

ACT no. 69/2006 Coll.

February 3, 2006

on Carrying Out of International Sanctions

as amended by Act No. 227/2009 Coll., amending selected acts in relation to the adoption of the Act on Central Registers (in effect since July 1, 2010)

The Parliament has adopted the following Act of the Czech Republic:

**PART ONE
INTRODUCTORY PROVISIONS**

Section 1

Purpose

In conjunction with directly applicable legislation of the European Communities¹⁾, this Act sets forth some obligations of physical and legal persons in carrying out of international sanctions imposed for the purpose of maintaining or restoring international peace and security, protecting fundamental human rights and fighting terrorism. Further, the Act sets forth some obligations of physical and legal persons in carrying out of international sanctions imposed for the purpose of maintaining or restoring international peace and security, protecting fundamental human rights and fighting terrorism by which the Czech Republic is bound in connection with its membership in the United Nations Organization.

Definition of Terms

Section 2

International sanctions under this law are understood to be an order, a prohibition or a restriction imposed for the purpose of maintaining or restoring international peace and security, protecting fundamental human rights and fighting terrorism, provided they stem

- a) from resolutions of the United Nations Security Council (hereafter „Security Council“) adopted under Article 41 of the Charter of the United Nations,

¹⁾ For instance: Regulation (EC) No 2580/2001 of 27 December 2001, on specific restrictive measures directed against certain persons and entities with a view to combating terrorism, as amended, Council Regulation (EEC) No 3541/92 of 7 December 1992 prohibiting the satisfying of Iraqi claims with regard to contracts and transactions the performance of which was affected by United Nations Security Council Resolution 661 (1990) and related resolutions, Council Regulation (EC) No 3275/93 of 29 November 1993 prohibiting the satisfying of claims with regard to contracts and transactions the performance of which was affected by the United Nations Security Council Resolution 883 (1993) and related resolutions, Council Decision no. 94/366/CFSP of 13 June 1994 on the Common Position defined by the Council on the basis of Article J.2 of the Treaty on European Union concerning prohibition of the satisfaction of the claims referred to in para 9 of United Nations Security Council Resolution No 757 (1992), Council Regulation (EC) No 1733/94 of 11 July 1994 prohibiting the satisfying of claims with regard to contracts and transactions the performance of which was affected by the United Nations Security Council Resolution 757(1992) and related resolutions, Council Regulation (EC) No 2488/2000 of 10 November 2000 maintaining a freeze of funds in relation to Mr. Milosevic and those persons associated with him, Council Regulation (EC) No 881/2002 of 27 May 2002 imposing certain specific restrictive measures directed against certain persons and entities associated with Usama bin Laden, the Al-Qaida network and the Taliban, Council Regulation (EC) No 147/2003 of 27 January 2003. concerning certain restrictive measures in respect of Somalia, Council Regulation (EC) No 1210/2003 of 7 July 2003 concerning certain specific restrictions on economic and financial relations with Iraq and repealing Regulation (EC) No 2465/96, Council Regulation (EC) No 1727/2003 of 29 September 2003 concerning certain restrictive measures in respect of the Democratic Republic of Congo, Council Regulation (EC) No 131/2004 of 26 January 2004 concerning certain restrictive measures in respect of Sudan, Council Regulation (EC) No 234/2004 of 10 February 2004 concerning certain restrictive measures in respect of Liberia, Council Regulation (EC) No 314/2004 of 19 February 2004 concerning certain restrictive measures in respect of Zimbabwe, Council Regulation (EC) No 798/2004 of 26 April 2004 renewing the restrictive measures in respect of Burma/Myanmar and repealing Regulation (EC) No.1081/2000, Council Regulation (EC) No 872/2004 of 29 April 2004 concerning further restrictive measures in relation to Liberia.

- b) from common positions and joint actions or other measures adopted under the EU Treaty common foreign and security policy provisions, or
- c) from directly applicable legislation of the European Communities which implements a common position or a common action adopted under the EU Treaty common foreign and security policy provisions.

