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ACT

of 27 October 2011

on Criminal Liability of Legal Persons and Proceedings against Them

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

PART ONE

GENERAL PROVISIONS

Section 1

Scope of the Regulation and its Relation to Other Acts

(1) This Act governs conditions of criminal liability of legal persons, punishments and protective measures that can be imposed on legal persons for committing stipulated criminal acts, and procedure against legal persons.

(2) If this Act does not stipulate otherwise, the Criminal Code and in proceeding against a legal person the Code of Criminal Procedure shall apply, if it is not excluded due to the nature of the thing/case.

(3) For the purpose of other legal regulations criminal proceeding has also to be understood as a proceeding against a legal person in accordance with this Act.

Territoriality Principle

Section 2

(1) Liability to punishment of an act committed on the territory of the Czech Republic by a legal person which has a registered office in the Czech Republic or its establishment or branch is placed on the territory of Czech Republic or at least conducts its activities here or owns property here, shall always be considered under the law of the Czech Republic.

(2) A criminal act shall be considered as having been committed on the territory of the Czech Republic, if a legal person acted:

- a) wholly or partly on the territory of the Czech Republic, even if the violation of, or threat to, an interest protected under Criminal Code resulted, or was to result, completely or partly abroad; or
- b) abroad, if the violation of, or threat to, an interest protected under Criminal Code occurred or had to occur, even if only in part, on the territory of the Czech Republic.

(3) As for complicity/participation Section 4 Paragraph 3 and 4 of the Criminal Code shall similarly apply.

Section 3

Liability to punishment of an act committed abroad by a legal person with registered office in the Czech Republic shall also be considered under the law of the Czech Republic.

Section 4

(1) The law of the Czech Republic shall apply when determining the liability to punishment of Forgery and Alteration of Money (Section 233 of the Criminal Code), Uttering Counterfeited and Altered Money (Section 235 of the Criminal Code), Manufacturing and Possession of Forgery Tools (Section 236 of the Criminal Code), Unauthorised Production of Money (Section 237 of the Criminal Code) and Terrorism (Section 311 of the Criminal Code) even if such criminal act has been committed abroad by a legal person with no registered office in the Czech Republic.

(2) The law of the Czech Republic shall also apply when determining the liability to punishment for a criminal act committed abroad by a legal person with no registered office in the Czech Republic, if the criminal act has been committed for the benefit of a legal person with registered office in the Czech Republic.

Section 5

(1) The liability to punishment for a criminal act shall also be considered under the law of the Czech Republic in cases stipulated in a promulgated international agreement which is part of the legal order (further on “international treaty”).

(2) The provisions of Sections 2 to 4 shall not apply if it is not admitted under a promulgated international treaty.

Section 6

Exclusion of Liability to Punishment of Certain Legal Persons

(1) Following legal persons are not criminally liable according to this Act:

- a) Czech Republic,
- b) local self-governing entities while exercising public authority.

(2) Share of legal persons stipulated in Paragraph 1 in (another) legal person does not preclude criminal liability of such legal person under this Act.

PART TWO

PRINCIPLES OF CRIMINAL LIABILITY OF LEGAL PERSONS

Section 7

Criminal Acts

Criminal acts for the purpose of this Act are to be understood criminal acts stipulated by the Criminal Code, namely Trafficking in Human Beings (Section 168 of the Criminal Code), Fostering a Child to other Person's Power (Section 169 of the Criminal Code), Extortion (Section 175 of the Criminal Code), Breach of Secrecy of Transmitted Messages (Section 182 of the Criminal Code), Sexual Duress (Section 186 of the Criminal Code), Sexual Abuse (Section 187 of the Criminal Code), Pandering (Section 189 of the Criminal Code), Production and Other Disposal with Child Pornography (Section 192 of the Criminal Code), Abuse of a Child for Pornography Production (Section 193 of the Criminal Code), Corrupting the Morals of Children (Section 201 of the Criminal Code), Seduction to Sexual Intercourse (Section 202 of the Criminal Code), Fraud (Section 209 of the Criminal Code), Insurance Fraud (Section 210 of the Criminal Code), Credit Fraud (Section 211 of the Criminal Code), Grant Fraud (Section 212 of the Criminal Code), Operating False Games and Betting (Section 213 of the Criminal Code), Participation (Section 214 of the Criminal Code), Negligent Participation (Section 215 of the Criminal Code), Legalisation of Proceeds of Crime (Section 216 of the Criminal Code), Legalisation of Proceeds of Crime by Negligence (Section 217 of the Criminal Code), Unlawful Access to Computer System and Data Carrier (Section 230 of the Criminal Code), Procurement and Secretion of Access Equipment and Password of a Computer System and other such Data (Section 231 of the Criminal Code), Damage of a Record in Computer System and on a Data Carrier and Interference of Computer Equipment by Negligence (Section 232 of the Criminal

