

Government's 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

Article 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. 285/2005 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. 18/2012 Coll., Act No. 407/2012 Coll. and Act No. 183 /2017 Sb., is amended as follows:

1. In the heading of Section 28, the words “**and dispute resolution from stock exchange trades**” is deleted.
2. In Section 28 (1), the words “disputes referred to in paragraph 3 by independent arbitrators” are replaced by the words “property disputes under the law concerning arbitration proceedings”.
3. In Section 28, paragraph 3, including footnote 6, is deleted and the number of paragraph 1 is also deleted.

PART TWO

Amendment to the Income Tax Act

Article 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. 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. 299/2020 Coll. (ST 118), Act No. 343/2020 and Act No. / 2020 Coll., is amended as follows:

1. In Section 4 (l), point (l) reads:

“(l) income from

1. a survivors' pensions, for which a period of receipt of at least 10 years is defined, or which is paid for life, and other than survivors' pensions paid from supplementary pension insurance with state contribution according to the law regulating supplementary pension insurance with state contribution,

2. old-age pension, for which a period of receiving at least 10 years is defined, or which is paid for life, disability pension and one-time pension premium paid from supplementary pension savings according to the law regulating supplementary pension savings,

3. benefits from pension insurance, with the exception of one-off benefits, severance pay, redemption and pensions, for which a period of receipt of less than 10 years is defined, other than invalidity benefits,

4. insurance benefits from personal insurance, with the exception of lump sums and pensions, for which a period of receipt of less than 10 years is defined, paid from life insurance or in the event of survival to a specified age or earlier death or from pension insurance.”.

2. In Section 6 (9), point (p) reads:

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

3. In Section 6, paragraph 16 is deleted.

4. Section 8 (1), points (e) and (f) read:

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

(f) benefits from personal insurance or in the event of survival to a specified age or earlier death or from pension insurance and benefits from other insurance of persons who are not insurance benefits.”.

5. Section 8, paragraph 6 reads:

“(6) Supplementary pension insurance with state contribution pursuant to the Act on Supplementary Pension Insurance with State Contribution, Supplementary Pension Savings pursuant to the Act on 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 or in the event of survival to a specified age or earlier death, or from pension insurance and benefits from other insurance of persons who are not 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.”.

6. In Section 8, paragraph 7 is deleted.

The existing paragraph 8 is renumbered to paragraph 7.

7. In Section 15, paragraphs 5 and 6 read:

“(5) Contributions totaling not more than CZK 48,000 paid by a taxpayer in the tax year for his tax-supported old-age savings products 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 pursuant to the Act on Supplementary Pension Savings, only the portion of the monthly contribution exceeding the amount of the highest state contribution pursuant to the Act on Supplementary Pension Insurance may be deducted regulating supplementary pension insurance or the law regulating supplementary pension savings. In the case of the payment of a single premium for private life insurance, for the purposes of paragraph 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 nearest day.”.

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

“Section 15a

Product of 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 pursuant to the Act on Supplementary Pension Savings,

(c) pension insurance with a pension insurance institution,

(d) private life insurance and

(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 to keep register of investment instruments or 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) operated on the principle of fund management,

(b) established for the purpose of providing retirement benefits beyond the mandatory retirement system ¹³⁶⁾ 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 authority in that State.

(3) For the purposes of income taxation, private life insurance or life insurance of a specified age or earlier death agreed or pension insurance to which the right arises at the earliest in the calendar year in which the taxpayer reaches 60 years of age agreed with the 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 survival is agreed

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

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

(4) For the purposes of income taxes, the sum insured for pension insurance is considered to be the amount corresponding to a one-off survival benefit.

Section 15b

Tax support of product savings for old age

An old - age savings product is tax - supported if it is agreed or otherwise determined that the disbursement, benefits or transfer of funds and services from this product or similar product shall only be made to the:

(a) taxpayer who negotiated the product

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 end of the product savings for old age,

(b) another taxpayer

1. after the death of the taxpayer, or

2. payments to the provider of this product for its management or related services,

3. the transfer of assets from this product or similar product for reasonable consideration provided to that account, or

4. fulfillment of an obligation stipulated by another legal regulation.

(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 or the transfer of assets from a long-term investment account or similar account 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) there has been a payment of funds or performance from this product or a transfer of assets from a long-term investment account or similar account to the taxpayer who arranged the product, unless it is

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

2. payment, performance or transfer due to the termination of the provider of this product or withdrawal of authorization to provide this product to the provider, if the received funds and assets within 1 month of their receipt are invested in the taxpayer's tax supported savings product of the same type or in the case of supplementary pension insurance with a state contribution according to the law regulating supplementary pension insurance with a state contribution to its tax-supported supplementary pension savings according to the law regulating supplementary pension savings, 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) there has been a payment of funds or performance from this product or a transfer of assets from the long-term investment account or a similar account of the taxpayer to a taxpayer other than the one who arranged the product, unless

1. payment, performance or transfer after the death of the taxpayer who arranged the product,

2. payment to the provider of this product for its management or related services, or

3. the transfer of assets from a long-term investment account or similar account for reasonable consideration provided to that account,

(c) the product ceases to exist without the payment or withdrawal of funds or the transfer of assets from the long-term investment account or a similar account of the taxpayer, unless the product is terminated

1. due to the death of the taxpayer,

2. due to the termination of the provider of this product or the withdrawal of the authorization to provide this product to the provider, or

3. 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, or

(d) income from assets held in a long-term investment account or a similar account outside that account has been paid out.

(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 this savings product,

(c) the fact that, for the purposes of exempting an employee's income in the form of a contribution paid by the employer to his tax-supported old-age savings product, that product is not tax-supported,

(d) income accruing pursuant to Section 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,

(e) 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 point (d),

2. contributions exempt from personal income tax,

3. 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

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

9. In Section 17 (1) (d) and in Section 17b (1) (c) in the introductory part of the provision, the words “joint-stock companies with variable share capital” are replaced by “investment fund”.