Section 3

For the purpose of the Act, the following terms shall have the following meaning:

- a) territory subject to international sanctions shall mean a certain territory which is fully or in part controlled by the entity or state which is subject to international sanctions, including air space and territorial waters;
- b) entity subject to international sanctions shall mean the person against whom the sanctions set forth in the document under Section 2 are aimed;
- c) person subject to international sanction shall mean,
 1. a state which is subject to international sanctions,
 2. a citizen of the state which is subject to international sanctions,
 3. member or representative of an entity which is subject to international sanctions,
 4. another individual who usually sojourns in the territory which is subject to international sanctions except for citizens of the Czech Republic,
 5. a legal person having its registered office in the territory which is subject to international sanctions, or
 6. persons listed on the lists published by the Sanctions Committees of the Security Council or in documents published by EU bodies and referred to in Section 2(b) or 2(c);
- d) Czech person shall mean
 1. the Czech Republic,
 2. a citizen of the Czech Republic,
 3. an individual other than the citizen of the Czech Republic who usually resides in the territory of the Czech Republic,
 4. an individual having a permanent or temporary residence status in the territory of the Czech Republic²⁾, or
 5. a legal person having its registered office in the territory of the Czech Republic, including the self-governing entities³⁾;
- e) usually residing in a certain territory shall mean residing in this territory for at least 183 days in one calendar year, either continually or in several periods; the 183-day time period includes all days which were spent in the given territory even in part;
- f) assets which are subject to international sanctions shall mean any movable or immovable item owned, held or otherwise controlled by the entity which is subject to international sanctions, by a person who is subject to international sanctions, imported to the territory which is subject to international sanctions or earmarked for export to the territory which is subject to international sanctions;
- g) goods shall mean material things, rights and other values, such as money in any form including deposits and receivables from deposits, other means of payment, securities and investment tools, and further any material designated for production of products, products, services, software and technologies and any other movable and immovable items which are subject to trade regardless of the manner and circumstances under which they are obtained;
- h) goods subject to international sanctions shall mean goods owned, held or otherwise controlled by an entity or person which is subject to international sanctions;
- i) Czech goods shall mean goods owned, held or otherwise controlled by a Czech person;
- j) other goods shall mean goods which is not Czech goods or goods subject to international sanctions;
- k) means of transportation shall mean means used for transportation of persons, luggage, goods or postal shipments;

²⁾ Act No. 32/1999 on Residence of Aliens in the Territory of the Czech Republic and on Changes to Some Other Acts, as amended.

³⁾ Section 18 of Act No. 40/1964 Coll., the Civil Code, as amended by Act No. 509/1991 Coll.

- l) means of transportation subject to international sanctions shall mean a means of transportation
 - 1. sailing under the flag of a country subject to international sanctions or matriculated therein,
 - 2. owned, held or used by an entity subject to international sanctions, or for its benefit or otherwise controlled by it, or
 - 3. owned, held, used or otherwise controlled by a person subject to international sanctions;
- m) Czech means of transportation shall mean a means of transportation
 - 1. sailing under the flag of the Czech Republic, matriculated, owned, held or used by the Czech Republic or for its benefit or otherwise controlled by it, or
 - 2. owned, held, used or otherwise controlled by a Czech person;
- n) other means of transportation shall mean a means of transportation which is not Czech means of transportation or means of transportation subject to international sanctions;
- o) an object of cultural value shall mean
 - 1. a work of art or an item of cultural value⁴⁾,
 - 2. cultural monument, national cultural monument or a compound thereof⁵⁾,
 - 3. museum collection or a collectable piece⁶⁾, or
 - 4. public cultural production such as theatre, film, audiovisual or variety performance, a concert, dance or a discotheque, circus or variety or such similar shows, exhibition and the like;
- p) oversight shall mean factual or legal possibility to control through one's actions the conduct of another person, use of a thing or a course of events at a certain territory.

PART TWO SCOPE OF SANCTIONS

Section 4

General Provisions

(1) Restrictions or prohibitions set forth in Sections 5 to 8 shall apply in to the extent determined by the government's decree stemming from

- a) a resolutions of the Security Council, or
- b) a common position, joint action or another measure adopted under the EU Treaty common foreign and security policy provisions.

(2) Restrictions and prohibitions defined in para 1 may be applied in the area of

- a) trade and services,
- b) financial transfers, use of other payment means, purchase and sale of securities and investment tools,
- c) transportation,
- d) communications,
- e) technical infrastructure,
- f) scientific relations,
- g) cultural relations, or
- h) sports relations.

(3) The government's decree under para 1 shall, in keeping with Section 3(c), define the scope of persons subject to international sanctions.

Section 5

Trade and Services, Financial Services and Financial Markets

(1) In the area of trade and services, sanctions may consist of restrictions and prohibitions of:

⁴⁾ Act No. 71/1994 Coll. on the Sale and Export of Items of Cultural Value, as amended.

⁵⁾ Act No. 20/1987 Coll. on Managements of National Monuments, as amended.

⁶⁾ Act no. 122/2000 Coll. on the Protection of Museum Collections and on Modifications of some other Acts, as amended.