Code), Forgery and Alteration of Money (Section 233 of the Criminal Code even under conditions set in Section 238 of the Criminal Code), Unlawful Acquisition, Forgery and Alteration of Medium of Payment (Section 234 of the Criminal Code even under conditions set in Section 238 of the Criminal Code), Uttering Counterfeited and Altered Money (Section 235 of the Criminal Code even under conditions set in Section 238 of the Criminal Code), Manufacturing and Possession of Forgery Tools (Section 236 of the Criminal Code even under conditions set in Section 238 of the Criminal Code), Unlawful Production of Money (Section 237 of the Criminal Code even under conditions set in Section 238 of the Criminal Code), Retrenchment of Tax, Duty or any Other Similar Mandatory Payment (Section 240 of the Criminal Code), Evasion of Tax, Social Security Insurance and any Other Similar Mandatory Payment (Section 241 of the Criminal Code), Non-fulfilment of Reporting Obligation in Tax Proceedings (Section 243 of the Criminal Code), Breach of Regulations on Stickers and Other Objects for Marking of Goods (Section 244 of the Criminal Code), Forgery and Alteration of Devices for Marking of Goods for Tax Purposes and Objects Proving Fulfilment of Fee Obligation (Section 245 of the Criminal Code), Distortion of Data on the State of Management and Property (Section 254 of the Criminal Code), Arranging Advantage in Commission of Public Contract, Public Tender and Public Auction (Section 256 of the Criminal Code), Scheming in Commission of Public Contract and Public Tender (Section 257 of the Criminal Code), Scheming in Public Auction (Section 258 of the Criminal Code), Issuing False Certificate or Statement (Section 259 of the Criminal Code), Damaging the Financial Interests of European Union (Section 260 of the Criminal Code), Breach of Copyright, Rights Related to Copyright and Rights to a Database (Section 270 of the Criminal Code), Unlawful Acquisition and Possession of Firearms (Section 279 of the Criminal Code), Development, Production and Possession of Prohibited Combat Devices (Section 280 of the Criminal Code), Unlawful Production and Possession of Radioactive Substance and Highly Dangerous Substance (Section 281 of the Criminal Code), Unlawful Production and Possession of Radioactive Material and Special Fissionable Material (Section 282 of the Criminal Code), Unlawful Production and Other Disposal with Narcotic and Psychotropic Substances and Poisons (Section 283 of the Criminal Code), Possession of Narcotic and Psychotropic Substance or Poison (Section 284 of the Criminal Code), Unlawful Cultivation of Plants Containing Narcotic or Psychotropic Substances (Section 285 of the Criminal Code), Damage and Endangering of the Environment (Section 293 of the Criminal Code), Damage and Endangering of the Environment by Negligence (Section 294 of the Criminal Code), Damage of Forest (Section 295 of the Criminal Code), Unlawful Discharge of Pollutants (Section 297 of the Criminal Code), Unlawful Disposal With Waste (Section 298 of the Criminal Code), Unlawful Disposal with Protected Wild Living Animals and Wild Flora (Section 299 of the Criminal Code), Unlawful Disposal with Protected Wild Living Animals and Wild Flora by Negligence (Section 300 of the Criminal Code), Dispossession or Destruction of Animals and Plants (Section 301 of the Criminal Code), Terrorist Attack (Section 311 of the Criminal Code), Threatening with the Aim to Affect Public Authority (Section 324 of the Criminal Code), Threatening with the Aim to Affect a Public Official (Section 326 of the Criminal Code), Passive Bribery (Section 331 of the Criminal Code), Active Bribery (Section 332 of the Criminal Code), Trading in Influence (Section 333 of the Criminal Code), Perverting the Course of Justice (Section 335 of the Criminal Code), Obstructing the Execution of an Official Decision and Expulsion (Section 337 of the Criminal Code), Organisation and Facilitation of Unlawful Crossing of the Border of the State (Section 340 of the Criminal Code), Aiding to Unlawful Residence on the Territory of the Republic (Section 341 of the Criminal Code), Unlawful Employment of Foreigners (Section 342 of the Criminal Code), False Testimony and False Expert Opinion (Section 346

of the Criminal Code), Forgery and Alteration of an Official Document (Section 348 of the Criminal Code), Unlawful Production and Possession of a Sealing-Stick, Seal and Official Stamp (Section 349 of the Criminal Code), Violence Against a Group of Persons and Against an Individual (Section 352 of the Criminal Code), Defamation of Nation, Race, Ethnical or Other Group of Persons (Section 355 of the Criminal Code), Incitement of Hatred Towards a Group of Persons or to Limitation of Their Rights and Freedoms (Section 356 of the Criminal Code), Participation in an Organised Criminal Group (Section 361 of the Criminal Code), Incitement to Commit a Criminal Act (Section 364 of the Criminal Code), Abetting (Section 366 of the Criminal Code), Expressing Sympathies for a Movement Aimed at Suppressing Human Rights and Freedoms (Section 404 of the Criminal Code) and Denial, Questioning, Approval and Justification of Genocide (Section 405 of the Criminal Code).

Section 8

Criminal Liability of a Legal Person

(1) Criminal act committed by a legal person is an unlawful act committed in its name or in its interest or within its activity, if committed by

- a) statutory body or member of the statutory body or other person entitled to act on behalf of or for the legal person,
- b) a person performing managerial or controlling activity within the legal person, even if he/she is not a person as mentioned in Letter a),
- c) a person with a decisive authority on management of this legal person, if his/her act was at least one of the conditions leading to a consequence establishing criminal liability of a legal person, or
- d) employee or a person with similar status (thereinafter “employee”) while fulfilling his/her duties/tasks, even if he/she is not a person as mentioned in Letters a) to c),

given that the act can be attributed to the legal person in accordance with Paragraph 2.