10. In Section 19 (12), the words “variable capital constituting” are deleted.

11. In Section 23f (h), the words “joint-stock companies with variable share capital” are replaced by “investment fund”.

12. In Section 35ba (1) (b), the words “contribution^{9a)}, state contributions to supplementary pension savings” are replaced by the words “contribution under the Act regulating supplementary pension insurance with state contribution, state contributions to supplementary pension savings according to the law regulating supplementary pension savings”.

Footnote 9a is deleted.

13. In Section 36 (2), point (k) reads:

“(k) the performance of pension insurance with a state contribution under the act governing pension schemes with state contribution, supplementary pension savings pursuant to the law regulating supplementary pension savings, pension insurance, life insurance or in the event of survival to a specified age or earlier death or pension insurance and from benefits from other insurance of persons who are not insurance benefits.”.

14. In Section 36 (2), point (o) is deleted.

The existing points (p) and (r) are renumbered to points (o) and (p).

15. Section 37c is deleted.

16. In Section 37d, the words “, for its sub-fund” are inserted after the word “points”.

17. In Section 38g, paragraph 6 reads:

“(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.”.

18. In Section 38k (5), points (f) and (g) read:

“(f) what amount is deducted from the tax base contributions paid to their pension schemes with state contribution pursuant to the law regulating supplementary pension insurance with state contribution, supplementary pension savings pursuant to the law regulating supplementary pension savings or pension insurance,

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

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

“(h) the amount to be deducted from the taxable amount of the funds transferred to its long-term investment or equivalent account,”.

The existing points (h) to (j) are renumbered to points (i) to (k).

20. In Section 38l (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) are renumbered to points (k) and (l).

Article III

Temporary provisions

1. For tax procedures on tax income for the tax period commenced before the effective date of this Act, as well as the rights and responsibilities related to them, Act No. 586/1992 Coll., as amended before the effective date of this Act, shall apply.

2. For the payment of funds of a pension savings participant upon termination of pension savings pursuant to the Act on Termination of Pension Savings, Section 4 (1) (l) (3) of Act No. 586/1992 Coll., as amended before the date of entry into force of this Act, shall apply.

3. To supplementary pension insurance with state contribution pursuant to the Act on Supplementary Pension Insurance with State Contribution, Supplementary Pension Savings pursuant to the Act on Supplementary Pension Savings, Pension Insurance and Private Life Insurance Section 6 (9) (a), 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, shall apply.

4. 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) (p) of Act No. 586/1992 Coll., as amended before the effective date of this Act.

5. The highest amount that can be deducted for tax periods from the tax base pursuant to Section 15 (5) Act no. 586/1992 Coll., ss amended, effective from the date of entry into force of this Act shall be reduced by the sum of amounts for tax é 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 Enforcement Code

Article IV

Act No. 120/2001 Coll., on Bailiffs and Execution Activities (Execution Rules) and on Amendments to Other Acts, as amended by Act No. 6/2002 Coll., Act No. 279/2003 Coll., Act No. 360/2003 Coll., Act No. 53/2004 Coll., Act No. 257/2004 Coll., Act No. 284/2004 Coll., Act No. 499/2004 Coll., Act No. 501/2004 Coll., Act No. 377/2005 Coll., Act No. 57/2006 Coll., Act No. 70/2006 Coll., Act No. 79/2006 Coll., Act No. 133/2006 Coll., Act No. 253/2006 Coll. , Act No. 296/2007 Coll., Act No. 347/2007 Coll., Act No. 254/2008 Coll., Act No. 259/2008 Coll., Act No. 274/2008 Coll., Act No. 301/2008 Coll., Act No. 7/2009 Coll., Act No. 41/2009 Coll., Act No. 183/2009 Coll., Act No. 227/2009 Coll., Act No. 281/2009 Coll. , Act No. 285/2009 Coll., Act No. 286/2009 Coll., Act No. 409/2010 Coll., Act No. 188/2011 Coll., Act No. 428/2011 Coll., Act No. 89 / 2012 Coll., Act No. 396/2012 Coll., Act No. 45/2013 Coll., Act No. 170/2013 Coll., Act No. 256/2013 Coll., Act No. 303/2013 Coll., Senate Legislative Measure No. 34 0/2013 Coll., Senate Legislative Measure No. 344/2013 Coll., Act No. 139/2015 Coll., Act No. 164/2015 Coll., Act No. 375/2015 Coll., Act No. 183/2017 Coll., Act No. 258/2017 Coll., Act No. 298/2017 Coll., Act No. 94/2018 Coll., Act No. 31/2019 Coll. and Act No. ... / 2020 Coll., is amended as follows:

1. In Section 34 (3) first sentence, the words “financial institution for co-operation” are replaced by the words “financial institution or financial institution for co-operation” and the words “financial institution for co-operation” are replaced by the words “financial institution or financial institution for co-operation”.

2. In Section 34 (3) second sentence, the words “is not obliged” are replaced by the words “or financial institutions are not obliged”.

PART FOUR

Amendment to the Financial Arbiter Act

Article V

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. 281/2009 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., Act No. 171/2018 Coll. and Act. No. .../2020, is amended as follows:

1. In Section 1 at the end of paragraph 1, the period is replaced by a comma and the following point (l) is added:

“(l) administrator of the account of long-term investment account in the maintenance of such account.”.

2. In Section 3 at the end of paragraph 1, the period is replaced by a comma and the following point (l) is added:

“(l) administrator of the account of long-term investment in the maintenance of such account.”.