- a) imports and purchases of goods subject to international sanctions, its further sale and any other disposition thereof,
- b) exports, sales or facilitation of other disposing of Czech goods by an entity subject to international sanctions or to a territory subject to international sanctions,
- c) transits of Czech goods through a territory subject to international sanctions or of goods subject to international sanctions through the territory of the Czech Republic,
- d) transfers of other goods to the territory subject to international sanctions, or of goods consigned to an entity subject to international sanctions, or to a person subject to international sanctions through the territory of the Czech Republic, or
- e) any and all activities which would or may facilitate transactions described under para a) to d).

(2) In the area of financial transfers, use of other payment means, purchase and sale of securities and investment tools, sanctions may consist of restrictions and prohibitions on:

- a) any type of transaction by a Czech person to benefit an entity subject to international sanctions or a person subject to international sanctions, as well as deals with such persons, including trading in foreign currency,
- b) renting out of safety deposit boxes to an entity subject to international sanctions or a person subject to international sanctions, or receiving of goods subject to international sanctions for safe deposit, provided it is reasonably practicable to seek evidence of the fact that the goods is subject to international sanctions,
- c) provision of money, investment tools or other securities or financial and economic sources to an entity subject to international sanctions or a person subject to international sanctions,
- d) transfers of money, investment tools or other securities to or from an account controlled by an entity subject to international sanctions or a person subject to international sanctions, including payments from cashier's checks, provided it is reasonably practicable to seek evidence thereof,
- e) disbursement of interest from deposits in the accounts controlled by an entity subject to international sanctions or a person subject to international sanctions, including disbursement of interest from securities and investment tools,
- f) entering into an insurance contract with an entity subject to international sanctions or a person subject to international sanctions, or disbursement of insurance money to such persons, or
- g) any and all activities which would or may facilitate transactions described under para a) to f).

Section 6

Transportation and Telecommunications

(1) In the area of transportation, sanctions may consist of restrictions and prohibitions of:

- a) entry of Czech means of transportation to the territory subject to international sanctions,
- b) transit of other means of transportation through the territory of the Czech Republic or exit thereof to the territory subject to international sanctions,
- c) crossing of national borders of the Czech Republic by means of transportation subject to international sanctions for the purpose of entering or exiting the Czech Republic,
- d) any physical or legal disposing of means of transportation subject to international sanctions and located in the territory of the Czech Republic,
- e) provision of Czech means of transportation to an entity subject to international sanctions or a person subject to international sanctions,
- f) doing repairs or providing spare parts, components or tools necessary for such repairs or modifications of means of transportation subject to international sanctions, or
- g) any and all activities which would or may facilitate transactions described under para a) to f).

(2) In the area of telecommunications, sanctions may consist of restrictions and prohibitions of:

- a) receiving for shipment or shipping postal cargo to the territories subject to international sanctions, or addressed to an entity subject to international sanctions or a person subject to international sanctions, from or via the territory of the Czech Republic,
- b) provision of services of electronic communication for the purpose of connecting with an entity subject to international sanctions or a person subject to international sanctions, or with the territory subject to international sanctions,

- c) providing other type of connection with an entity subject to international sanctions or a person subject to international sanctions, or with the territory subject to international sanctions,
- d) radio, television or other broadcasting in the territory subject to international sanctions, or
- e) any and all activities which would or may facilitate transactions described under para a) to d).

Section 7

Technical Infrastructure

In the area of technical infrastructure, sanctions may consist of restrictions and prohibitions of energy and raw-material supplies, supplies of machines or technologies needed for their production from or via the territory of the Czech Republic to an entity subject to international sanctions or a person subject to international sanctions, or to the territory subject to international sanctions.

Section 8

Scientific, Cultural and Sports Relations

- (1) In the area of scientific relations, sanctions may consist of restrictions and prohibitions of:
- a) participation in scientific or technical research programs or projects which involve both a Czech person and an entity or a person subject to international sanctions; provided the program or project is funded by an entity or person other than those subject to international sanctions the sanction shall be limited to excluding such entity or person from the research,
 - b) provision of equipment or devices by a Czech person or in the territory of the Czech Republic to an entity or person subject to international sanctions for the purpose of using the same for a research program or project,
 - c) provision of information about scientific or technical research, programs or projects carried out by a Czech person or about the results thereof to an entity or person subject to international sanctions or at the territory subject to international sanctions, unless such information or results are in the public domain,
 - d) provision of industrial or intellectual rights to an entity subject to international sanctions or a person subject to international sanctions, or
 - e) any and all activities which would or may facilitate transactions described under para a) to d).