(2) Commitment of a criminal act as specified in Section 7 can be attributed to a legal person, if committed by

- a) action of bodies or persons mentioned in Paragraph 1 letters a) to c), or
- b) an employee mentioned in Paragraph 1 Letter d) on the grounds of a decision, approval or guidance of bodies of the legal person or persons mentioned in Paragraph 1 Letters a) to c), or because the bodies of the legal person or persons mentioned in Paragraph 1 Letters a) to c) did not take measures required by other legal regulation or that can be justly required, namely that they did not perform obligatory or necessary control (supervision) over the activities of employees or other persons, they are superiors to, or they did not take necessary measures to prevent or stave off the consequences of a committed criminal act.

(3) Criminal liability of a legal person is not obstructed by the fact that a concrete natural person who has acted in a way specified in Paragraphs 1 and 2 cannot be identified.

(4) Provisions of Paragraphs 1 and 2 will apply also if

- a) the activity specified in Paragraphs 1 and 2 took place prior to establishing the legal person,
- b) the legal person has been established but the court decided on nullity of the legal person,
- c) the legal act establishing authorisation for action on the legal persons behalf is invalid or ineffective, or
- d) the acting natural person is not (held) criminally liable for such criminal act.

Section 9

Perpetrator, Accomplice and Participant

(1) A perpetrator of a criminal act is a legal person to which a breach or endangering of an interest protected by the Criminal Code by means specified in this Act can be attributed to.

(2) A perpetrator is also a legal person that used other legal or natural person for the commitment of a criminal act.

(3) Criminal liability of legal person does not affect criminal liability of natural persons specified in Section 8 Paragraph 1 and criminal liability of these natural persons does not affect criminal liability of the legal person. If the criminal act has been committed by means of a joint action of more persons, where at least one of them was a legal person, every each one of these persons is liable as if the person committed the act on its own.

Section 10

Criminal Liability of a Legal Successor of a Legal Person

(1) Criminal liability of legal person descends to all its legal successors.

(2) If the criminal liability has descended in line with Paragraph 1 to more legal successors of the legal person, the court while deciding on type and terms of punishment or protective measure considers also the size of proceeds, benefits and other advantages of the committed criminal act that have been transferred to every each of them, eventually also in which extent whichever of these continues in the activity related to commitment of the criminal act.

(3) The provisions of the Criminal Code will similarly apply to imposition of accumulative, multiple and joint punishment to a legal successor; if such procedure is not possible due to nature of legal succession or due to other reasons, the court imposes a separate punishment.

(4) The Court will proceed similarly according to Paragraphs 1 to 3 in cases of dissolution of the legal person after the final conclusion of the criminal proceeding.

Section 11

Effective Regret

(1) Criminal liability of the legal person becomes extinct, if the legal person voluntarily refrains from further unlawful activity and

- a) eliminates the danger that appeared to an interest protected through the Criminal Code, or precludes such harmful effect or remedies such harmful effect, or
- b) reports the criminal act to public prosecutor or police authority at the time when the danger to an interest protected through the Criminal Code could be eliminated or the harmful effect of the criminal act could be precluded.

(2) Criminal liability of a legal person does not become extinct in accordance with Paragraph 1 if Passive Bribery (Section 331 of the Criminal Code), Active Bribery (Section 332 of the Criminal Code) or Trading in Influence (Section 333 of the Criminal Code) have been committed.

Section 12

Statute of Limitation of Criminal Liability

As for the limitation of criminal liability of legal persons Section 34 of the Criminal Code will similarly apply.

Section 13**Exemption from the Statute of Limitation**

Expiration of the limitation period shall not terminate criminal liability for criminal act of Terrorist Attack (Section 311 of the Criminal Code), if these were committed under such circumstances which qualify them as war crimes or crimes against humanity in line with rules of public international law.

PART THREE**PUNISHMENTS AND PROTECTIVE MEASURES****Chapter I****General Provisions****Section 14****Proportionality of the Punishment and Protective Measure**

(1) While deciding on type and terms of punishment the court considers the nature and seriousness of the criminal act, situation (circumstances) of the legal person, including its actual activities and property owned; in doing so the court will consider whether the legal person conducts activity in public interest, having strategic or hardly replaceable significance for national economy, defence or security. Furthermore the court considers the activities of the legal person following the commitment of the criminal act, above all its effective effort to restore damage or eliminate other harmful effects of the criminal act. Impacts and effects of the punishment that can be anticipated to future activity of the legal person are to be taken into account as well.

(2) A protective measure that is not proportional to the nature and seriousness of the criminal act as well as to the situation of the legal person cannot be imposed to a legal person.

(3) While imposing criminal sanctions the court will also consider implications, this imposition might have upon third parties, namely, legally protected interests of injured parties and creditors whose claims towards criminally liable legal person have occurred in good faith and do not originate or are not connected with the criminal act of the legal person, are to be considered.

Section 15

Types of Punishments and Protective Measures

(1) For criminal acts committed by a legal person only the following punishments can be imposed

- a) dissolution of the legal person,
- b) confiscation of property,
- c) monetary punishment,
- d) forfeiture of a thing or other asset value,
- e) prohibition of activity,
- f) prohibition to perform public contracts, debarment from concession procedure or public procurement,
- g) prohibition to receive endowments (grants) and subsidies,
- h) publication of a judgement.

