

Is the Czech Republic facing a digital revolution?

The establishment of the Digital and Information Agency (DIA) is considered by some as a digital revolution for the Czech Republic. More cautious optimists welcome this step and closely observe whether it will indeed be a significant milestone in the digitalization process of the country. DIA was formed on January 1, 2023, by an amendment to the Act No. 12/2020 Coll., on the Right to Digital Services, as the central body of state administration. It took over the competencies of the Ministry of the Interior in the field of e-government (specifically the management of basic registers, the Czech Point system, and the Citizen Portal).

The legislator expects that the activities of this newly established state administrative authority will lead to cross-departmental sharing of digital services in public administration and to significant cost savings in the digitalization process of the Czech Republic. In its first year, DIA is expected to participate in several important digitalization projects and initiate cooperation at the EU level and with other member states.

Collaboration at the EU level can be seen from the perspective of the proposed legislative draft of the European eIDAS 2.0 regulation as crucial. It has been discovered that the original unrevised eIDAS regulation did not fully realize its potential, as it was not being used in a cross-border manner as originally intended. However, the revised version of the regulation aims to change this by introducing the European digital identity wallet. Functionally, it will be based on national electronic identity and issued by individual member states, with the eIDAS 2.0 regulation foreseeing cross-border recognition in other member states.

The functionality of the European wallet should be ensured through an app that EU citizens can download to their mobile phones, allowing them to store their driver's licence, birth certificate, certificate, diploma and other important documents. However, it will be up to each individual to decide what they want to include in their European wallet. Furthermore, it should be possible to use the European wallet for creating and using qualified electronic signatures or qualified electronic seals. The wallet should be free of charge, and its usage should be voluntary. However, it can be assumed that the creation of a qualified electronic signature through the European wallet will still be subject to fees.

Moreover, the eIDAS 2.0 regulation assumes that the European digital identity will not only be available to citizens of EU member states but also to individuals with permanent residence in the EU. The revised regulation also aims to



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expand the use of electronic signatures within the private sector. This is a response to the current use of digital identity primarily in regulated sectors, such as communication with authorities, banks or administrative bodies.

A similar Czech project with comparable ambitions, but limited to the domestic scope, is eDokladovka. It is one of the first projects of DIA and is expected to be launched at the end of 2023. Functionally, it will be a digital wallet in the form of a mobile application, allowing users to upload documents as an alternative to their physical form. This means that the physical form of the documents will still exist, but identity verification or other legal matters can be replaced by verification through the digitally stored copy in the mobile application. The first document that we will soon be able to leave at home thanks to eDokladovka is expected to be the ID card.

However, many experts criticize the domestic eDokladovka project in light of the eIDAS 2.0 regulation, which aims to introduce the European digital identity wallet. The critical considerations about the timeliness of eDokladovka seem justified when eDokladovka (at least based on the currently available information) does not anticipate a later transition to the European digital identity wallet.



Practice Area News

Prosecution for an incorrect legal opinion? The Constitutional Court („CC“) addressed the criminal offense of obstructing a public official's duty in its ruling, file number III. ÚS 3296/21. The lawyer from the internal administration department of the city, acting as a civil servant, issued an official decision based on an incorrect legal opinion, resulting in an incorrect property restitution. **The CC** ruled that holding a different legal opinion, subsequently proven to be incorrect, does not establish criminal liability.

Discriminatory local waste fees before the Constitutional Court. The town Krásná Lípa attempted to impose different fees for the municipal waste management system for tourists and "permanent residents" of the city. **The CC** ruled, case no. PL. ÚS 25/22, that such regulation is discriminatory and in violation of legally prescribed limits and that the generally binding decree was contrary to the constitutional order.

New Czech State Bond 2023 - 2031. Emission conditions for the Czech Republic's State Bond for 2023-2031 were published in the Collection of Laws in mid-June. As per **the Ministry of Finance's announcement**, the state bonds are issued as registered securities, offering a fixed interest rate of 6.2% per annum, paid annually. The nominal value is set at 10,000 CZK, with a maturity date of June 16, 2031.

Current news from the Constitutional Court. The chairman of the CC has become Josef Baxa, former chairman of the Supreme Administrative Court. The President appointed him together with the new Vice-Chair of the CC, Kateřina Ronovská. The President also appointed Veronika Křesťanová as a CC judge. The CC is currently in the process of significant renewal, as the new President will be responsible for seven appointments of constitutional judges.

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