- (2) In the area of cultural relations, sanctions may consist of restrictions and prohibitions of:
- a) provision of cultural objects by a Czech person or from a Czech territory to an entity or person subject to international sanctions or at the territory subject to international sanctions,
 - b) receiving of cultural objects by a Czech person or at the Czech territory from an entity or a person subject to international sanctions or at a territory subject to international sanctions, unless the objects are received temporarily for the purpose of saving, protecting or maintaining objects of cultural value which are under immediate threat from an armed conflict or a natural disaster or unless such objects are being returned to a person which is not subject to international sanctions,
 - c) provision of copyright or other such rights by a Czech person to an entity or a person subject to international sanctions, or for the use at the territory subject to international sanctions, or
 - d) any and all activities which would or may facilitate transactions described under para a) to c).

- (3) In the area of sports relations, sanctions may consist of restrictions and prohibitions of:
- a) participation of persons or groups representing an entity or a person subject to international sanctions at a sports match or another sports event held in the territory of the Czech Republic or organized by a Czech person,
 - b) participation of a Czech person or a group representing the Czech Republic at a sports event organized by an entity or a person subject to international sanctions or at the territory subject to international sanctions, or
 - c) any and all activities which would or may facilitate transactions described under para a) or b).

Section 9

Exclusions from Sanctions

(1) The Ministry of Finance (hereafter „Ministry“) may, provided the document defined under Section 2 hereof so permits, grant, in compliance with such a document and to the extent necessary, an exclusion from a prohibition or restriction:

- a) for medical services and health care,
- b) for humanitarian aid, unless restricted by provisions of a document under Section 2; humanitarian aid is understood to be supplies of foodstuff, clothing, medicine and medical supplies and other humanitarian deliveries necessary for protection of health, saving of lives and dignified housing of civilians and provision of related services, including organization and carrying out of rescue works,
- c) for provision of social allowance and government social benefits, retirement, healthcare benefits, unemployment benefits, retraining support and for contributions to social insurance, unemployment insurance and health insurance,
- d) for payment of wages, refund of wages, redundancy pay and other payments due under the employment or similar contract,
- e) for alimony and child support,
- f) for damages due to activities unrelated to international sanctions hereunder and for insurance payments thereto related,
- g) for payment of outstanding debt by an entity subject to international sanctions or by a person subject to international sanctions, provided the debt was not incurred by violation of the international sanctions,
- h) for payments to an entity subject to international sanctions or to a person subject to international sanctions due and payable on the basis of contracts, agreements or liabilities entered into prior to international sanctions against the entity or the person, provided these payments are made to an account held in the Czech Republic or another country of the European Union, to which account all deposits made are considered to be assets subject to international sanctions, or
- i) for another purpose set forth in the document defined in Section 2(c).

(2) The exclusion may be granted upon request or without request. In its decision on the exclusion, the Ministry shall set forth the terms of the exclusion in a manner which would allow for checking of proper application of its terms and which would not mar the international sanctions. In case of a grave violation of such terms, the Ministry shall revoke the exclusion.

PART THREE

DUTIES REGARDING ASSETS WHICH ARE SUBJECT TO INTERNATIONAL SANCTIONS

Section 10

Reporting Duty

(1) Who establishes in a credible manner that he or she has in possession assets which are subject to international sanctions, shall report the same to the Ministry without undue delay.

(2) In the event of a suspicion that a party to a proposed or drafted contract is subject to international sanctions or that the assets which are the object of a contractual relation are or are contemplated to be assets subject to international sanctions but the suspicion may not be reliably verified prior to or in the course of entering into a contract, the reporting duty under para 1 arises immediately upon execution of the contract.

(3) The report shall be submitted in a written form or delivered orally for the record and in case of danger in delay also electronically or by fax. An electronic transmission is considered to be a written report when signed by a guaranteed electronic signature based on a qualified certificate issued by a licensed provider of electronic services.

Section 11

Disposing of Assets Subject to International Sanctions

(1) Who establishes in a credible manner that he or she has in possession assets which are subject to international sanctions shall not dispose of such assets other than for the purpose of their protection from loss, devaluation, destruction or other damage, unless stipulated otherwise herein. He or she shall refrain from doing so as of the moment he or she has learnt that the assets are considered to be assets subject to international sanctions.

(2) Who has in possession assets which are subject to international sanctions has the right to claim from the government reimbursement of costs incurred in connection with the management and protection of the assets as of the moment of reporting to the Ministry under Section 10. The right to reimbursement of expenses hereunder shall not arise if it should benefit an entity subject to international sanctions or a person subject to international sanctions or persons cooperating with them, close persons or persons connected with them through business or otherwise.