(2) For criminal acts committed by a legal person protective measure of seizure of a thing or other asset value can be imposed to the legal person.

(3) Punishments and protective measures as mentioned in Paragraphs 1 and 2 can be imposed to a legal person separately or concurrently. However, it is not possible to impose the punishment of monetary sanction concurrently to confiscation of property and the punishment of forfeiture of a thing or other asset value concurrently to seizure of the same thing or other asset value.

Chapter II

Imposition of Particular Punishments

Section 16

Dissolution of a Legal Person

(1) The court may impose the punishment of dissolution of a legal person to a legal person with a registered office in the Czech Republic if its activities, wholly or mainly, consisted in committing criminal act or criminal acts. The punishment of dissolution of a legal person cannot be imposed if it is excluded by nature of the legal person.

(2) If the legal person is a bank, the court may impose the punishment of dissolution of a legal person after an opinion of Czech National Bank on possibilities and consequences of its imposition has been delivered; the court considers such opinion. The first sentence will similarly apply to insurance company, reinsurance company, pension fund, investment company, investment fund, securities dealer, savings and credit co-operative (bank), central securities depository, electronic money institution, payment institution, operator of a settlement system and operator of markets in investment instruments (vehicles).

(3) If the legal person is a commodity exchange, the court may impose the punishment of dissolution of a legal person after an opinion of the respective body of state administration, which issues state licences for operating of an exchange according to other legal regulation, on possibilities and consequences of its imposition has been delivered; the court considers such opinion.

(4) With the legal effect of the decision that imposes the punishment of dissolution of a legal person, the liquidation procedure of the legal person commences.

(5) The property/assets of a legal person, upon which the punishment of dissolution of a legal person has been imposed, may be used to satisfy claims of creditors if the property/assets in question is not excluded due to its nature or kind or nature of the committed criminal act.

Section 17

Confiscation of Property

(1) The court may impose the punishment of confiscation of property, if the legal person is convicted of an extremely serious criminal act, by means of which the legal person acquired or tried to acquire property benefit for itself or for another.

(2) Without conditions according to Paragraph 1 the court may impose the punishment of confiscation of property only in cases where the Criminal Code allows imposition of such a punishment for a committed criminal act.

(3) Confiscation of property affects the whole property of a legal person or the part designated by the court.

(4) If the legal person is a bank or foreign bank which branch operates on the territory of the Czech Republic on behalf of a banking licence granted by the Czech National bank or on the basis of joint (unified) banking licence (European Banking Licence) according to other regulation, the court may impose the punishment of confiscation of property

after an opinion of Czech National Bank on possibilities and consequences of its imposition has been delivered; the court considers such opinion. The first sentence will similarly apply to insurance company, branch of an insurance company, reinsurance company, branch of a reinsurance company, pension fund, investment company, investment fund, securities dealer, branch of a securities dealer, savings and credit co-operative (bank), central securities depository, electronic money institution, branch of electronic money payment institution, payment institution, operator of a settlement system and operator of markets in investment instruments (vehicles).

Section 18

Monetary Punishment

(1) The court may impose a monetary punishment to a legal person, if the legal person is convinced of intentional criminal act or a criminal act committed by negligence. Imposition of the monetary punishment cannot affect the rights of the injured person.

(2) Daily rate is at least 1000 CZK and at the most 2 000 000 CZK. While determining the amount of a daily rate, the court considers property owned by the legal person.

(3) The provision of Section 17 Paragraph 4 will similarly apply.

Section 19

Forfeiture of a Thing or Other Asset Value

The court may impose the punishment of forfeiture of a thing or other asset value, including forfeiture of substitute value, under conditions stipulated by the Criminal Code.

Section 20

Prohibition of Activity

(1) The court may impose the punishment of prohibition of activity to a legal person for one year to 20 years, if the criminal act has been committed in connection to this activity.

(2) The provision of Section 17 Paragraph 4 will similarly apply.

Section 21

Prohibition to Perform Public Contracts, Debarment from Concession Procedure or Public Procurement

(1) The court may impose the punishment of prohibition to perform public contracts, debarment from concession procedure or public procurement to a legal person for one year to 20 years, if the legal person has committed the criminal act in connection to contracting to perform public contracts or performing of these contracts, participation in public tender, concession procedure or public procurement.

(2) The punishment of prohibition to perform public contracts, debarment from concession procedure or public procurement as a separate punishment may be imposed only if the court deems it not necessary, due to the nature and seriousness of the committed criminal act, to impose other type of punishment.

(3) Throughout the period of the execution of the punishment and in accordance to the extent defined by the court, the punishment of prohibition to perform public contracts, debarment from concession procedure or public procurement consists in prohibition for a legal person to make contracts to perform public procurement, take part in public tenders on public contracts, concession procedure or public procurement according to other legal regulations.

Section 22

Prohibition to Receive Endowments (Grants) and Subsidies

(1) The court may impose the punishment of prohibition to receive endowments (grants) and subsidies to a legal person for one year to 20 years, if the legal person has committed the criminal act in connection to submitting an application or dealing with applications for endowment, subsidy, refundable financial subsidy or contribution or in connection to their provision or use, and/or in connection to provision or use of any other state aid.