PART FIVE

Amendment to the Bonds Act

Article VI

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. 281/2009 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. 303/2013 Coll., Act No. 137/2014 Coll., Act No. 183/2017 Coll., Act No. 307/2018 Coll., Act No. 277/2019 Sb., Act No. 119/2020 Sb. and Act No. 237/ 2020 Coll. is amended as follows:

1. In Section 6 (1) (g), the word “owner” is replaced by the words “first acquirer”.

2. Section 9 including the title and the footnote No. 1 reads:

“Section 9

Particulars of the terms of issue

(1) The terms of issue shall always contain at least a reference to the information contained in the prospectus:

(a) facts stated in Section 6 (1) (a) to (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,

(g) determination of the date which is decisive for attendance at the owners' meeting,

(h) information on whether and to what extent the Czech National Bank supervises the issue of bonds and their issuer, and

(j) information that if the prospectus is approved by the Czech National Bank,

1. assess it only for the completeness of the data contained therein,

2. it does not assess the economic results or financial position of the issuer, and

3. the approval of the prospectus does not comment on the issuer's future profits or its ability to repay the nominal value of the bond or its relative yield.

(2) If the prospectus is not published at the latest on the issue date, the terms of issue shall, in accordance with the issuer's intentions, also contain:

(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) identification marking bond according to the international numbering system for securities identification and

(h) information on who, when, and with what result the rating pursuant to Article 3 (1) (a) Regulation (EC) No 1060/2009¹⁾ of the European Parliament and of the Council, if this information is known to the issuer, was granted, if this information is known to the issuer.

(3) The terms of issue 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 (1) (b), or the issuer's right to proceed pursuant to Section 7 (1) (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 authorization to repay the bond before the maturity date, including the pro-rata yield, specifying the conditions and method of early repayment as well as the method of calculating the value of outstanding unpaid coupons pursuant to Section 19 (4),

(i) the authorization 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 are to be resolved by arbitration,

(k) in the case of a convertible bond, the method of notification of the date from which the right to exchange for another bond or other bonds or share or action can be exercised and the place and time limit for exercising that 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) for a subordinate bond, a different order of satisfaction of subordinated debt claims, including in relation to the satisfaction of other claims, including claims on other subordinated bonds, or differently in relation to a claim corresponding to the right to redeem the bond and other rights attached to the bond.

(4) If the prospectus is not published at the latest on the issue date, the terms of issue 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 of the bond or the payment of its yield is secured by a third party and an indication of 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⁾ Regulation (EC) No. 1060/2009 of 16 September 2009 on credit rating agencies, as amended.

3. After Section 9 is inserted a new Section 9a, which including the title and the footnote No. 2, reads:

“Section 9a

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

(1) A bond is issued within the below-the-limit of a public marketing, if

(a) its issuer is a legal entity,

(b) is offered to the public in accordance with Article 2 (d) Regulation (EU) 2017/1129²⁾ of the European Parliament and of the Council, which is to be published when securities are offered to the public or admitted to trading on a regulated market,

(c) no prospectus is published at the latest on the date of issue, and

(d) the total consideration for the bonds offered is more than EUR 100 000 and less than EUR 1 000 000; this amount is calculated for bonds offered in the Member States of the European Union during a 12-month period.

(2) The terms of issue of a marketed bond pursuant to paragraph 1 shall also contain beside conditions stipulated in Section 9

(a) the issuer's registered office,

(b) the month and year of the issuer's commencement of business, if the commencement date of the activity is identical with the issuer's incorporation, the issuer's commencement date shall be stated 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 earliest beginning of the issuer, whichever is 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) in the case of an issuer that is part of a consolidation group, also the annual reports and financial statements for the last 2 accounting periods or the period beginning with the establishment of the entity required to prepare consolidated financial statements (hereinafter the "consolidating entity"), whichever is shorter, also in relation to the consolidation group, otherwise the issuer shall state that it is not part of the consolidation group; annual reports and financial statements may be attached by reference to the consolidating entity's website or to a collection of documents that is part of the public register,

(k) in the case of the existence of a legal entity which is the guarantor for the debts of the issuer from the bonds, also the annual reports and financial statements for the last 2 accounting periods or periods beginning with the origin of the guarantor, whichever is shorter, also in relation to the guarantor, otherwise the issuer shall state, that the guarantor for his debts on the bonds is not a legal person; annual reports and financial statements may be attached by reference to the guarantor's website or to a collection of documents which is part of the public register,

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

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

(n) of all control persons of the issuer indicating their names, including titles, mark the position of the issuer, the name of the entity, which was obtained important work experience, and the beginning of t u 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 paragraph (1) shall publish on its website no later than the issue date the terms of issue containing the information pursuant to paragraph (2); the second sentence of Section 3 (2) shall apply mutatis mutandis.

(4) The person offering the bond pursuant to paragraph (1) shall publish on its website no later than the issue date the terms of issue containing the information pursuant to paragraph (2); and ensure that these terms and conditions are made available on this website free of charge and unchanged at all times for at least the duration of the offering and for 12 months from the end of the offering and are in the form of a downloadable data file in a commonly used format.

2) Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and repealing Directive 2003/71 / EC, in force wording.

4. In Section 10 (2), point (b) reads:

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

5. In Section 11 (3) (a), the text “ pursuant to Section 9 ” is replaced by the words “required pursuant to Section 9 or 9a ”.

6. In Section 21 (2), the word “State” is replaced by the words “European Union or another state forming the European Economic Area (hereinafter the “Member State”)”.

7. In the first sentence of Section 23 (5), the words “or did not attend the meeting” are deleted.

8. In Section 23 (5), at the end of the first sentence, the words “, unless the emission conditions stipulate otherwise” are added.

