POLVERINI STRNAD LAW FIRM



Italy – Czech Republic 1:1

9 We pamper our clients



This magazine was published in 2017.

14 Advocacy for the long haul

Attorney between Prague



and Bratislava



Property law / Could you lose your 2.3 land, flat or other property registered with the Land Register?



Insolvency law, reorganization and claim recovery (workout) / A Czech creditor's pledge in European crossborder insolvency proceedings



Financial and Banking law / Bank

Financing and others



Corporate law, Labour law / Higher legal demands on managing directors. Can you meet them?





Not for sale





47 You have a right to privacy



49 We make your life easier



How to protect your wealth?



Saab 9-3 Aero - Reliability and a distinctive attitude



Long story short – an office in the 56 beating heart of Prague has its advantages



63 Dlouhá Street – step by step



In numbers

POLVERINI Law firm **STRNAD** LAW FIRM Partners Countries Special products offered only Languages -by us (more on page 17)

Years on the market

100++ Numbers of pampered clients

... Attorneys

WHAT HAVE WE **ACHIEVED**\$

Company 3 reorganizations

> *10*+ Pharmaceutical companies we have represented

Insolvency proceedings (the value of total claims was more than CZK 30 billion)

30+

50+ Court disputes won

Disputes resolved 100+ out of court

More than a million sauare metres of space rented in nonresidential buildings (industrial and warehouses, office and retail)

 $16\ 000+$ Numbers of contracts

1 000 000+ 10 000 000 000+ 60 000 000 000+

More than CZK 10 billion in structured bank financing

More than CZK 60 billion in transactions that AK-PS participated in in one specific year.

POLVERINI STRNAD POLVERINI STRNAD

Giampaolo Polverini s an Italian attorney who, on a long-term basis deals with real estate law as well as litigations including international arbitrations. Among his specializations is also Insolvency Law, Family Law, and Labour Law. He studied at Universitá La Sapienza in Rome. His mother tongue is Italian, but he also speaks fluent English. He has a positive relationship with the Czech Republic, not only due to his work. His wife comes from there. Giampaolo is an exceptionally active man: in a working week he is able to cover half of Europe without any problems when he travels between Prague, Rome and Milan, or between Tirana and Sicily.

Italy - Czech Republic 1:1

Folverini Giampaolo

Strnad

It happened thanks to my end

Pavel

I was approached by Pavel Strnad and I remember he had newly opened a law firm back then. Since his studies in Rome we kept in contact. I have had a long-term love for the Czech Republic as I met my wife there in my twenties. Since then I have visited the Czech Republic regularly, and I feel wonderful there, even though I don't speak Czech very well. I have a lot of friends there.

How does it happen that a law firm has Czech and Italian owners and branches in Prague and Rome? It happened thanks to my encounter with Giampaolo Polverini during my studies and short-time law internship at the Grimaldi Clifford Chance law firm in Rome. Although Giampaolo is a generation older, it was one of those encounters that extends to a long-term friendship and finally, as in our case, to a partnership. Giampaolo is an unbelievably vital man; he could export his energy to the Czech Republic. In fact, he partly exported it there in the form of business relations with me. It has been almost 15 years. When we started working together, Italian investments in the Czech Republic were still experiencing a boom.

Contacts between Czechs and Italians has a long history over several centuries. Many architectural gems dating from the early Baroque can serve as proof of that. Moreover, the distance between Italy and the Czech Republic has been notably "shortened" over the last twenty/thirty years. I don't mean just the direct highway connections, but also the frequent flights which are a lot cheaper than they used to be. Apart from that, virtual connections have brought down the barriers, and so now it is possible to be connected any time, any place, and anywhere, and for almost nothing. I think that's a great advantage. Apart from that, Pavel and I get on very well personally and we understand each other well even when finding a solution to difficult cross-border legal tasks.