(2) The punishment of prohibition to receive endowments (grants) and subsidies as a separate punishment may be imposed only if the court deems it not necessary, due to the nature and seriousness of the committed criminal act, to impose other type of punishment.

(3) Throughout the period of the execution of the punishment and in accordance to the extent defined by the court, the punishment of prohibition to receive endowments (grants) and subsidies consists in prohibition for a legal person to apply for whatever endowments, subsidies, refundable financial subsidies, contributions or any other state aid according to other legal regulations, as well as prohibition to receive any such endowments, subsidies, refundable financial subsidies, contributions or any other state aid.

Section 23

Publication of the Judgement

(1) The court may impose publication of the judgement if it is deemed necessary to make the general public aware of the judgement of conviction, mainly due to the nature and seriousness of the criminal act, and/or if the interest in protection of safety of people or property, eventually the society, requires so. In doing so the court assigns the type of public media, where the judgement shall be published, the extent of publication and the time limit for the legal person to publish the judgement.

(2) The punishment to publish the judgement means that the convicted legal person publishes to its expenses the final judgement of conviction or its determined parts in a public media as assigned by the court, including identification data of the company or name of the legal person and its seat. Identification data of a natural or legal person that are different from the convicted legal person brought forward in the judicial dictum or its reasoning must be anonymised prior to publication.

Chapter III

Expiration of the Execution of the Punishment

Section 24

Expiration of Limitation Period

A punishment imposed to a legal person may not be executed after expiration of the period of limitation, which is

- a) thirty years, in cases of conviction to monetary punishment of at least 560 daily rates, or to punishment of prohibition of activity, prohibition to perform public contracts, debarment from concession procedure or public procurement, prohibition to receive endowments (grants) and subsidies for a time period of at least 15 years,
- b) twenty years, in cases of conviction to monetary punishment of at least 380 daily rates, or to punishment of prohibition of activity, prohibition to perform public contracts, debarment from concession procedure or public procurement, prohibition to receive endowments (grants) and subsidies for a time period of at least 10 years,
- c) ten years, in cases of conviction to monetary punishment of at least 200 daily rates, or to punishment of prohibition of activity, prohibition to perform public contracts, debarment from concession procedure or public procurement, prohibition to receive endowments (grants) and subsidies for a time period of at least 5 years,
- d) five years in cases of conviction to another punishment.

Section 25

Exclusion from Expiration of Limitation Period

Execution of a punishment imposed for a terrorist attack (Section 311 of the Criminal Code), if committed under such circumstance that create a war crime or a crime against humanity according to rules of public international law, shall not be subject to the expiration of limitation period.

Chapter IV

Protective Measure

Section 26

Forfeiture of a thing or Other Asset Value

The court may impose a protective measure of forfeiture of a thing or other asset value to a legal person, including forfeiture of a substitute value or files and devices, or instead of forfeiture of a thing or other asset value impose modification of a thing or other asset value, removal of a specific device, labelling or otherwise altering or restricting disposition to a thing or other asset value under conditions set in the Criminal Code.

Chapter V

Extinction of the Effect of Conviction

Section 27

The convicted legal person is deemed not to be convicted if the time period after a final convicting judgement as set in Section 24 has expired.

PART FOUR

SPECIFIC PROVISIONS REGARDING PROCEDURE AGAINST LEGAL PERSONS*Section 28***Relation to a Proceeding on Administrative Offence**

(1) Opening of a criminal proceeding against a legal person impedes a proceeding against the same legal person on the same act concerning administrative offence; this does not exclude imposition of receivership or other corrective measure according to other legal regulation.

(2) Criminal proceeding against a legal person cannot be opened, and if opened it cannot continue and must be discontinued in cases where a previous proceeding on the same act against the same legal person ended up with a final decision on an administrative offence and such decision has not been revoked.

(3) In cases where other legal regulation sets a period of expiration of liability of legal persons for administrative offences, the duration of a proceeding according to this Act does not count into such limitation period.

*Section 29***Local Jurisdiction**

If the crime scene cannot be found or the criminal offence was committed abroad, proceeding is conducted by the court in whose jurisdiction the accused legal person has its registered office or in whose jurisdiction the accused foreign legal person has its establishment or branch; if such places cannot be identified or are outside the Czech Republic, proceedings are performed by the court in whose jurisdiction the criminal act was uncovered.

*Section 30***Notification of Opening and Closing of a Criminal Proceeding**

(1) The police body notifies about opening of a criminal proceeding against a legal person a respective public authority or person which according to other legal regulation administers the commercial or any other legally appointed register, database or registry, authority granting licences or permissions to conduct activities to such legal person and an authority responsible for supervision over such legal person. Such authorities or persons are notified about the final

closing of the proceeding by the chair of the panel of judges or in preliminary proceeding by the prosecutor.

(2) If for the purpose of dissolution or change of the legal person an entry into a legally appointed public register, database or a registry is required, the chair of the panel of judges notifies about the closing of the execution proceeding the public authority entitled to keep such register, database or registry.

Section 31

Joint Proceeding

(1) Joint proceeding takes place against accused legal person and accused natural person if their criminal acts are mutually related unless there are important reasons for the prohibition thereof. Joint proceeding is conducted by a Regional Court, provided it is competent to conduct proceeding on at least one of the criminal acts. In cases where the offenders of the most serious criminal act or most serious criminal acts are accused natural person and accused legal person, the joint proceeding is conducted by a court which is competent to conduct a proceeding against the accused natural person.