(3) In case of doubt whether the person under para 1 provides sufficient protection of the assets subject to international sanctions, or if it appears necessary for their proper protection due to, for instance, the expected duration of the international sanctions imposed, the Ministry shall seek release of such assets. Who has in possession assets which are subject to international sanctions shall release such assets to the Ministry or to a person designated by it. Assets not released voluntarily may be forfeited. A written record shall be taken of such release or forfeiture of property which shall contain sufficiently precise description of the assets. A copy of the record shall be given to the person who released the property or from whom it was forfeited and that copy shall serve as a certification that the assets were taken over by the Ministry.

(4) Provisions of para 1 to 3 apply to assets subject to the reporting duty under Section 10(1).

(5) The Ministry shall release to a qualified person, or to a person designated in keeping with para b) or c), assets which are subject to international sanctions, provided that

- a) the person proves that he or she is not a person subject to international sanctions and that he or she is the owner or holder in due course of such assets,
- b) that the document under Section 2 stipulates a specific person to whom the assets are to be released, or
- c) there is a final judgment of a domestic government body of appropriate jurisdiction, a foreign government body or an international organization whose decision is enforceable in the Czech Republic under international law.

PART FOUR **RIGHTS AND OBLIGATIONS OF THE GOVERNMENT BODIES AND OF THE CZECH NATIONAL BANK**

Section 12

Proceedings before the Ministry

(1) Having assessed whether the assets are to be considered assets subject to international sanctions, the Ministry may decide

- a) on a restriction or a prohibition of disposing of such assets,
- b) on a forfeiture of assets which were not released upon request in keeping with Section 11(3),
- c) on taking over of such assets into custody for keeping and subsequent release to the qualified person,
- d) on an appointment or removal of an administrator to manage such assets, and on his remuneration,
- e) on a sale of the assets or any part thereof under Section 13(3),
- f) on an extraordinary use of assets subject to international sanctions or any part thereof in keeping with Section 9 herein or with terms stipulated by directly applicable legislation of the European Communities,
- g) on a release of such assets under Section 11(5), or

- h) that the assets are not assets subject to international sanctions, provided
1. it has been proved in a conclusive manner by the owner or qualified holder,
 2. it has been established through an inquiry conducted by the Ministry,
 3. such assets are demonstrably worthless or of minimum value, or
 4. international sanctions against such assets have been lifted.

(2) Within the deadline of 30 days as of the receipt of a report under Section 10(1), the Ministry shall inform the informant, whether the assets are to be considered assets subject to international sanctions, unless a decision has been made within the same deadline under provisions of para 1(a), 1(b), 1(c), 1(g) or 1(h). The time deadline may be extended in justified cases.

(3) A remonstrance filed against the decision under para 1(a) to 1(d) does not have a deferring effect. The deferring effect may be excluded regarding the remonstrance filed against the decision under para 1(e) in case of perishable assets.

(4) The enforceability of a decision against which a remonstrance does not have a deferring effect or against which the deferring effect has been excluded starts as of the day of service of the same to the last party to the proceedings. Parties to the proceedings are the person who motioned for such a decision to be adopted, the person who has in his or her possession the assets subject to international sanctions, or the person who released the assets or from whom the assets were forfeited. In case of danger in delay, a decision against which a remonstrance does not have a deferring effect or against which the deferring effect has been excluded may be announced orally; in that case the enforceability of the decisions starts upon the oral announcement.

(5) Proceedings in matters covered by this Act are governed by the Rules of Administrative Proceedings, unless provided otherwise herein..

(6) The personnel authorized by the Ministry to act under this law are obliged to prove authority by showing government I.D. card.

(7) Who has in his or her possession assets which are subject to the inquiry by the Ministry shall provide the Ministry upon request and within a set deadline with any and all information he has about the assets or other circumstances thereto related and about persons who have some relation to the assets or have been involved in disposing of the assets in any manner whatsoever. Upon request of the Ministry, he or she shall produce documents about the assets, persons or other circumstances concerning the assets and shall allow access to it to authorized personnel of the Ministry.

(8) A failure to perform the duty in keeping with para 7 carries a procedural fine of up to CZK 100 000. The procedural fine may be imposed repeatedly if the duty has not been met after a previous fine. The total of such fines must not exceed the amount of CZK 500 000. The fines represent an income to the state budget.

Section 13

Safe Keeping of Released or Forfeited Assets

(1) Unless provided otherwise hereafter, the safe keeping of the released or forfeited assets is carried out by the Ministry. With respect to such assets, the Ministry is authorized to execute all acts and act in all proceedings in connection with the management of the assets which would be otherwise the right of the owner.

(2) To cover the cost of the safe keeping of the released or forfeited assets, revenues flowing from such assets shall be used in preference; if there are no such revenues and no other solution appears feasible, proceeds from the sale of such assets or any part thereof to the extent necessary shall be used.