How does the cooperation of two owners work in practice if one lives permanently in Italy and the other one in the Czech Republic?

Sometimes it is quite spontaneous and it requires a lot of flexibility from both sides. It is also, by the way, excellent training for the client-oriented approach. We deal with the current issues via mobile phone or email. A few times a year Giampaolo travels to Prague and I travel to Rome. During those visits we deal with conceptual and strategic issues. And at those meetings, we not only discuss our clients, but we also focus in particular on the cases which we are both working on at the time.

Yes. The combination of Czech-Slovak-Italian connections in a single law firm isn't so common. But in fact business relations and the resulting need for legal services are very frequent - not only from Italy, but also very often in the last decade from the Czech Republic, and from Slovakia to Italy.

Is this partnership also the reason why your clients search for you? Yes, even though the manner can change quite often. The demand by private Italian clients for legal services in the Czech Republic peaked about 15 - 20 years ago. Currently we benefit from this connection particularly in more complex Czech-Italian cases. Recently, for example, we dealt with a case related to one of the world's largest producers of machinery for processing marble. This was an international dispute arising from a contract on delivery of a technological unit worth tens of millions of euros.

Strnad

s a senior associate and founder of AK-PS. His specialization is Real Estate Law, including Bank Financing and Insolvency. Within new legal services he supervises the Asset Protection and Family Office. He studied at the Faculty of Law at Masaryk University in Brno where he continued in postgraduate studies and acquired his Ph.D. He further enhanced his knowledge at Italian university Universitá La Sapienza in Rome and in Chicago at The John Marshall Law School. Thanks to his stays abroad, he speaks both English and Italian fluently.

We pamper our clients

and we don't shy away from creative legal solutions

Looking at a map, in both countries you have an office in the centre. Is it just for practical reasons, because of the clients, or do you have some specific connection to the particular place?

It's a bit of both. I even lived at Dlouhá Street for a few years. This place has a genius loci and it breathes a rich history. We are happy to be there. We decided to reflect Old Town's historical atmosphere in the interior of our office. And we are very proud of our library full of professional legal literature which was formerly owned by Mr Ferdinand Pantůček, President of the Supreme Administrative Court from the era of the First Republic. But it doesn't end with history. We are also people living in modern times, and we love music, painting, and the theatre. In other words, culture. The atmosphere at the office is also sweetened by a piano which I sometimes play after work.

But it's a place with a good infrastructure which is beneficial in advocacy.

Yes, indeed. The advantage of our location is also the fact that everything is close here, such as notary offices, banks, post offices, and shops. The clients have a lot of quality restaurants nearby, and there are also parking spaces in Kotva or Palladium, just 3 minutes' walk from us. And last but not least, there is suitable accommodation. In addition, we are people who don't spend all our time working. Sometimes there's nothing better than going and relaxing at our local pub just down the street - aptly named Lokál.

You've been offering your services for more than 15 years already. You aren't a small, or a large law office. How do you differ from other law offices on the market?

We really pamper our clients. They search for us because we, as a small boutique office with an international background, appreciate and take due care of each of them. We refuse to do our job on a mass scale, so for more than ten years the size of our team has stayed stable. Thus, as a partner/owner, I can keep a proper eye on every project and its important parts.

So do you have to adjust to market conditions as all legal companies do, or is it different in the legal world?

The legal services market is changing. The positive thing is that clients are becoming more demanding, and so it's a big challenge to pleasantly surprise clients. That is what our office strives for. However, we don't like some new

developmental trends in advocacy. I'm thinking in particular about the decrease in the hourly rate, sometimes even to dumping levels, and the usually closely connected, 'industrially'-provided services. In other words, impersonal service. We decided not to go this route, and instead we extended the portfolio of our individualized services. I'm convinced that among our strong abilities is our creativity in legal solutions. And I would include our other, great, advantage. The boutique orientation of our office enables us to keep strict confidentiality. More and more discussions are taking place on this fundamental principle in advocacy nowadays. There are cases at bigger law offices, which have a more noticeable fluctuation in people, where that was an issue. Clients expect absolute confidentiality from us. And we can secure it for them.