(2) Criminal liability of the legal person and natural person is assessed independently throughout the joint proceeding.

(3) In cases where throughout the joint criminal proceeding against natural and legal person acts of criminal proceeding related to both these persons shall be conducted, such acts shall be first conducted in relation to the natural person as a rule.

Section 32

Termination, Dissolution and Change of Legal Person

(1) Legal person against which criminal proceeding has been opened is obliged to notify without delay in writing the prosecutor and during the court hearing the chair of the panel of judges, that acts towards its termination, dissolution or change prior to conducting such acts, these acts are otherwise deemed null and void.

(2) Legal person against which criminal proceeding has been opened cannot be terminated, changed or dissolved until the final closing of such proceeding, with the exception where the consequences would not be proportionate to the committed criminal act; in such a case the criminal liability of a legal person against which criminal proceeding has been opened is devolved on its successor. If the legal person has been established for a limited time period

or to reach certain purpose, and after the criminal proceeding has been opened such time period for which it has been established has lapsed or the purpose for which it has been established has been achieved, from that point it is deemed to be established for indefinite time period.

(3) The judge during preliminary proceeding or the chair of the panel of judges during court hearing decides whether a legal person may be terminated and whether it may be changed eventually dissolved upon proposal submitted by this legal person or other entitled person.

(4) If a prosecutor and during a court hearing the chair of the panel of judges does not file a petition of nullity of acts aiming at termination, dissolution or change of the legal person, petition of nullity of decision approving change of a legal person or petition of nullity of the project of transformation as required by other legal regulation to the respective court, these acts are deemed valid.

(5) Prior to decision as required by Paragraph 3 the judge and during the court hearing the chair of the panel of judges may order the legal person to deposit to a given account and in a set time period a designated amount corresponding to anticipated monetary punishment or to provide other guarantee. As regards the duration of such measures and disposition with the deposited amount Section 73a Paragraph 5 first sentence and Section 73a Paragraph 6 to 9 of the Criminal Procedure Code shall similarly apply.

(6) A complaint against decisions according to Paragraphs 3 and 5 is admissible; such complaint has in case of a decision according to Paragraph 3 suspensory effect.

(7) Restrictions according to Paragraphs 1 and 2 and the decision according to Paragraph 3 do not affect the power of the respective authority to withdraw a licence or other permission to conduct activity from a legal person against which criminal proceeding has been opened and to propose dissolution of such legal person according to other legal regulation.

(8) Paragraphs 1 to 7 are similarly to be applied in cases where the legal person shall be terminated, dissolved or changed due to execution of a judgement.

(9) Public authority or a person which according to other legal regulations administers commercial register or other register specified by law, database or registry of legal persons will not enter dissolution or change of such person into the respective register, database or registry and will not delete such legal person without authorisation according to Paragraph 3, unless the termination or change is deemed valid according to Paragraph 4.

(10) If any condition under Paragraphs 1 to 9 enabling termination or change of the legal person is not met, the legal person is not dissolved.

(11) Change of the legal person for purposes of this act is meant merger, consolidation or division of a legal person, transfer of assets to a partner, change of legal form of the legal person or displacement of the legal person abroad.

Section 33

Securing Measures

(1) If a justified concern arises that the accused legal person will act as specified in Section 67 Letter c) of the Criminal Procedure Code the judge during the pre-trial proceeding and during court hearing the chair of the panel of judges may upon petition of the prosecutor temporarily suspend the exercise of one or more activities or impose restriction to dispose of property/assets of this legal person; at the same time possible impacts of the imposition of such securing measure shall be considered.

(2) The chair of the panel of judges and during pre-trial proceeding the judge upon petition of the prosecutor may impose to the legal person restrictions to dispose of its property/assets, if it is prosecuted for a criminal act where, due to the nature and seriousness of such act and situation of such legal person, monetary punishment is anticipated and where doubt arises that execution of such punishment will be frustrated or obstructed.

(3) For important reasons the chair of the panel of judges and during the pre-trial proceeding the judge upon petition of the affected legal person may give permission to an act concerning property/assets secured according to Paragraphs 1 or 2.

(4) The securing measure will be cancelled or restricted if for the purpose of the proceeding it is not deemed necessary or is not necessary in the given scope.

(5) The decision according to Paragraph 1 which temporarily suspends the exercise of one or more activities, as well as the decision to cancel or to restrict such securing measure will be sent without delay to an authority granting licences or other permissions to conduct activity of the accused legal person and in case of legal person stipulated in Section 17 Paragraph 4 such decision is sent to the Czech National Bank.

(6) The legal person upon which securing measure under Paragraph 1 and 2 was imposed has the right whenever to ask for cancelling or restricting of such securing measure. Such petition must be decided without delay. If such petition has been rejected, the legal person may

in cases where no new circumstances arise repeat its petition not earlier than in two weeks after legal effect of such decision.

(7) A complaint against decisions according to Paragraphs 1 to 6 is admissible; such complaint has in case of a decision to cancel or restrict the securing measure or permission of an act according to Paragraph 3 suspensory effect.