9. In Section 23, the following paragraph 6, including footnotes No. 3 and 4, is inserted after paragraph 5:

“(6) The right referred to in paragraph (5) shall not be held by the bond owner who is to represent it under the terms of issue or the prospectus

(a) tool included in Tier 2 over pursuant to Article 63 of the Regulation of the European Parliament and Council Regulation (EU) no. 575/2013³⁾,

(b) tool included in a Tier 2 instrument as referred to in Articles 72 to 75 Commission Delegated Regulation (EU) 2015/35⁴⁾,

(c) an instrument of eligible liabilities over pursuant to Article 72b Regulation (EU) No. 575/2013, or

(d) the 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 Resolution Act.

³⁾ Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, as amended.

⁴⁾ Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II), as amended.“.

The existing paragraphs 6 and 7 are renumbered to paragraphs 7 and 8.

10. In Section 25 (7), the text “(k) to (m)” is replaced by the text “(f) to (i), Section 9 (2) (h)”.

11. In Section 26, paragraph 1 reads:

“(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 issue conditions 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 on its website, unless the terms and conditions of a government bond issued abroad or under the law of a foreign state. The common issue conditions of T-bills are supplemented for individual issues with data pursuant to Section 6 (1) (d), (f) and (j), Section 9 (1) (e) and Section 9 (2) (g) which are published by the Ministry on its website.”.

12. In Section 26 (2) last sentence, the text “and in Section 9 (1) (g) and (j)” is replaced by “, Section 9 (2) (e) and Section 9 (2) (g)”.

13. 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)”.

14. In Section 26, paragraph 4 reads:

“(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 foreign law are sold by the Czech National Bank, the Ministry, or by agreement with the Ministry through a person or persons, who are to perform such activities are authorized. ”.

15. Section 34 reads:

“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 issue conditions and other rights associated with this bond shall be satisfied only after the satisfaction of all other receivables or, if the issue conditions so provide, receivables determined by the issue conditions.

(2) Claims from subordinated bonds pursuant to paragraph 1 shall be satisfied

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

(b) in respect of any other claims of the issuer subordinated in accordance with paragraph 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.”.

17. In the heading of Part Four, the words “AND BONDS MARKETED UNDER THE THRESHOLD FOR PUBLIC MARKETING OF BONDS” are added.

18. A new Section 40a is inserted after Section 40, which reads as follows:

“Section 40a

(1) The issuer of a bond marketed under the threshold for public marketing of bonds commits an offense by failing to comply with its obligation under Section 9a (3).

(2) A person offering a bond marketed under the threshold for public marketing of bonds shall commit an offense by failing to comply with the obligation pursuant to Section 9 (4).

(3) A fine of up to CZK 1,000,000 may be imposed for an offense under paragraphs 1 or 2.”.

19. In Section 41, after the “Section 40” the following text is inserted “and Section 40a”.

PART SEVEN

Amendment of the Capital Market Business Act

Article VII

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. 307/2018 Coll., Act No. 111/2019 Coll., Act No. 204 /2019 Coll. and Act No. 119 /2020 Coll., is amended as follows:

1. In Section 54, paragraph 2 reads:

“(2) The Permanent Court of Arbitration shall adjudicate property disputes according to the Act on arbitrary disputes.”.

2. In Section 163 after paragraph 3 is inserted paragraph 4, which reads:

“(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 holder 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 (5), or

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

Paragraphs 4 to 6 are renumbered to paragraphs 5 to 7

3. In Section 163 paragraph 7 the words “2 or 3” are replaced by words “2, 3 or 4”.
4. In Section 193 paragraph 3 the reference to footnote 27, including footnote 27, is deleted.
5. After Part Twelve is inserted new Part Thirteen, which, including its heading, reads:

“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, as an entrepreneur, undertakes to maintain a long-term investment account according to this Act for its owner. The manager of a long-term investment account may provide related services to the owner of this account in accordance with his entrepreneur licence, relevant other legal regulations and the agreement with the owner of this account.

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

(3) If the manager of a long-term investment account is not authorized to accept deposits from the public under the law governing banks, he may deposit customer funds in their favor with a person authorized to accept deposits from the public under the law governing banks and record the amount of such receivables in his long-term investment account.

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 under Section 240 (1) of the Insolvency Act, 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 result in a refund of the tax aid for that account unless the account manager informs the holder of these impacts in text form and the account holder in text form declares that he is aware of these impacts. The text form is retained if the information is communicated in such a way as to allow the holder of the long-term investment account to retain it and display it repeatedly.

(5) 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 paragraph 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) financial instruments,

(c) collective investment securities,

(d) money market instruments

(e) 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) If the manager of the long-term investment account is not authorized to keep records of investment instruments, the assets kept in the long-term investment account may only consist of cash.

(3) If the investment instrument is sold, repurchased or repaid pursuant to paragraph 1 (b) to (d), or a cash settlement from a derivative under paragraph 1 (e) 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 investment instrument or securities acquired in exchange for other securities held in the long-term investment account.”.

The present Part Thirteenth is renumbered as Part Fourteen.

PART SEVEN

Amendment of Administrative Fees Act

Article VIII

1. In item 65 point 9, point (d) shall read:

“(d) enrollment an investment fund that is not autonomous investment fund or the UCITS investment fund, or enrollment of such a sub-fund of

the investment fund in the list maintained by the Czech National Bank CZK 10 000”

2. In item 65 point 9 point (f) amount „2000 CZK“ is replaced by „35 000 CZK“

3. In item 65 point 9 point (i) shall read:

“(i) entry of the person referred to in Section 15 (1) of the Act on Investment Companies and Investment Funds in the list pursuant to Section 596 e) of the Act on Investment Companies and Investment Funds CZK 10 000”.

4. In item 65, at the end of point 11 is added point (l), which reads:

“(l) renewal of the registration of a person referred to in Section 15 (1) of the Act on Investment Companies and Investment Funds to the list pursuant to Section 596 (e) of the Act on Investment Companies and Investment Funds”.