Since the Velvet Revolution,

a lot of people have acquired

know its value because their

property here. Very often they

hard work, time and effort are

behind it, and they are interested

in its fate. Because they wanted

a life of ease, they started deal-

themselves, and by doing so, also

ing with asset protection for

for the next generation...

Which particular legal specializations do you offer?

We have quite a large portfolio today. Here, on the contrary, we respect the legal trend. Therefore, we offer both "classic" legal services and "new" ones. Apart from that, we like the "lost causes" in our office. These are the ones which others consider to be cases which can't be won. Under classic legal services, we focus mainly on real estate law. For more than 13 years we have represented

an industrial developer, which is one of the TOP 10 in Europe, in most of its legal work. Apart from that, we provide legal services in the area of banking and finance, where we represent national and international banks, and in insolvency law for the same entities. In this area, we took part in the fastest, most successful company restructuring to take place so far in the

Czech Řepublic. It was less than 9 months between filing the insolvency petition and the Court's decision on termination of the reorganization. We also provide legal services in commercial and labour law on a long-term basis. In contrast, Asset Protection (AP) and the Family Office belong to the "new" services.

Why did you decide to provide services in the area of Asset Protection and Family Office?

It is said that the specialization of a lawyer is determined by the client. I agree with that. Since the Velvet Revolution, a lot of people have acquired property here. Very often they know its value because their hard work, time and effort are behind it, and they are interested

in its fate. Because they wanted a life of ease, they started dealing with asset protection for themselves, and by doing so, also for the next generation... They then started contacting our office with these private demands at the same time as for the other services we were providing them for their business needs. As a result we started providing ad-hoc asset protection for them. Step by step, the demand for more sophisticated asset protection services started to increase. And

because it seems that the professional assistance is necessary, we decided to meet this demand and to create a special product aimed at asset protection.

So you don't have competitors in these services?

Not exactly, but we differentiate our services quite unambiguously. In my view in the essence, the client gets

complex, interconnected asset protection services "under one roof". Let me give you give you an example. The client demands a corporate structure within asset protection. As the client's attorneys, we take a complex approach to the client's instructions, and we firstly look for the cause, aim, purpose, and motivation as to why the client has an interest in this particular corporate structure. Using this approach means that we are often able to offer a more effective and simpler way to achieve the desired result, and thus offer the client savings in terms of costs, time and energy. In some cases, we can get to only 30 % of the market standard by our prices. Moreover, this service is also used as a bridge to the Family Office.

AK-PS & PHARMACEUTICAL LAW

Provision of legal services, representing pharmaceutical companies (both originators and generic producers).

Preparing complex legal solutions to issues related to pharmaceuticals, particularly to their production, registration, distribution and industrial legal protection

Preparation of institutionalized Clinical Trial Agreements templates

Representing pharmaceutical companies and third parties in resolving legal aspects of various adverse events

Provision of legal services and representing clients in disputes with the State Institute for Drug Control

So could you give an overview of what Family Office is, and what you do in this area?

In general, it is best explained by Forbes magazine, according to which: "Family Office is an organizational structure that manages the financial and personal affairs of wealthy persons. It is based on customized solutions, specialized expertise and responsive services."

In terms of Family Office, our firm provides services for managing property affairs in the event of death, and for administration and assets management. It also involves establishing relations when there is a change of generation in a company's leadership. And of course, it also involves the above-mentioned asset protection.



10 polverini strnad



Advocacy for the long haul

Veronika Prokopová is one of our youngest attorneys, but she has quickly become a significant part of our team.

You are the latest recruit at AK-PS. Each team member has a specialization. What is yours and why did you choose it?