Section 34

Acts of the Legal Person

(1) The person entitled to act for a legal person during a court hearing according to Civil Law Procedure Code acts for the legal person during the proceeding. Such person must prove its authority to act for the legal person.

(2) The legal person may choose a representative. The authorisation to represent is proved upon a letter of attorney. Power of attorney can be granted orally to the judicial record. During the proceeding the legal person may have only one representative.

(3) During the proceeding only one person may act for the legal person simultaneously.

(4) A person that is the accused, damaged person or witness in the same case cannot make acts during the proceeding. If throughout the proceeding such fact arises, the chair of the panel of judges or the prosecutor during the pre-trial proceeding calls upon the legal person to appoint another person for the purpose of acting during the further proceeding; for such appointment time limit of 7 days is set as a rule.

(5) If a person according to Paragraph 4 is not appointed in time or the legal person does not have any such person capable to act during the proceeding, eventually documents cannot be verifiably served to the legal person or its representative, the chair of the panel of judges and during the pre-trial proceeding the judge appoints a guardian to the legal person. The guardian may be appointed upon his/her consent only. A person cannot be appointed guardian if reasonable doubt arises that such person has interests on the outcome of the proceeding which would reasonably doubt his/her readiness to duly defend the interests of the legal person. The decision of appointment of the guardian is served to the person appointed a guardian and also to the legal person if possible.

(6) The person according to Paragraph 1, representative and guardian have during the proceeding the same rights and duties as the person against which the proceeding is conducted.

(7) If the person according to Paragraph 1, eventually the representative of the accused legal person or guardian do not appear at the trial without due excuse, the court may commence in their absence if the indictment has been dully served to the accused legal person, the legal person has been dully summoned for the trial, the provision on opening of criminal proceeding has been duly obeyed and the legal person was notified of the possibility to study the file and make proposals to supplement the investigation.

(8) If the legal person is represented or a guardian has been appointed and the Criminal Procedure Code does not state otherwise, documents intended for the legal person are served only to such representative or guardian.

Section 35

Defence Counsel

(1) The provision of Section 34 does not affect the right of the accused person to defence.

(2) Provisions of the Criminal Procedure Code concerning necessary defence will not apply for accused legal person.

Section 36

Summons, Presentation and Disciplinary Fine

(1) If a person acting for the legal person according to Section 34, who was dully summoned, fails to appear without sufficient excuse, such person may be presented.

(2) If a person acting for the legal person according to Section 34 Paragraphs 1, 2 or 4 despite previous warning disturbs the hearing/proceeding or who behaves offensively to the court, prosecutor or police authority, or without sufficient excuse disobeys the order, or does not grant the request which was made according the Criminal Procedure Code or this Act, the legal person for which he/she is acting may be punished by the chair of the panel of judges and during the pre-trial proceeding the public prosecutor or the police authority with a disciplinary fine of up to 500 000 CZK. Should the guardian commit the conduct described in the first sentence, he/she may be punished with a disciplinary fine of up to 50 000 CZK.

(3) A complaint against the decision according to Paragraph 2 is admissible; such complaint has suspensory effect. For the decision over the complaint Section 146a of the Criminal Procedure Code is similarly applied.

Section 37

Interrogation and Closing Speech at the Trial and Public Hearing

(1) In cases of joint proceeding against a legal person and a natural person, the natural person is interrogated at the trial and public hearing prior to the representative of the legal person.

(2) After the public prosecutor's closing speech, the victim shall speak, followed by the parties involved, eventually their representatives, and the defence counsel of the legal person, then followed by the representative of the legal person, defence counsel of the natural person and the natural person itself. The last word is delivered first by the representative of the legal person and then by the natural person.

Section 38

Execution of the Punishment of Dissolution of the Legal Person

(1) As soon as the judgement punishing the legal person with dissolution becomes effective, the chair of the panel orders its execution. In the executing order a liquidator is appointed. The legal person is wound up at the date when the judgement punishing the legal person with dissolution became effective. Legal person registered in the commercial register or any other legally appointed register, database or registry is dissolved upon deletion from such register, database or registry, if other legal regulation does not state otherwise.

(2) Throughout the course of winding up the legal person, the execution of the punishment of dissolution of a legal person follows other legal regulations concerning winding-up order, if this Act does not state otherwise.

(3) The chair of the panel of judges may upon petition of a person, who proves its legal interest, or without previous petition, if other legal regulation does not state otherwise, remove the liquidator who breaches his/her duties and replace him/her by another person.

Section 39

Execution of the Punishment of Prohibition to Perform Public Contracts, Debarment from Concession Procedure or Public Procurement

Section 350 of the Criminal Procedure Code on execution of punishment of prohibition of activity will adequately apply to execution of the punishment of prohibition to perform public contracts, debarment from concession procedure or public procurement.

Section 40

Execution of the Punishment of Prohibition to Receive Endowments (Grants) and Subsidies

Section 350 of the Criminal Procedure Code on execution of punishment of prohibition of activity will adequately apply to execution of the punishment of prohibition to receive endowments (grants) and subsidies.

Section 41

Execution of the Punishment of Publication of the Judgement

(1) As soon as the judgment punishing with publication of the judgement becomes effective, the chair of the panel of judges calls upon the legal person to publish it in a given time limit and extent on its own expenses and in the assigned type of public media.