(3) If it appears to be necessary, due to existing circumstances and in order to maintain the value of such assets, the Ministry shall decide on the sale of assets subject to international sanctions, or any part thereof; proceeds from such sale are considered to be assets subject to international sanctions.

(4) The Ministry shall keep separate accounts and records in connection with such released or forfeited assets and shall carry out their stock-taking.

(5) In connection with safe keeping of the released or forfeited assets, the Ministry shall duly protect the assets, take proper care of them, manage them in an effective and economical manner, guard them from damage, harm, loss, theft and abuse and it shall make claims for damages in a timely fashion or motion for release of an item of unjustified enrichment, it shall continuously monitor whether debtors pay their dues in a timely fashion and in particular apply and enforce the rights of the owner or creditor or holder of securities, and it shall make sure that such rights shall not be statute-barred and extinct. Further, the Ministry shall not enter into a contract, as a lessor, on the use of such assets for consideration coupled with an agreement on a subsequent transfer of an ownership title to such assets, it shall not enter into an agreement on the sale of an enterprise or its organizational component, use these assets as collateral or encumber immovable assets with an easement, or transfer rights attached to released or forfeited assets as security.

- (6) Safe keeping of released or forfeited assets in the form of
- a) radioactive material or waste shall be carried out by the Public Agency for Radioactive Waste Management,
 - b) tobacco products shall be carried out by the Czech Agriculture and Food Inspection Authority or the Czech Trade Inspection,
 - c) animals or plants shall be carried out by the Ministry of Environment,
 - d) weapons, ammunition and explosives shall be carried out by the Ministry of Interior.

(7) In dependence on the nature and the extent of items and rights that represent the released or forfeited assets, the Ministry may authorize the Office of the Government Representation in Property Affairs with its management.

(8) In the event the management of the released or forfeited assets cannot be carried out by the Ministry or the body authorized under para 7, the Ministry shall authorize another government department with the management in dependence on the nature of such assets.

(9) In the event the management of the released or forfeited assets cannot be carried out by the Ministry or the body authorized under para 7 or the government department under para 8, then the Ministry may enter into an asset management agreement with an entity experienced in the corresponding type of business. Such agreement must stipulate the consideration for such asset management and must cover liability for damage caused to the assets during its management. Otherwise, the agreement shall be considered null and void.

(10) The Ministry having appointed an administrator under para 7 or 8 or having signed an agreement under para 9, the administrator shall acquire the right with respect to the released or forfeited assets to represent the owner in all acts or proceedings in connection with the asset management which would otherwise be the right of the owner. The Ministry may specify the scope of such authorization to carry out owner's rights in its decision or agreement. Obligations and limitations set forth in para 5 apply to the administrator likewise; the administrator must comply with the instructions issued by the Ministry.

Section 14

Information and Data Gathering

(1) In order to fulfill the purpose of this Act, the Ministry has the right to process information including personal data. Personal data may be processed without the consent of the person concerned, however, taking regard of the duty to protect against unlawful interference with personal and private life.

(2) Public administration bodies including self-governing bodies responsible for carrying out the role of the state administration shall provide to the Ministry upon its request information, including personal data, from their respective information systems. In addition to meeting the

purpose of this Act, the Ministry may use the information for the purpose of fighting money-laundering⁷⁾.

(3) In order to perform its responsibilities under this Act, the Ministry shall be provided with the following:

- a) reference data from the central register of inhabitants,
- b) data on inhabitants from the inhabitant information system,
- c) data on foreigners from the foreigners information system,
- d) data on natural persons who have received a birth identification number but appear in neither para b) nor c), from the Register of birth identification numbers.

In each specific case, of the data provided, only such data, whose use is necessary for the purposes of the given case, can be used.

(4) If technical conditions allow so, the Ministry of Interior provides the Ministry with data under para 3 only in electronic format in a way allowing remote access.

(5) Information gathered in keeping with this Act shall be preserved for the time period necessary to meet its purpose. The Ministry may disclose such information only in keeping with its authorization granted under Section 16(3).

(6) In carrying out its activities and meeting the purpose hereof, the Ministry shall make use of records available under separate legislation regarding money laundering.

(7) The Ministry may store data gathered hereunder in a database and in keeping with terms stipulated by separate legislation⁸⁾. To that end, the Ministry may combine information gathered hereunder with information available under separate legislation regarding money laundering in a single database. Should it jeopardize the purpose hereof, the Ministry shall not provide upon request in keeping with a special law any information regarding data stored in a database hereunder.

(8) In the event the Ministry has knowledge of facts which support a probable cause to believe that a criminal offence was committed, it shall file a criminal complaint with the police in keeping with the Code of Criminal Procedure, and it shall provide the law-enforcement bodies with all information and evidence it has in connection with the complaint.