5. In item 65, the heading “**Note**” is replaced by the heading “**Notes**”.

6. In item 65, the existing text is numbered as Note 1 and following Note 2 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 (e) of the Act on Investment Companies and Investment Funds is always due no later than 30 days prior to the expiry of the registration”.

7. In item 66 point 9 point (q) amount „5000 CZK“ is replaced by „20 000 CZK“.

Article IX

Transitional provision

For fee obligations for an administrative fee pursuant to items 65 and 66 of the Annex to Act No. 634/2004 Coll., as effective before the date of entry into force of this Act, as well as for the rights and obligations related there to it, Act No. 634/2004 Coll., as effective before the date of entry into force of this Act shall apply.

PART EIGHT

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

Article X

In Section 172 paragraph 2 at the end of the first sentence of Act No. 182/2006 Sb., on Insolvency and Its Resolution (Insolvency Act), as amended by Act Io. 31/2019 Coll., the words “or other similar subordinate security representing the right to repay the amount due issued under the law of a foreign state” are added.

Article XI

Transitional provision

For claims filed before the date of entry into force of this Act the provisions of the Act No. 182/2006 Coll. in the version effective before the date of entry into force of this Act shall apply.

PART NINE

Amendment to the Act on Supplementary Pension Savings

Article XII

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. In Section 94, paragraph 3 is added, which reads:

“(3) If the participating fund creates and manages the pension company, that is an alternative participating fund (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 paragraph (1)”.

2. In Part Seven new Title VI is added after Title V, which, including the heading, reads:

“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 paragraph 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 (1) (a) and (b),

(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) commodities or certificates representing them,

(d) derivatives of commodities,

(e) immovable property including accessories,

(f) 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,

(g) public infrastructure pursuant to the Building Act,

(h) intellectual property rights,

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

(j) claims on cash benefits,

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

(3) For the purposes of this Act, a commodity means a substitutable thing that can be the subject of a physical delivery, the value of which is ascertainable and with which it can be traded.

(4) For the purposes of this Act, a commodity derivative means a derivative whose underlying asset is a commodity.

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.”.

Existing Titles VI to IX are renumbered as Titles VII to X.

3. In Section 115 (4), the words “fair value” are replaced by the words “pursuant to a special legal regulation governing accounting”.

4. In Section 115 paragraph 5 is deleted.
5. In Section 136 in paragraph 3 and 4, the words “the pension company will not satisfy the participant's choice if it is a savings strategy involving an alternative participant fund” are added in the end of text of the second sentence.
6. In Section 170 (1), the text “Section 115 (5)” is deleted.
7. 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” are deleted.
8. Section 190 reads:

“Section 190

- (1) A participant in supplementary pension insurance may acquire supplementary pension savings at the earliest from the first day of the calendar month immediately following the day of commencement of payment of the benefit from the last pension, or after the day when the supplementary pension insurance was interrupted.
 - (2) A participant in a supplementary pension savings may pay contributions to supplementary pension insurance only if he has interrupted the payment of the participant's contribution pursuant to Section 11 (3) and (4) and before the interruption, has paid the supplementary pension savings contribution for at least 36 calendar months or at least 12 calendar months in a row since the last interruption of the contribution to the same pension company, or if the payment of the benefit from all funds has been initiated; however, not earlier than the first day of the calendar month immediately following the date on which payment of the participant's contribution was suspended or the date on which payment of the benefit begins.
 - (3) A participant in supplementary pension insurance who is at the same time a participant in supplementary pension savings may pay contributions to supplementary pension savings only if his supplementary pension insurance has been interrupted or the payment of his last pension benefit has begun; however, at the earliest from the first day of the calendar month immediately following the day on which the supplementary pension insurance was interrupted or after the date on which the benefit payment began.
 - (4) The rights and obligations of a participant in a transformed fund and a recipient of a supplementary pension insurance benefit from a transformed fund shall be governed by the Act on Supplementary Pension Insurance, the agreed pension plan and the supplementary pension insurance contract. Their claims remain with the exception of the restriction of the right to transfer funds to another fund.”.
9. In Section 191 (3) in first sentence, the words „with the pension management company of the transformed fund” are deleted.
 10. In Section 191 in the end of paragraph 3 the following sentence is added “It shall not be possible to transfer funds from a participating fund to a transformed fund.”.

11. In Section 192 (3) in the end of point (b), the following words „; profit reported in the financial statements of the transformed fund is the sum of the profit for the accounting period and retained earnings from previous periods less the loss for the accounting period and the unreimbursed loss for the previous period” are added.
12. Section 193, paragraph 4 is deleted.

Existing paragraphs 5 to 8 are renumbered as paragraphs 4 to 7.

PART TEN

Amendment to the Act on Management Companies and Investment Funds

Article XII

Act No. 240/2013 Coll., on Management Companies and Investment Funds, as amended by Act No. 336/2014 Coll., Act No. 377/2015 Coll., Act No. 148/2016 Coll., Act No. 368 / 2016 Coll., Act No. 183/2017 Coll., Act No. 204/2017 Coll. and Act No. 119 /2020 Coll., is amended as follows:

1. In Section 11 (5), the words “some of the activities involving management or administration of the investment fund or a foreign investment fund” are replaced by “activities referred to paragraph 1”.

2. In Section 11 (5) in the second sentence, the words “implementation” are replaced by “for implementation” and words “for a person who observes prudential rules comparable to prudential rules those under European Union law, and subject to supervision by the supervisory authority, no other authorization is required” are replaced by “for an investment fund or a foreign investment fund by delegation shall be treated as an activity under points (a) or (b) of paragraph 1; this shall be without prejudice to Section 6 (1) and Section 40 (2)”.

