



Legal update

April 2025

Weinhold Legal

Contents

News in legislation

[Draft law amending certain acts in the financial market sector](#)

[Draft amendment to the act on conditions of business in the tourism sector has passed the first reading](#)

Case law updates

[Supreme Court of the Czech Republic: Obligation to Undertake Objectively Impossible Performance as a Reason for Invalidity of a Contractual Guarantee](#)

[Prague Municipal Court admitted the first ever czech class action lawsuit](#)

The information contained in this bulletin is presented to the best of our knowledge and belief at the time of going to press. However, specific information related to the topics listed in this bulletin should be consulted before any decisions are made.

Banking, Finance & Insurance:

Daniel Weinhold, Václav Štraser, Ondřej Tejnský

Competition Law / EU Law:

Tomáš Čermák

Dispute Resolution: Milan Polák, Zbyšek Kordač, Michaela Koblasová, Michal Švec

ESG – Environment, Social, (corporate) Governance:

Daniel Weinhold, Tereza Hošková

Family Office:

Milan Polák, Zbyšek Kordač, Michaela Koblasová

Insolvency and Restructuring:

Zbyšek Kordač, Jakub Nedoma

IT, Media & Telecommunication:

Martin Lukáš, Jakub Nedoma, Michal Przczek

Labour Law: Eva Procházková, Daša Aradská, Ondřej Tejnský

Mergers and Acquisitions:

Daniel Weinhold, Václav Štraser

Personal Data Protection:

Martin Lukáš, Tereza Hošková, Daša Aradská

Public Procurement & Public Sector:

Martin Lukáš, Tereza Hošková, Monika Švaříčková

Real Estate:

Pav Younis, Václav Štraser

Regulatory and Government Affairs:

Daniel Weinhold

Start-ups, Venture Capital and Cryptocurrency:

Pav Younis, Martin Lukáš, Jakub Nedoma, Michal Švec, Ondřej Tejnský

News in legislation

Draft law amending certain acts in the financial market sector

On 7 March 2025, the Czech Ministry of Finance submitted a draft law amending certain acts in the financial market sector to the Chamber of Deputies (Parliamentary Document N. 922). This draft law transposes the EU Directive no. 2024/1619, of the European Parliament and of the Council of 31 May 2024 amending Directive 2013/36/EU ("**CRD VI Directive**"), which must be implemented into the national legal systems of the EU Member States by 2026. The draft law is expected to be approved by the Chamber in a shortened procedure, therefore during the first reading.

This draft law proposes amendments to several acts, particularly Act No. 21/1992 Sb., on Banks, Act No. 6/1993 Sb., on the Czech National Bank, Act No. 256/2004 Sb., on Capital Market Business, and Act No. 634/2004 Sb., on Administrative Fees. The main objective of the rules introduced by the CRD VI Directive, and consequently by this draft law, are to strengthen the resilience of key institutions to potential economic crises and to contribute to a robust financial system.

Key changes include strengthening regulatory and supervisory mechanisms over the financial market. The draft also aims to enhance the independence of the Czech National Bank (CNB) by introducing rules and tools to prevent conflicts of interest in supervisory activities. This includes a legal obligation for relevant CNB employees to file asset declarations where potential conflicts of interest may arise.

Additionally, the draft introduces unified requirements for activities of third-country entities operating in the EU through their branches, ensuring the same conditions apply to them as to the branches of EU-based entities. Furthermore, if the draft is approved, institutions such as banks or credit companies will be required to incorporate ESG risks (environmental, social, and governance) into their strategies and procedures, and to regularly reflect on them. The Czech National Bank will monitor and assess their ESG risk plans and approaches.

The draft is expected to be approved in the first reading, with the proposed effective date of 11 January 2026.

Draft amendment to the act on conditions of business in the tourism sector has passed the first reading

On 13 February 2025, the Czech Chamber of Deputies passed a draft amendment to the Act on Conditions of Business in the Tourism Sector (Parliamentary Document N. 761) in the first reading and referred it to relevant committees for discussion. The amendment responds to the rapidly changing business environment, especially regarding short-term rentals and accommodations, aiming to create a level playing field for traditional hotels and services such as Airbnb.