For more than three years I have worked with one of the largest developers in Europe and my specialization is pretty clear. I dealt with and still deal with Real Estate Law and court disputes, as well as resolving disputes out-of-court. I also specialize in contract law, Asset Protection, and Family Office. You could say that demand has "created" me. At school I used to dream of being the best family law lawyer, or a judge (laughs).

You are also responsible for business development and organising client events. What do such activities involve?

Regarding organising client events, it's important to always keep in mind that everyone is different and requires a different approach. For example, we organized a meeting to discuss leases, and then we took the client to a gastro tasting at Krymská Street in Prague. Why there? Because it is a dynamic street with many different businesses and with a pleasant atmosphere in a small area. The New York Times rated it among Europe's twelve most popular streets. Actually, I can generally say that it's always most effective to organise meetings which are precisely tailored to the client's needs.

Can you give an example?

Recently, we prepared a lecture about changes and technical improvements to rented premises by tenants, and related practical legal issues. It was for one of the world's largest real estate consultants, attended by about 15 people. In my view clients appreciate it when they get real answers to things which currently interest

them. At the same time, they can find out for themselves whether we have the necessary legal know-how in their area of business.

That's actually providing new business opportunities...

I agree it's interconnected. The specific service shows the client that we really know what we're



doing. But it's always necessary to consider which form to choose. It's of the essence when presenting new services at our office. For example, Asset Protection (AP) and Family Office require a completely different approach. We've held evening events at our offices, and we invited only a small group of 4-5 people.

I think we can be really open. Would you say that you are happy at your new workplace?

I'm particularly happy with the team. It applies to both professional and personal matters. Despite a lot of stress, we laugh a lot. That's a sign of a good team. I like the size of the firm too. The team has about ten members and it can work well with medium-sized projects. The whole team has an instant overview of what the others are doing, and what they are working on. This means that we can easily replace each other if necessary on one hand and we're able to keep high level of confidentiality. Sometimes the work can get quite stressful as we often need to meet the client's needs at short notice, and priorites are ever-changing. But that's an integral part of our work and of the dynamics of a law firm.

You have professional experience as an attorney and also as an in-house lawyer. These are basically two different worlds. Which one is closer to you?

Definitely advocacy. In general it's more diverse because you need to adapt to each client, and their specific differences. And it's a challenge. For me personally, I always want to understand the client's real needs, not just the task. I can also see the pros of working as an in-house lawyer. They know the company better and are able to identify many practical problems which can't always be seen by an external lawyer. Therefore, we always work closely with the client's in-house legal department.

Is there any legal specialization that you would like to pursue?

I am attracted by dispute resolution. Currently I am now focused on outof-court dispute resolution, particularly mediation. Its advantage is that it can be applied at any negotiation. It requires, of course, preparation and training, simulated mediation, various methods of communication etc. In any case it's a source of interesting experience which I use even



during business negotiations, concluding contracts and so on.

Like many lawyers, you spend a lot of time at work. How do you relax?

I relax by doing sports. I run marathons and various endurance races. And do you know what I really enjoy? Defeating men at sport (laughter)!

How long does it take to prepare for a marathon?

It's very individual. I don't want to sound like I'm advising other runners ... but I think a minimum of 3 months before a race is necessary. I train 4-6 times per week, and that includes strengthening which is also very important. And I have found that out for myself - last year I completely missed out strengthening, and it resulted in terrible back pain.

That's really thorough training. What's your record?

I prefer running half marathons and other endurance competitions (relay race, such as

Vltava or No-Men Run). My record for a half marathon is 1:42:25 and for a full marathon it is 4:02:30.