3. In Section 11 (6), the words “authorized to exceed the limit that is authorized to provide investment services pursuant to paragraph 1 (c), and a foreign person with a license pursuant to Section 481, who is authorized to provide investment services pursuant to paragraph 1 (c)” are deleted.

4. In Section 11 (6) (a), the words “and which does not include an financial instrument, including the valuation of such assets and the keeping of accounts of such assets” are inserted after the word “fund”.

5. In Section 11, the following paragraphs 7 and 8 are inserted:

“(7) An investment company authorised to provide an investment service in accordance with paragraph 1 (c) may, as an entrepreneur, be a trustee of a trust which is not an investment fund and which includes an investment vehicle, including the valuation of such assets and the keeping of accounts of such assets.

(8) In carrying out the activities referred to in paragraphs 6 and 7, the investment company shall comply, mutatis mutandis, with the rules of conduct with clients when providing the investment service referred to in Section 4 (2) (d) of the Capital Market Business Act and is required to hold additional capital of 0.02 % of the value of the assets managed in accordance with paragraphs 6 and 7.”.

6. In Section 15, after paragraph 1, the following paragraphs 2 to 4 are inserted:

“(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 shall confirm to the legal entity referred to in paragraph 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.”.

The existing paragraphs 2 and 3 are renumbered to paragraphs 5 and 6.

7. In the headings of Section 21 and Section 48, the word “**equipment**” is replaced by the word “**resources**”.

8. In Section 21 (1), Section 48 (1) and in Section 517 (1), the word “equipment” is replaced by the word “resources”.

9. In Section 38 (1), point (s) reads:

“(s) safekeeping of securities and keeping records of dematerialized securities issued by this fund,”.

10. In Section 38 (1), new point (t) is inserted after the point (s), which reads:

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

Existing point (t) is renumbered to point (u).

11. In Section 38 (1), the text “(s)” is replaced by the text “(t)”.

12. In Section 38, paragraph (2) is deleted.

The existing paragraphs 3 to 5 are renumbered to paragraphs 2 to 4.

13. In Section 39 (2) sentence after the semicolon, including the semicolon in the first sentence, is deleted.

14. In Section 39 (2), the second sentence is deleted.

15. In Section 39, paragraphs 3 and 4 read:

“(3) The performance of activities pursuant to Section 38 (1) (s) by a person who is not authorised to administer an investment fund or a foreign investment fund, authorisation to provide an investment service for the safekeeping and management of financial instruments, including related services, or authorisation to carry out activities in accordance with Section 11 (1) (d).

(4) The performance of activities pursuant to Section 38 (1) (t) by a person who is not authorised to administer an investment fund or a foreign investment fund, authorisation to provide an investment service for the receiving and transmission of instructions relating to investment vehicles or authorisations to carry out activities in accordance with Section 11 (1) (e).”.

16. In Section 39 (5) second sentence, the text „(2) (b)“ is replaced by text „(1) (t)“

17. In Section 71 (1) (b), the words “and other assets of collective investment fund” are replaced by word “whose”.

18. In Section 83 (1) in the end of first sentence, the words “and a qualified investor fund pursuant to Section 96 (a) and (b) need not have a depositary” are inserted.

19. Section 112 is deleted, including its heading.

20. In Section 162 in the end of paragraph 3 sentence “For owners of investment shares without the right to vote, Section 406(a) the first sentence of the Commercial Corporations Act does not apply” is inserted.

21. In Section 169 (1) the second sentence is replaced by the sentence “An investment fund that creates sub-funds must have a statute only in relation to these sub-funds and the first sentence of Section 189 shall not apply to it.”.

22. In Part Six, Title II, after Chapter 4, the following Chapter 5 is inserted, including the heading:

“Chapter 5

Special provisions on joint stock companies

Section 169b

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

(2) Provisions of Section 156 (1) (a) to (e), Section 156 (2) and (3), Section 157, Section 165 to 169 shall apply mutatis mutandis to a joint-stock company which is not a joint-stock company with variable share capital; when these provisions are invoked by a public limited liability company with variable share capital, this means a public limited company which is not a public limited company with variable share capital.”.

Existing Chapters 5 and 6 are renumbered as Chapters 6 and 7.

23. In Section 170, paragraphs 4 to 6 are inserted, which follow:

“(4) An investment fund which is a limited partnership for investment certificates may create sub-funds.

(5) The provisions of Sections 165 to 169 shall apply mutatis mutandis to a limited partnership on investment certificates that creates sub-funds. If these provisions are invoked by a joint-stock company with a variable share capital, it means a limited partnership for investment certificates. When referring to a shareholder, this is understood as a shareholder. If they invoke investment shares, they are investment certificates. If they invoke the statutes, it means memorandum of association.

(6) The Memorandum of Association of all shareholders may provide for a different distribution of profit and loss between a company and general-partner.”.

24. New Section 187a is inserted after the Section 187, and reads as follows:

“Section 187a

Principle of equal treatment

(1) The manager and the administrator of the investment fund shall treat all investors equally under the same conditions.

(2) Legal acts, the purpose of which is to unjustifiably favor any investor to the detriment of the investment fund or other investors, shall not be taken into account, unless this Act provides otherwise or it would be to the detriment of third parties who relied on such legal actions in good faith.”.

25. In Section 193 (2) (c), the words “that does not invest” are replaced by “that is not included in point (d) or if it is a retail AIF that invests”.

26. In Section 193 (2) (d), the words “investment fund” are replaced by the words “fund of qualified investors” and in the end of the text of point d) words “and whose manager is not entitled to exceed the decisive limit”.

27. In Section 193, new paragraph 6 is inserted, and reads as follows:

“(6) During 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 shares or other share of the investment fund does not calculate it, if an investment fund whose manager is not authorized to exceed the relevant threshold.”.

