign person authorized pursuant to Section 481 commits an offense by failing to notify the Czech National Bank of the fact pursuant to Section 467 (1), second sentence. ”.

The existing Subsections (5) and (6) shall be renumbered (7) and (8).

1. In Section 611 (8), the number „(4)“ is replaced by the number „(6)“.
2. In Section 625 (2) the text „, (2) and (3)” is replaced by the text „and (2)”.
3. In Section 633 (1), the words „property in the“ are replaced by the the words „assets in this” and the word „and“ is replaced by a comma.
4. In Section 633, at the end of the text of Subsection (1), the words „and in relation to an investment fund with legal personality, the assets of this fund“ shall be added.

PART ELEVEN

**Amendment of the Act on Administrative Fees**

Art. XII

Attachments of the Act No. 634/2004 Coll., on Administrative Fees, as amended by Act No. 217/2005 Coll., Act No. 228/2005 Coll., Act No. 361/2005 Coll., Act No. 444/2005 Coll., Act No. 545/2005 Coll., Act No. 553/2005 Coll., Act No. 48/2006 Coll., Act No. 56/2006 Coll., Act No. 57/2006 Coll., Act No. 81/2006 Coll., Act No. 109/2006 Coll., Act No. 112/2006 Coll., Act No. 130/2006 Coll., Act No. 136/2006 Coll., Act No. 138/Coll. 2006 Coll., Act No. 161/2006 Coll., Act No. 179/2006 Coll., Act No. 1 86/2006 Coll., Act No. 215/2006 Coll., Act No. 226/2006 Coll., Act No. 227/2006 Coll., Act No. 235/2006 Coll., Act No. 312/2006 Coll., Act No. 575/2006 Coll., Act No. 106/2007 Coll., Act No. 261/2007 Coll., Act No. 269/2007 Coll., Act No. 374/2007 Coll., Act No. 379/2007 Coll., Act No. 38/2008 Coll., Act No. 130/2008 Coll., Act No. 1 40/2008 Coll., Act No. 182/2008 Coll., Act No. 189/2008 Coll., Act No. 230/2008 Coll., Act No. 23 9/2008 Coll., Act No. 254/2008 Coll., Act No. 296/2008 Coll., Act No. 297/2008 Coll., Act No. 301/2008 Coll., Act No. 309/2008 Coll., Act No. 312/2008 Coll., Act No. 382/2008 Coll., Act No. 9/2009 Coll., Act No. 141/2009 Coll., Act No. 1 97/2009 Coll., Act No. . 206/2009 Coll., Act No. 227/2009 Coll., Act No. 281/2009 Coll., Act No. 291/2009 Coll., Act No. 301/2009 Coll., Act No. 346/2009 Coll ., Act No. 4 20/2009 Coll., Act No. 132/2010 Coll., Act No. 148/2010 Coll., Act No. 153/2010 Coll., Act No. 160/2010 Coll., Act No. No. 343/2010 Coll., Act No. 427/2010 Coll., Act No. 30/2011 Coll., Act No. 105/2011 Coll., Act No. 133/2011 Coll., Act No. 134/2011 Coll., Act No. 152/2011 Coll., Act No. 188/2011 Coll., Act No. 245/2011 Coll., Act No. 249/2011 Coll., Act No. 255/2011 Coll., Act No. 262/2011 Coll., Act No. 300/2011 Coll., Act No. 3 08/2011 Coll., Act No. 329/2011 Coll., Act No. 344/2011 Coll., Act No. 349/2011 Coll. Coll., Act No. 350/2011 Coll., Act No. 357/2011 Coll., Act No. 375/2011 Coll., Act No. 4 28/2011 Coll., Act No. 458/2011 Coll. 472/2011 Coll., Act No. 19/2012 Coll., Act No. 37/2012 Coll., Act No. 53/2012 Coll., Act No. 119/2012 Coll., Act No. 1 69/2012 Coll., Act No. 172/2012 Coll., Act No. 202/2012 Coll., Act No. 221/2012 Coll., Act No. 225/2012 Coll., Act No. 274/2012 Coll., Act No. 350/2012 Coll., Act No. 359/2012 Coll., Act No. 399/2012 Coll., Act No. 407/2012 Coll., Act No. 428/2012 Coll., Act No. 496/2012 Coll., Act No. 502/2012 Coll., Act No. 503/2012 Coll., Act No. 50/2013 Coll., Act No. 69/2013 Coll., Act No. 102/2013 Coll., Act No. 170/2013 Coll., Act No. 185/2013 Coll., Act No. 186/2013 Coll., Act No. 232/2013 Coll., Act No. 2 39/2013 Coll., Act No. 241/2013 Coll., Act No. 257/2013 Coll., Act No. 273/2013 Coll., Act No. 279/2013 Coll., Act No. 281/2013 Coll., Act No. 306/2013 Coll., Act No. 313/2013 Coll., Senate Decree No. 344/2013 Coll., Act No. 101/2014 Coll., Act No. 1 27/2014 Coll., Act No. 187/2014 Coll., Act No. 249/2014 Coll., Act No. 257/2014 Coll., Act No. 259/2014 Coll., Act No. 264/2014 Coll., Act No. 268/2014 Coll., Act No. 331/2014 Coll., Act Act No. 81/2015 Coll., Act No. 103/2015 Coll., Act No. 204/2015 Coll., Act No. 206/2015 Coll., Act No. 224/2015 Coll., Act No. 268/Coll. 2015 Coll., Act No. 3 14/2015 Coll., Act No. 318/2015 Coll., Act No. 113/2016 Coll., Act No. 126/2016 Coll., Act No. 137/2016 Coll., Act No. 148/2016 Coll., Act No. 188/2016 Coll., Act No. 2 29/2016 Coll., Act No. 243/2016 Coll., Act No. 258/2016 Coll., Act No. 264/2016 Coll., Act No. 298/2016 Coll., Act No. 319/2016 Coll., Act No. 324/2016 Coll., Act No. 369/2016 Coll., Act No. 6 3/2017 Coll., Act No. 170/2017 Coll., Act No. 194/2017 Coll., Act No. 195/2017 Coll., Act No. 199/2017 Coll., Act No. 202/2017 Coll., Act No. 2 04/2017 Coll., Act No. 206/2017 Coll., Act No. 222/2017 Coll., Act No. 225/2017 Coll., Act No. 251/2017 Coll., Act No. 261/2017 Coll., Act No. 289/2017 Coll., Act No. 2 95/2017 Coll., Act No. 299/2017 Coll., Act No. 302/2017 Coll., Act No. 304/2017 Coll., Act No. 371/2017 Coll., Act No. 90/2018 Coll., Act No. 171/2018 Coll., Act No. 1 93/2018 Coll., Act No. 286/2018 Coll., Act No. 307/2018 Coll., Act No. 135/2019 Coll., Act No. 176/2019 Coll., And no. 209/2019 Coll., And no. 255/2019 Coll., And no. 364/2019 Coll., And no. 368/2019 Coll. law and no. 369/2019 Coll., Act No. 277/2019 Coll., Act and No. 279/2019 Coll., Act and No. 12/2020 Coll., Act No. 119/2020 Coll., Act No. .../2020 Coll. (ST 74), Act No. .../2020 Coll. (ST 92), Act No. .../2020 Coll. (ST 244), Act No. .../2020 Coll. (ST 247), Act No. .../2020 Coll. (ST 431), Act No. .../2020 Coll. (ST 435), Act No. .../2020 Coll. (ST 447), Act No. .../2020 Coll. (ST 454), Act No. .../2020 Coll. (ST 509), Act No. .../2020 Coll. (ST 514), Act No. .../2020 Coll. (ST 553), Act No. .../2020 Coll. (ST 593), Act No. .../2020 Coll. (ST 641), Act No. .../2020 Coll. (ST 643) and Act No. .../2020 Coll. (ST 654), is amended as follows:

1. In item 65 (9) point (d) reads:

„(d) entry of an investment fund that is not a self-governing investment fund or a UCITS investment fund or information about a sub-fund of such investment fund in the list maintained by the Czech National Bank CZK 10,000“.

1. In item 65 (9) (f) the amount of „CZK 2 000” is replaced by the amount „CZK 35 000“.
2. In item 65 (9), after point (s) the following points (t) and (u) are inserted:

„(t) the listing of a person referred to in Article 15 (1) of the Act on Investment Companies and Investment Funds in the list referred to in Article 596 (f) of the Act on Investment Companies and Investment Funds CZK 10,000

(u) entry of the investment fund into the list under Section 597 (d) of the Act on Investment Companies and Investment Funds CZK 10,000”.

1. In item 65 (11), after point (k) the following point (l) is inserted:

„(l) renewal of an entry in the list referred to in Section 15 (1) of the Act on Investment Companies and Investment Funds pursuant to Section 596 (f) of the Act on Investment Companies and Investment Funds CZK 10 000“.

1. In item 65, the current designation „**Remark**“ is replaced by the designation „**Remarks**”.
2. In item 65, the existing text is numbered 1 and the following is added:

„2. Fee for renewal of the registration of a person referred to in Section 15 (1) of the Act on Investment Companies and Investment Funds in the list pursuant to Section 596 (f) of the Act on Investment Companies and Investment Funds shall be payable no later than 30 days before the date of expiry of the registration.“.

1. In iterm 66 (9) (q) the amount „CZK 5 000” is replaced by the amount of „CZK 20 000“.

PART TWELVE

**EFFICIENCY**

Art. XIII

This Act shall be effective from January 1, 2022.