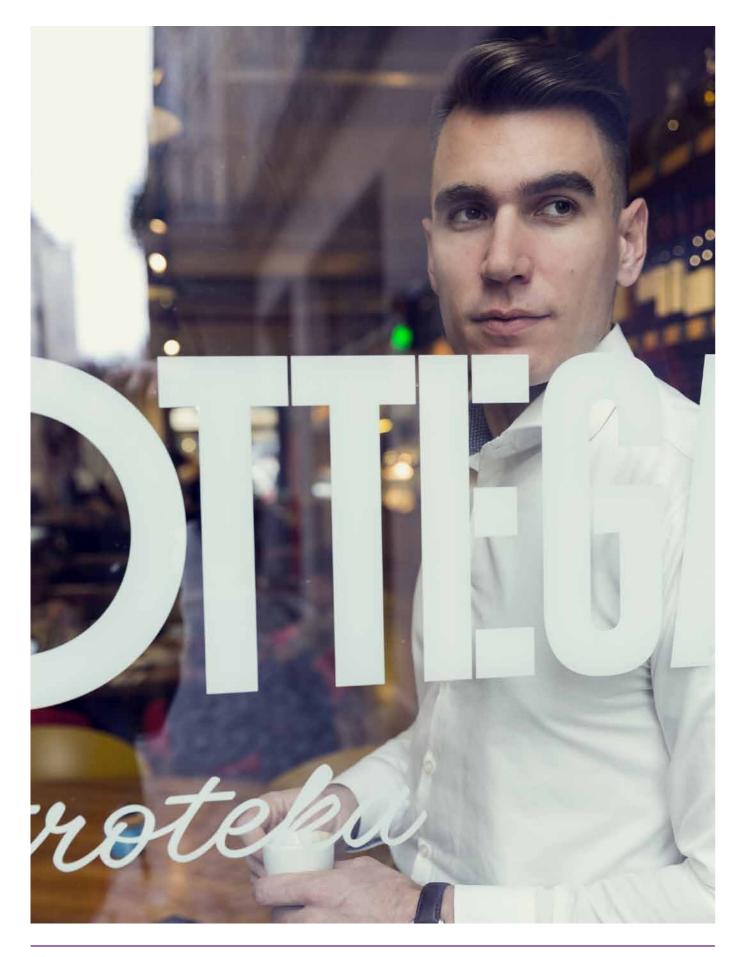
Do you think that marathons and training for them help you at work?

I think so. It's a great way to relax and clear your head. These races are also about overcoming your physical limits and making you mentally stronger too. It's a wonderful feeling when you cross the finish line. It's especially wonderful when you complain several times per race, sometimes in very strong terms, about the thing you have signed up for, and when you wonder to yourself whether it is worth all the pain...

Where your work is concerned, is concentration and perseverance required too?

For the second question I want to answer with a hockey interview answer: of course. Some cases are really difficult and they seem to be endless. However, it's necessary to persevere and not give up. Concentration is certainly important in law, since even a tiny detail can be crucial to a case.

14 POLVERINI STRNAD POLVERINI STRNAD 15



Attorney between Prague and Bratislava

According to Oliver Majdúch, the approach and special products are AK-PS's competitive advantage on the Czech and Slovak market.

Why did you decide to study law and work in Prague?

I always wanted to study law. However, I had no ambition to go to Prague. I worked for Polverini Strnad's (AK-PS) Bratislava office. After graduating, Pavel Strnad invited me to do a short-term internship at the Prague office. I said, why not? So I started working for both the Bratislava and Prague offices. The internship has extended and I'm still here, and there (laughs).

Polverini Strnad law firm is located in several countries. In the Czech Republic, the Slovak Republic, Italy ... What does this mean for you? Does it have any benefits for your clients?

Clients particularly welcome the fact that they only need to communicate with one lawyer in for example both Prague and Bratislava. It means they don't have to keep repeating things. We use Unified Legal Services. It also works in Italy. With this concept the legal services provided by AK-PS is always of the same content and quality, regardless of

whether the client orders this service in the Czech Republic or in Slovakia.

And what does it mean to you to be Czech-Slovak?

