Legal update

October 2025

Weinhold Legal

Contents

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,
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 Przeczek
Labour Law: Eva Procházková, Ondřej Tejnský
Mergers and Acquisitions:
Daniel Weinhold, Václav Štraser
Personal Data Protection:
Martin Lukáš, Tereza Hošková
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, Ondřej Tejnský

Legislative news

New Act on Unified Monthly Reporting by Employers

The new *Act No. 323/2025 Coll., on Unified Monthly Reporting by Employers,* represent a fundamental change in the fulfilment of employers' information obligations towards public authorities. The aim of the Act is to unify the previously fragmented reporting obligations that employers had towards the Czech Social Security Administration (hereinafter "**CSSA**"), the Financial Administration, or Labour Offices into a single regular electronic submission, the so-called **unified monthly report**.

The Act defines the unified monthly report as an electronic submission through which an employer, in the period from the 1st to the 20th day of the following calendar month, submits consolidated data about itself and its employees.

The report consists of three parts:

- **summary**, including data about the employer,
- **insurance**, containing information on the amount of social security insurance premiums and the contribution to the state employment policy,
- **individualized**, i.e., data relating to individual employees and their employment relationships.

The reported data will be used not only by social security authorities but also by the financial administration, ministries, and the Czech Statistical office. The Ministry of Labour and Social Affairs will be the **administrator** of the entire system, while the CSSA will **ensure technical side of the submission** and the **registration** of employers and employees.

The Act is designed so that some of its provisions will come into effect on **1st October 2025**, while full effectiveness is set for **1st January 2026**. This two-phase model of entry into force has its practical reasons.

From October 2025 onwards, the **transitional provisions** will begin to take effect, aiming to prepare the system for full operation. For example, the financial administration will provide the CSSA with the registration data of payers of tax on income from dependent activities within 15 days of the Act's effective date. Based on this, these employers will be registered in the records ex officio. Employers who already have employees are obliged to register in the register of employers within 15 days form 1st October 2025 and subsequently register their employees.

The obligation to regularly submit unified monthly reports will only start from **January 2026**. From this point on, employers will be required to prepare and send the report every month, exclusively electronically (via data boxes for the CSSA portal).

This phased implementation reflects the need for a gradual roll-out of the entire system, from technical preparation and employer training to integration with payroll systems. With this step, the legislator has taken into account the complexity of the agenda and minimized the risk of overloading the system from day one.

The Act also establishes **sanctions** for non-compliance. If an employer fails to submit the report within the prescribed time limit, they face a fine, graded according to severity, of up to several hundred thousand Czech crowns. Infractions will be handled by the territorial social security administrations, with the CSSA acting as the appellate body. The legal regulation also includes procedural mechanisms for correcting errors in submissions (both technical and formal) and the employer's obligation to respond to calls for correction within specified deadlines.

From the **employer's** perspective, it is intended to bring administrative

Legal update

October 2025

Weinhold Legal

simplification, namely, instead of several parallel reports, there will be one. On the other hand, it will be necessary to adapt payroll and accounting system to the new format, ensure timely registration, and set up internal processes so that data is transmitted correctly and without errors.

From the **employee's** perspective a new possibility arises for employees to provide, based on a one-time consent, their income data to consumer credit providers when assessing creditworthiness.

New Cybersecurity Act

The new Cybersecurity Act (No. 264/2025 Coll.), which implements the NIS 2 Directive, comes into effect on 1st November 2025.

The aim of the Act is to strengthen the cybersecurity resilience of the Czech Republic and to expand the range of obliged entities, especially in connection with the broader definition of "providers of regulated services". The Act **introduces compliance regimes – higher and lower** – which differ mainly in the scope of security and organizational measures and incident reporting obligations. It also includes an adjustment of the position of the **National Cyber and Information Security Agency (NCISA)** as the main supervisory and coordinating body.

Providers of a regulated service who meet the size criterion set by the implementing regulation are **obliged to report the regulated service via the NCISA Portal within 60 days from the effective date of the new Act.**

More information on the obligations arising from the new Act, including a detailed timeline, can be found here:
https://www.weinholdlegal.com/en/the-new-cybersecurity-act-is-here/

Case law updates

Can a Valid Promissory Note Secure a Claim from an Invalid Contract?