(2) If the legal person does not publish the judgement as specified in Paragraph 1, the chair of the panel of judges decides on disciplinary fine of up to 500 000 CZK. Such a disciplinary fine may be ordered repeatedly until the ordered duty is fulfilled.

(3) A complaint against the decision according to Paragraph 2 is admissible; such complaint has suspensory effect.

PART FIVE

SPECIFIC PROVISIONS CONCERNING LEGAL RELATIONS WITH FOREIGN STATES

Section 42

Request

Chapter twenty five Division five of the Criminal Procedure Code will adequately apply for a request. To determine jurisdiction to perform request from an authority of a foreign state provisions of Sections 29 and 31 will adequately apply, otherwise Section 431 of the Criminal Procedure Code will be applied.

Section 43

Receipt and Transfer of Criminal Matters

Chapter Twenty Five Division Six of the Criminal Procedure Code will adequately apply for a receipt of a criminal proceeding conducted in a foreign state against a legal person with registered office in the Czech Republic, and for transfer of a criminal proceeding conducted in the Czech Republic against a legal person with a registered office in a foreign state to that respective foreign state.

Section 44

Recognition and Execution of a Decision in Relation to Foreign States

(1) Foreign decision for the purpose of recognition and execution of decision of foreign state is deemed a decision issued by a foreign court for criminal act which is criminal even according to the legal order of the Czech Republic, and for which a punishment or protective measure corresponding to punishments and protective measures given according to Section 15 was imposed.

(2) The petition for recognition of a foreign decision aiming at a legal person at the territory of the Czech Republic is submitted by the Ministry of Justice upon request of an official authority of the foreign state to the respective Regional Court where the accused legal person has its registered office. If the accused legal person does not have registered office in the Czech Republic, Regional Court in Prague is competent for the proceeding. In case of foreign decision concerning property/assets, competent court is the Regional Court where the property/assets, thing or other asset value, mentioned in the foreign decision, is located.

(3) The court competent to execute the final judgement on which behalf a punishment or protective measure, and or its remainder, shall be executed against the convicted legal person with registered office on a territory of a foreign state may through the Ministry of Justice request the respective official authority of such state to ensure execution of such judgement on its territory under conditions stipulated by an international treaty, by which the Czech Republic and the state where the convicted legal person has its registered office is bound, and if such treaty does not exist then under conditions stipulated by the legal order of that respective foreign state.

(4) Otherwise, Chapter Twenty Five Division Seven of the Criminal Procedure Code will similarly apply for recognition and execution of foreign decisions and transfer of execution of decisions against legal person to a foreign state.

Section 45

Recognition and Execution of Decisions on the Seizure of Property or Evidence between Member States of the European Union

(1) Sections 460a to 460h and Sections 460m and 460n of the Criminal Procedure Code will adequately apply for seizure of property/assets of a legal person in another member state of the European Union (hereafter “another member state”) for the purposes of a proceeding conducted in the Czech Republic against a legal person, and for the recognition of an order to seize property/assets of a legal person issued by a judicial authority of another member state against a legal person and for ensuring enforcement of a decision to recognize an order to seize property/assets.

(2) Sections 460a to 460d and Sections 460i to 460n of the Criminal Procedure Code will adequately apply for securing of evidence in another member state for the purposes of a proceeding against a legal person in the Czech Republic and for securing and transfer of evidence to another member state for the purposes of a proceeding against a legal person conducted in the respective state.

Section 46

Recognition and the Execution of the Decision on Monetary Sanctions and other Monetary Performances with Member States of the European Union

(1) A decision of another member state concerning monetary sanctions or other monetary performances against a legal person may be recognized and executed in the territory of the Czech Republic if the convicted legal person has its registered office or disposes of property/assets in the territory of the Czech Republic.

(2) The court competent for the ruling on recognition and execution of a decision of another member state on monetary sanctions and other monetary performances is the District Court in which district the legal person against which the decision is directed has its registered office, otherwise the Regional Court in which region the convicted legal person possesses property/assets is the competent court. If according to the first sentence several courts are competent the trial is held at the court which has first received the decision which has to be recognized or executed or the court to which such decision was first referred to. After the proceeding has commenced, changes of facts decisive for establishing the local competence of the District Court are not taken into account.

(3) If necessary, to ensure proper execution of the decision on monetary sanctions or other monetary performances against a legal person, the court which issued such decision may transfer this decision to a respective authority of another member state for the purpose

of its recognition and execution in cases where the convicted legal person has its registered office or disposes of property/assets in this another member state.

(4) Otherwise, Chapter Twenty Five Division Nine of the Criminal Procedure Code will similarly apply to recognition and execution of decision of another member state on monetary sanctions and other monetary performances and to transfer decision on monetary punishment and other monetary performances to another member state for the purpose of recognition and execution, if aiming at a legal person.

Section 47

Recognition and Execution of the Decisions Imposing Forfeiture or Confiscation of Property/Assets, Things or other Asset Values with other Member States of the European Union

Chapter Twenty Five Division Ten of the Criminal Procedure Code will adequately apply to recognition and execution of a decision of another member state imposing forfeiture or confiscation of property/assets, things or other asset values and to consignment of such decision to another member state, if aiming at a legal person.

PART SIX

EFFECTIVENESS

Section 48

This Act comes into force on 1 January 2012.

Němcová m.p.

Nečas m.p.