There is no fundamental difference. Both cultures are quite similar not only in business but also in law. The advantage is that I can work both in Bratislava and in Prague.

You are young, but you've already got quite a lot of experience. How long have you worked for AK-PS?

The Slovak office was established in 2006. I joined three years later. In those eight years I went through all positions – from student to senior lawyer. So you're right, my experience is rich (laughs).

You're an example of this law firm's own development. Do you think it's a good thing, or that an attorney who comes from outside is better for the team?

It seems to me that both options may be beneficial for the firm. The advantages of those "educated" by the law firm are primarily loyalty, and an in-depth knowledge of the office, its working practices, its ways of thinking, its organisation, and other office routine. It's an undeniable proof of stability. In the last two years, we have celebrated the ten-year anniversary of three of our team. Lawyers coming from outside can in turn bring new and different solutions to problems.

In cooperation with AK-PS we offer

4 special products

Contract Warranty

We provide a warranty for our services. If a dispute arises within a year of the successful completion of our task, at no fault of our own, we will represent you in this dispute at a favourable rate.

Business Summary

Legal language is simple with us. We translate complicated legal texts into simple and easy to understand language.

Contract Alert

We check for contractual deadlines and alert you in advance (e.g. discounts, break options etc.).

Monitoring services

You will not miss out on legal developments. We will summarize the key legal news, tailor-made for your business.

16 POLVERINI STRNAD POLVERINI STRNAD 17



You also do business development for AK-PS. What do you impress clients with?

We distinguish ourselves from our competitors, and that attracts our clients. We are a boutique law firm of ten people. We do everything our clients need to ensure they get maximum care. We always aim to be creative, and we look for tailored solutions. We offer more than the standard list of legal services. We also offer special products.

What are those "special products" from the client's prospective?

These are products which bring legal services closer to the person who orders it, and who will use it in their business. It includes Contract Warranty, Contract Alert and short Business Summaries of complex texts. Take a Contract Warranty. In practical terms, it means that if a dispute arises from our contract within a year of its conclusion, at no fault of our own, we will represent the client in

this case. These services will be provided at a discounted rate which is paid in advance. Clients perceive it positively and appreciate that we are always there for them, and we don't abandon them once the deal is sealed.

What are the practical implications of these special products?

For example a Business Summary suits managers who don't have time to read the entire text of a long contract. Or, for example, a threepage structured summary of a 54-page contract significantly simplifies the client's work. We also have positive feedback for Contract Alert. The point is that contracts are often concluded for long periods. It can easily happen that deadlines which are important for the application of discounts, contract extension options, expansions etc. are forgotten. Thanks to our notifications, the client will always be kept informed about these deadlines, regardless of the length of the contract's term.

AK-PS & FINANCING AND BANKING LAW

Comprehensive legal services representing financial institutions and interested third parties in all related legal matters