(9) In order to meet the purpose of international sanctions, the Ministry shall, in the course of exchanging and obtaining information to the extent stipulated by an international agreement binding on the Czech Republic or on the basis of reciprocity, cooperate with foreign bodies with the same or similar jurisdiction in the area of international sanctions. Provided that the information shall be used solely for the purpose of this Act and provided it will enjoy the same level of protection as herein granted, the Ministry may cooperate also with international organizations.

Section 15

Oversight

(1) Government bodies responsible for the oversight shall oversee also fulfillment of obligations hereunder; if there is no such government body, the oversight shall be carried out by the Ministry. If problems are uncovered in connection with obligations hereunder, then the respective government body shall provide available documentation for punitive proceedings to the Ministry of Industry and Trade in matters that fall under its jurisdiction and to the Ministry in all other matters. The responsible government body shall continue to cooperate with the said ministries in the punitive proceedings.

(2) The Czech National Bank shall oversee the performance hereunder in case of banks, branches of foreign banks and persons who have been issued a foreign-currency license by it; in case problems are uncovered the Czech National Banks shall proceed in keeping with para 1 second sentence.

⁷⁾ Act No. 61/1996 Coll., On Some Measures Against Legalisation of Proceeds from Criminal Activity, as amended.

⁸⁾ Act no. 101/2000 of the Coll., on the Protection of Personal Data and Modifications to Some Laws, as amended.

Section 16

Confidentiality

(1) Employees of the Ministry and of bodies mentioned in Section 15 shall maintain confidentiality regarding actions taken and information gathered hereunder. The confidentiality obligation extends to those who become aware of the information gathered hereunder in connection with inquiries carried out by the Ministry.

(2) The confidentiality obligation of persons mentioned in para 1 does not become extinct upon termination of employment or another relation to the body mentioned in Section 15.

(3) The confidentiality obligation under para 1 and 2 cannot be invoked with respect to

- a) law enforcement bodies provided they investigate or prosecute a crime in connection with enforcement of international sanctions or with terrorism or in connection with a reporting duty linked to such a crime,
- b) offices of prosecution in carrying out their duties⁹⁾,
- c) government bodies responsible for enforcement of control regimes in connection with disclosure of information required for meeting of obligations under separate legislation governing exports and imports of goods and technologies subject to international control regimes,
- d) persons conducting oversight in keeping with Section 15,
- e) courts hearing civil or administrative cases in connection with claims hereunder,
- f) person who could be entitled to make a claim for damages caused hereunder, provided such disclosure is subsequent; in such a case the information disclosed may be limited or its disclosure postponed until such time when the disclosure is not in jeopardy to the purpose of this law,
- g) respective foreign body in connection with exchange of information required for the purpose of this law, unless prohibited under separate legislation,
- h) intelligence services of the Czech Republic in connection with information required for their mission, or
- i) financial arbitrator judging a dispute between a petitioner and an institution under separate legislation.

(4) In the event the Ministry has filed a criminal complaint in keeping with Section 14(8), it may provide information under para 3(e) or 3(f) only with the consent of the acting law enforcement body.

PART FIVE **ADMINISTRATIVE DELICTS**

Section 17

Infractions

(1) An individual has committed an infraction by

- a) violating a restriction or prohibition set forth in Sections 5 to 8 herein,
- b) violating a restriction or prohibition set forth in directly applicable legislation of the European Communities whereby international sanctions have been imposed in keeping with Section 2(c),
- c) failing to meet the reporting duty under Section 10(1),
- d) disposing of assets subject to international sanctions in conflict with provisions of Section 11(1), or
- e) violating the confidentiality obligation under Section 16(1).

(2) The infractions under para 1(a) to 1(c) carry a fine of up to CZK 4 000 000.

⁹⁾ Section 42 Act no. 283/1993 Coll., on State Prosecution, as amended by Act. no. 261/1994 Coll., Section 66 Para. 2 of Act no. 150/2002 Coll., Rules of Administrative Procedure.

(3) The infraction under para 1(d) carries a fine of up to CZK 500 000, the infraction under para 1(e) carries a fine of up to CZK 200 000

Section 18

Administrative Delicts of Legal Persons and Self-Employed Individuals

- (1) Legal person or a self-employed individual¹⁰⁾ have committed an administrative delict by
- a) violating a restriction or prohibition set forth in Sections 5 to 8 herein,
 - b) violating a restriction or prohibition set forth in directly applicable legislation of the European Communities whereby international sanctions have been imposed in keeping with Section 2(c),
 - c) failing to meet the reporting duty under Section 10(1), or
 - d) disposing of assets subject to international sanctions in conflict with provisions of Section 11(1).