A key proposed change is the creation of the central eTourist portal, where all accommodation providers (including individuals offering short-term rentals) will be required to sign up. Upon registration, they will receive a specific identification number, which will be required for posting accommodation offers on all online platforms. Violations may result in fines of up to CZK 100,000.

Providers will also have to report guest data through the system. The portal will be administered by the Czech Ministry of Regional Development. The aim is to unify business conditions and provide a comprehensive database of accommodation providers and facilities in the Czech Republic for both statistical and control purposes.

The amendment also introduces the possibility for municipalities to regulate short-term accommodation by ordinances, including



Legal update

April 2025

Weinhold Legal

the possibility of:

- ▶ prohibiting short-term rentals during certain periods of the year,
- ▶ limiting the number of days per year such rentals may be offered,
- ▶ or restricting the number of persons allowed per accommodation unit (based on the size of the property).

Such ordinances must be notified to the European Commission. If passed, the amendment is expected to take effect on 1 July 2025, with short-term rental regulations effective from 20 May 2026.

Case law updates

Supreme Court of the Czech republic: Obligation to Undertake Objectively Impossible Performance as a Reason for Invalidity of a Contractual Guarantee

(Supreme Court Judgment dated 30 January 2025, Case No. 25 Cdo 295/2024)

The case involved a contract for work under which the defendant undertook to build a fence around the premises of the Railway Museum's depository in the city of Chomutov. The contract included a quality guarantee valid for 60 months. This guarantee ensured full functionality and compliance with agreed qualities of the fence throughout the guarantee period. The contract also provided a contractual penalty of 2,000 CZK per day of delay in remedying such defects.

Five years after the completion of the fence, the claimant reported defects - specifically, corrosion in several parts of the wire. The claimant requested replacement, and when the defendant refused to act, the claimant claimed the contractual penalty for the delay. Lower courts ruled in favor of the claimant.

The Supreme Court examined whether the guarantee constituted an objectively impossible obligation. Considering physical laws, the court questioned whether the wire could realistically remain corrosion-free for five years outdoors. It concluded that such a guarantee is objectively impossible and therefore invalid under Section 580(2) of the Czech Civil Code. As a result, the claimant had no right to replacement or penalty.

The Court distinguished between statutory liability for defects and contractual quality guarantees. While defect liability arises from law and addresses defective performance, a guarantee offers contractual assurance that the work will maintain certain features over time. However, if deterioration is due to external factors unrelated to the contractor's performance, the guarantee does not apply. In this case, since the obligation was objectively impossible, the clause was deemed invalid.

Prague Municipal Court admitted the first ever Czech class action lawsuit

(Resolution of the Prague Municipal Court dated 11 February 2025, Case No. 3 C 10/2024-10)

In 2024, Act No. 179/2024 Sb., on Civil Class Proceedings, introduced class actions into Czech law, allowing disputes affecting multiple persons with similar factual and legal grounds to be resolved in one proceeding. This type of action is typically used for consumer-business disputes.

In February 2025, the Prague Municipal Court allowed the first-ever class action. Consumers sued a business entity for accepting prepayments for goods it then failed to deliver. This marks the first practical use of the new legislation and an important step for the development of class actions in the Czech Republic.

© 2025 Weinhold Legal
All rights reserved

The information contained in this bulletin should not be construed as an exhaustive description of the relevant issues and any possible consequences, and should not be fully relied on in any decision-making processes or treated as a substitute for specific legal advice, which would be relevant to particular circumstances. Neither Weinhold Legal, s.r.o. advokátní kancelář nor any individual lawyer listed as an author of the information accepts any responsibility for any detriment which may arise from reliance on information published here. Furthermore, it should be noted that there may be various legal opinions on some of the issues raised in this bulletin due to the ambiguity of the relevant provisions and an interpretation other than the one we give us may prevail in the future.

Please send your comments to: veronika.havlova@weinholdlegal.com or contact the person you are usually in touch with. To unsubscribe from publications: office@weinholdlegal.com