28. New Section 193a, including the heading, is inserted after Section 193, and reads as follows:

“Section 193a

Issuance of participating securities of investment fund with legal personality

For the issuance of the securities of the investment fund with legal personality the Section 130 (1) to (3) shall apply similarly.”.

29. Section 196 including the footnote No. 10 reads:

“Section 196

The assets and debts of the investment fund from investment activities are valued according to international accounting standards regulated by the law of the European Union¹⁰⁾.

¹⁰⁾ Commission Regulation (EC) No 1126/2008 of 3 November 2008 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council, as amended.”

30. Section 283b is inserted in Part Eight in the end of Title II, which including the heading, reads:

“Section 283b

Possibility to use the abbreviation “SICAR”

A fund of qualified investors which, according to its statute, invests more than 90% of the value of the fund's assets in securities or book-entry securities representing a share in a company or other legal entity, by participating in companies or other legal entities or in intellectual property rights, may use the abbreviation “SICAR” in its name or other designation used in the course of business, including the appendix to the name.”.

31. In Section 295a, in the end of paragraph 1 words “and Section 325a” are inserted.

32. In Section 315 (1) in the second sentence, the text “(e)” is replaced by the text “(d)”.

33. In Section 316 (2), introductory part of this provision, Section 318 (1) and (2), Section 319 (1) and (2), Section 320 (1) and (2), Section 322 (3) and (4), Section 324 (1) and (2) and in Section 325 (1), (2) and (4) the text “or (e)” is deleted.

34. In Section 325a, the words “from the day when this fund is registered in the list maintained by the Czech National Bank under Section 597 point (d)” are deleted.

35. In Section 362a (1) the first sentence, the words “transfer of assets” are deleted.

36. In Section 376, new paragraph 3 is inserted, which reads:

“(3) After the distribution of the liquidation balance of the mutual fund, the administrator of the mutual fund shall, without undue delay, submit an application for deletion of the mutual fund from the list of mutual funds.”.

37. In Section 381 (1) (e). the word „and“ is replaced by comma, in the end of the paragraph the full stop is replaced by the word „and“ and point (g) is inserted, which reads:

“(g) the transfer of the assets of a limited liability company or joint stock company (hereinafter referred to as a “capital company”) to a mutual fund.”.

38. In Part Eleven Title IV Chapter 2, the following Section 7 is inserted after Section 6, including the heading, which reads:

“Section 7

Transfer of the capital company's assets to a mutual fund

Section 432a

- (1) Admissibility of the transfer of assets
 - (a) the receiving mutual fund is registered in accordance with Section 105 in the public register as the sole shareholder of the defunct capital company,
 - (b) the transfer of assets does not infringe the status of the receiving unit trust, and
 - (c) the transfer of assets will not harm the interests of the unit-holders of the receiving mutual fund.
- (2) With the effectiveness of the transfer of assets, the terminating capital company is dissolved without liquidation and its assets are transferred to the mutual fund.
- (3) Only the statutory body of the mutual fund manager acting as the sole shareholder within the competence of the general meeting of the merging capital company shall decide on the transfer of assets after the previous statement of the depositary of the receiving mutual fund, unless this decision falls within the competence of the shareholders' meeting. The invalidity of the decision under the first sentence cannot be invoked.
- (4) The decision pursuant to paragraph 3 shall not be taken into account if the conditions pursuant to paragraph 1 are not met or the depositary of the receiving mutual fund has provided a dissenting opinion on it; the depositary shall state in its statement whether the status of the acquiring mutual fund will not be violated as a result of the takeover of the assets.
- (5) The provisions of the Act governing the transformation of companies and cooperatives, which regulate the national transfer of assets to a partner, shall apply mutatis mutandis to the transfer of the capital company's assets to a mutual fund, unless this Act provides otherwise; the provisions governing the conversion report, the publication of the conversion project before its approval, the shareholders' right to information and the invalidity of the conversion shall not apply.
- (6) The rights and obligations imposed by the Act on the Transformation of Companies and Cooperatives on the receiving partner and its bodies shall be exercised and fulfilled by the manager of the receiving mutual fund, unless otherwise provided by this Act.

Section 432b

The project of asset's transfer

- (1) The asset transfer project shall be prepared jointly by the administrator of the receiving mutual fund and the terminating capital company.
- (2) The project of transfer of assets includes
 - (a) the designation of the receiving mutual fund, its manager, administrator and depositary,
 - (b) the designation of the defunct capital company,
 - (c) reasons for transfer of assets,

(d) the likely effects of the transfer of assets on the interests of the unit - holders of the receiving unit, and

(e) the decisive date of the transfer of assets.

(3) The project of transfer of assets requires a written form. The provisions of the law governing the transformation of companies and cooperatives which require a transformation project in the form of a notarial deed shall not apply.

Section 432c

Permission from the Czech National Bank

(1) The transfer of the capital company's assets to a collective investment fund requires the permission of the Czech National Bank.

(2) The Czech National Bank shall not allow the transfer of assets if the protection of the interests of the unit-holders of the receiving collective investment fund is not ensured.

(3) Section 1 shall not apply to the transfer of the assets of a real estate company to a collective investment fund which invests in real estate or by participating in a real estate company.

Section 432d

Procedure for an application for permission to transfer assets

(1) The application for permission to transfer assets shall be submitted by the administrator of the transformed collective investment fund without undue delay after the adoption of a decision pursuant to Section 432a (3).

(2) Attachment to the application pursuant to Section 1 is a decision pursuant to Section 432a (3), proof of compliance with the conditions pursuant to Section 432a (1), a project for the transfer of assets and a statement of the mutual fund depository.

(3) The participants in the proceedings for the authorization of the transfer of assets are the manager, the administrator and the depository of the transformed collective investment fund.