(Judgment of the High Court, file no. 12 Cmo 85/2025, of 27th August 2025)

In this judgement, the High Court in Prague upheld the decision of the Regional Court in Plzeň and fully dismissed the plaintiff's action for payment of a promissory note amount of 290,960 Czech crowns. The success of the defendants in the case was based on proving that the loan was in fact **a consumer loan**, in which the provider had seriously breached its statutory obligations.

The plaintiff sought payment of a claim from a promissory note issued by the defendants. The note originally served as **a blank promissory note** to secure a loan agreement for 170,000 Czech crowns. This loan was specifically tied to the payment of an advance to another company ("**The Company**") based on a preliminary contract for work on the construction of a family house. The funds were never paid directly to the defendants but were sent to the Company's account.

A key aspect of the loan agreement was the extremely short maturity period (approximately two months, until 23rd April 2019) and the agreed contractual penalty **of 0.1% per day of the amount due in case of default**. The defendants did indeed fall into default, and the plaintiff subsequently filled in the blank promissory note for the amount of 290,960 Czech crowns, which consisted of the principal, the contractual penalty, and the statutory interest on late payment.

The High Court agreed with the defendants' arguments and confirmed the conclusions of the court of first instance. The argument was based on pointing out **the consumer nature of the loan agreement, the contractual penalty which was in fact a contractual interest, the failure to assess creditworthiness, and the invalidity of the loan agreement.** The court first stated that the promissory note was formally valid, as an expert report confirmed the authenticity of the defendants' signatures. However, the core of the decision lay in the assessment of the objections concerning the loan agreement.

The court considered the **failure to comply with the obligation to assess the consumers' creditworthiness with professional care** under Section 86 of Act No. 257/2016 on Consumer Credit (hereinafter "**CCA**") to be crucial. The court referred to the established case law of the Supreme Court and the Supreme Administrative Court, according to which a credit provider must not rely solely on the applicant's statements but must actively verify their data from objective sources. The plaintiff failed to do so, relying only on incomplete, undocumented, and outdated information provided by the defendants.

This procedure led to the unequivocal conclusions that the loan agreement is invalid pursuant to Section 87 of the CCA.

Is the State entitled to require Legal Entities to Register Their beneficial Owners in the Register of Beneficial Owners?

(Resolution of the Supreme Court of the Czech Republic, file no. 27 Cdo 1368/2024, of 25th August 2025)

The Supreme Court confirmed that the current **Act No. 37/2021 Coll., on the Register of Beneficial Owners**, which implements part of the Directive (EU) 2015/849 of the European Parliament and the Council of 20th May on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No. 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC ("**AML Directive**"), in the part allowing public access to the register, contradicts EU law. The state therefore **may not compel** companies or trust funds to register their beneficial owners as long as the register is freely accessible to the public.

The resolution responds to a CJEU ruling of November 2022, which described unrestricted public access to data on owners as an interference with the right to respect for private and family life and the right to the protection of personal data, guaranteed by Articles 7 and 8 of the Charter of Fundamental Rights of the European Union, and therefore declared the relevant rule of the AML Directive invalid. **The Czech legislator has not yet responded to this.**

Can a Debtor Specify Which Assets Will Not Be Liquidated During Debt Relief?

(Resolution of the Supreme Court of the Czech Republic file no. 29 NSČR 49/2025 of 29th August 2025)

In its decision, the Supreme Court addressed the question of whether a debtor in debt relief is obliged to hand over to the insolvency trustee, for liquidation, real estate in the joint property of spouses that is not their home, even if the creditors would be **fully satisfied solely by payments under a repayment plan**.

The court emphasized that in debt relief through a repayment plan with liquidation of the insolvency assets, the debtor must surrender all of their property belonging to the insolvency assets, with the sole exception that no satisfaction for the creditors would be achieved through the liquidation, or it is protected housing under Section 398(6) of Act No. 182/2006, the Insolvency Act. The fact that the creditors could be fully satisfied in another way (repayment plan), nor the fact that it is long-term family property, changes this obligation.

Legal update

October 2025

Weinhold Legal

The Supreme Court thus confirmed the previous decisions of the lower courts and dismissed the debtor's appeal. The decision underscores that **it is not the debtor, but the insolvency trustee**, who decides on the use of assets for the quickest and highest possible satisfaction of creditors, pursuing the creditors' interests.