(2) The administrative delicts under para 1(a) to 1(c) carry a fine of up to CZK 4 000 000 or confiscation of assets.

(3) The administrative delict under para 1(d) carries a fine of up to CZK 500 000.

(4) Provided the legal person or the self-employed individual obtained, through the administrative delict under para 1(a) to 1(c), a personal gain or a gain for a third party in excess of CZK 5 000 000, or caused damage in excess of CZK 5 000 000 or other serious consequence, then the fine imposed shall be up to CZK 50 000 000.

Section 19

Confiscation

(1) In connection with an administrative delict under Section 18, assets may be confiscated if they belong to the perpetrator and

- a) were used or designated for committing the delict under Section 18, or
- b) were obtained through committing of the delict under Section 18 or in exchange for such assets.

(2) Confiscation of assets may be ordered in addition to a fine or singularly if it appears to be a sufficient sanction given the nature of the administrative delict.

(3) Assets must not be confiscated if their value is in sharp disproportion to the nature of the administrative delict.

(4) The assets are confiscated to benefit the state which becomes the legal owner of such assets.

Joint Provisions on Administrative Delicts

Section 20

(1) Legal person shall not be held liable for an administrative delict if it can prove that it exerted reasonable effort to prevent the violation.

(2) In assessing the fine for a legal person, the gravity of the administrative delict, in particular the way in which it was committed and its consequences, shall be taken into account as well as the extent, significance and time of jeopardizing the foreign-policy and security interests of the state.

(3) The liability of the legal person becomes statute-barred, provided the administrative body did not commence the proceedings within 3 years of being notified of the same but no later than within 10 years of its commitment.

(4) The liability for conduct in connection with a business activity of a self-employed person,¹⁰⁾ or in direct relation to it, is governed by the provisions concerning liability of and sanctions against legal persons.

¹⁰⁾ Section 2(2) of the Commercial Code, as amended by Act no. 85/2004 Coll.

(5) This law governs also administrative delicts committed by a Czech person in a foreign country provided the person violated a restriction or a prohibition imposed by this Act or directly applicable legislation of the European Communities which carry out a common position or a joint action adopted under the EU Treaty common foreign and security policy provisions.

(6) Administrative delicts under this Act shall be heard by the Ministry of Industry and Trade, if the international sanctions which might have been violated by the said administrative delict concern foreign trade with military material or the regime of the European Communities to control exports of dual-use goods and technologies. Other administrative delicts shall be heard by the Ministry.

(7) Fines shall be collected and enforced by the Tax Administration Office having territorial jurisdiction according to a specific legislation. The fines represent revenue for the state budget of the Czech Republic.

(8) In connection with collection and enforcement of fines, the Tax Administration Law shall apply.

Section 21

Except for provisions of Sections 4 to 8, this law shall apply in connection with restrictions and prohibitions set forth in directly applicable legislation of the European Communities which implements a common position or a common action adopted under the EU Treaty common foreign and security policy provisions as of the date of effect of this legislation.

PART SIX FINAL PROVISIONS

Section 22

(1) This Act is without prejudice to provisions of specific legislation concerning foreign trade with military material or the regime of the European Communities to control exports of dual-use goods and technologies.

(2) This Act is without prejudice to duties and obligations of central government bodies and the Czech National Bank to carry out other responsibilities to which they are obligated within their scope of authorization in connection with international sanctions, or to their duty to act as members of various international bodies. In the event it proves necessary that as a result of such acting or international sanctions a government decree should be issued regarding their authority hereunder, they shall cooperate with the Ministry on its drafting.

Section 23

Authority

(1) The government may issue a decree to specify procedures for fulfilling the EU legislation defined in Section 2(c).

(2) Through an ordinance, the Ministry shall stipulate in detail how the reporting duty should be performed and shall publish a specimen of the government I.D. card referred to in Section 12(6).

Section 24

The following regulations shall be revoked:

1. Act no. 48/2000 Coll., on measures regarding the Afghan movement of Taliban.
2. Act no. 98/2000 Coll., on implementation of international sanctions to maintain international peace and security.
3. Act no. 4/2005 Coll., on some measures regarding the Republic of Iraq.

4. Government Decree no. 164/2000 Coll., on measures regarding the Afghan movement of Taliban.
5. Government Decree no. 327/2001 Coll., on additional measures regarding the Afghan movement of Taliban.
6. Government Decree no. 334/2001 Coll., on measures against some individuals of the Federal Republic of Yugoslavia.
7. Government Decree no. 170/2003 Coll., on some measures regarding the Republic of Iraq.

Section 25

Effect

This Act comes into effect as of the first day of the month following the month of its publication.