Section 432e

Entry in the Commercial Register

(1) Before registering the transfer of assets in the Commercial Register, the mutual fund administrator shall publish in the Commercial Gazette a notice to creditors that the transfer of assets will take place and their rights pursuant to Sections 35 to 39a of the Act Governing the Transformation of Companies and Cooperatives.

(2) A proposal for the entry of a transfer of assets in the Commercial Register shall be submitted by the jointly terminated capital company and the manager of the receiving mutual fund.

(3) Upon the transfer of assets, an indication shall be entered in the Commercial Register of the terminating capital company that it has ceased to exist with the transfer of assets to the mutual fund and the designation of the receiving mutual fund and information on the manager of this mutual fund.

Section 432f

Obligations following the legal effects of a transfer of assets

(1) The manager of the transformed mutual fund shall send information to the depositary of the transformed mutual fund that it has taken a decision pursuant to Section 432a (3), that the transfer of assets took place and when its legal effects occurred without undue delay from the legal effects of the transfer of assets.

(2) The administrator of the transformed collective investment fund shall publish the project of the transfer of assets and the decision of the Czech National Bank pursuant to Section 432c (1) without undue delay without undue delay after the day when the legal effects of the transfer of assets occurred.

(3) The administrator of the transformed fund of qualified investors shall make the project of the transfer of assets available to the shareholders of the receiving mutual fund without undue delay after the day when the legal effects of the transfer of assets occurred.”.

39. Section 434 including the heading reads:

“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.”.

40. In Section 467, paragraph 6 is added, which reads:

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

41. In Section 479 (1), point (f) reads:

“(f) the initial capital of the company in the minimum amount according to Section 29 has a transparent and harmless origin, is located in accordance with the rules for capital placement according to Section 32 and the company has or will have capital no later than the date of commencement of activities in the amount determined according to Section 30 and 31, which enables the proper management of investment funds or foreign investment funds”

42. In Section 482, point (f) reads:

“(f) the initial capital of the company in the minimum amount pursuant to Section 57 has a transparent and safe origin and the company has or will have at the latest on the date of commencement of activities capital in the amount determined pursuant to Section 58, which allows proper administration of investment funds or foreign investment funds.”.

43. In Section 482 in the end of the text of point g) the comma is replaced by the word “and” and the point (h) is deleted.

Existing point (i) is renumbered as point (h).

44. In Section 483 (1), the words „480 or Section 481“ are replaced by the words „to 482“.

45. In Section 485 (1) (c) in points 5 and 6 the words “with a distinction as to whether their manager is entitled to exceed the relevant limit” are deleted.

46. In Section 485 (1) (c) in the end of point 10 the comma is replaced by the word “and” and point (d) is deleted.

47. 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 AIFs and foreign investment funds comparable to a retail AIF, or

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

48. In Section 506a (1), point (a) reads:

“(a) so requested by the manager or administrator of this fund or liquidator, if it is an investment fund with legal personality”.

49. In Section 506a (2) písm b) the words “termination of the mutual fund or” is deleted.

50. In Section 506b, paragraph 3 is added, which reads:

“(3) If the Czech National Bank complies with the request pursuant to Section 506a (1) (a) in full, no appeal is admissible against this decision and the decision takes legal effect at the time of deletion. The Czech National Bank shall immediately inform the applicant electronically of the deletion.”.

51. In Section 510, paragraph 3 is added, which reads:

“(3) The Czech National Bank shall make the registration pursuant to paragraph (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.”.

52. Section 532 reads:

“Section 532

(1) Application for authorization pursuant to Sections 479, 480, 481, 482 and 507, granting consent pursuant to Sections 508, 509, 515, 520, 525, 527 and 529, designation permit pursuant to Section 531, withdrawal of authorization pursuant to Section 551 (1) (d) and Section 646 (1), the change of authorization pursuant to Section 647 and the entry in the list pursuant to Section 596 and 597, as well as the change of data entered in these lists, can only be submitted electronically.

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

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

53. In Section 597 (d), the words “to which investments may be publicly offered in the Czech Republic, except in the case referred to in point (e), and” are deleted.

54. In Section 597, the point (e) reads:

“(e) UCITS funds,”.

55. In Section 597, new points (f) and (g) are added, which read:

“(f) retail AIFs, and

(g) qualified investors’ funds.”.

56. In Section 599 (1) (h) and Section 604 (1) (h) the words “equipment meets” are replaced by the words “sources meet”.

57. In Section 604 (1) (m) after the text “Section 467 (3)” words “or 6” are inserted.

58. In Section 604 (3), after the point (d) is inserted point (e), which reads:

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

59. In Section 611, paragraphs 5 and 6 are inserted after the paragraph 4, which read:

“(5) A legal entity that is authorized Czech national Bank's for 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 (1), first sentence.

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

60. In Section 611 (7) in introductory part, the number “4” is replaced by the number “6”.

61. In Section 611 (8), the words “or 4” are replaced by the words “4,5 or 6”.

62. In Section 614 (1) (b) and in Section 618 (1) (b) the words “authorisation to mark” are deleted.

63. In Section 614 (1) (o), Section 618 (1) (o) and in Section 636 (1), after the word “investing” the word “SICAR” is inserted.

64. In Section 635 (2), the words “2 and 3” are replaced by words “and 2”.

65. In Section 633 (1), the words “assets in the” are replaced by the words “assets of the” and word “and” is replaced by comma.

66. In Section 633 in the end of text of paragraph 1, the words „and in relation to an investment fund with the legal personality of the assets of that fund” are added.

PART ELEVENTH

EFFICIENCY

Article XIII

This Act shall enter into force on 1 January 2022, with the exception of the provision of Part Three, Article IV, which shall take effect on 1 January 2023, and with the exception of the provisions of Part Five, Article VI, in respect of point 14, which shall take effect on the day following the date of its publication.