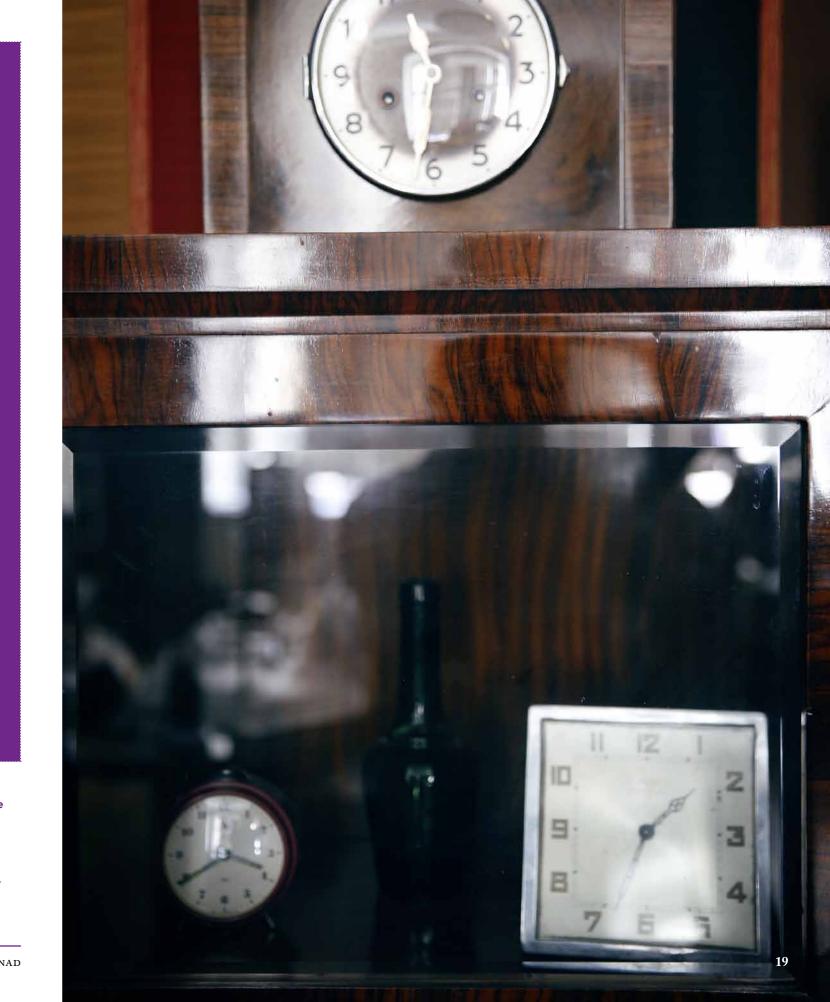
Legal services in negotiating, drafting, reviewing and approving of legal documentation in the area of financing

Legal opinions and analyses of various issues related to financing, agreement validity, collateral instruments and debtor and creditor's status

Defence of financial institutions in domestic court and arbitration proceedings, including disputes in credit and investment banking, internet banking and breach of banking rules

It seems that you are quite busy. How do you spend your free time and how do you keep in shape?

Leisure activities for me are all about archery and hiking. A good hike in Posázaví or anywhere near Bratislava is great. If there's a place along the way where I can shoot a few arrows, even better. But doing nothing with a good book and coffee can be great too.



18 polverini strnad



PROPERTY LAW

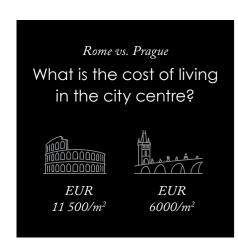
Could you lose your land, flat, or other property registered with the Land Register?

Text: Veronika Prokopová

property, it's usually the most important investment you will make, and its loss would undoubtedly be devastating. So it makes sense that buyers give due attention to the purchase and protection of ownership of their property. In this way, risk to ownership is minimized.

The importance of good faith of the real estate purchaser has recently undergone several substantial changes in court decisions.





The Land Register, as a public register maintained by the state containing a set of data on property, is used to protect ownership rights. Irrespective of the fact that registering with the Land Register is a precondition for acquiring ownership, there are situations when the true owner of the property is not registered (e.g. when there is a termination by withdrawal from a purchase agreement, or when such an agreement is invalid or ineffective), or when there are two parties justifiably claiming the ownership. This occurs when property ownership is transferred from the person who is registered as the owner in the register to another person despite the former not having due legal title (e.g. if the person acquires ownership through fraud, or if the cause of ownership subsequently ceases to exist, e.g. if the seller withdraws from a purchase agreement for non-payment of the purchase price). In other words, the subsequent buyer purchases the property without knowing the real situation, and this results in a situation where there are two persons competing for the same right. Both the original owner and the purchaser have duly paid the purchase price, or otherwise duly acquired the ownership right, and neither of them has caused the situation. They cannot both be the owner, and naturally they don't want to give up their rights.

In the above situations, there is a conflict between two fundamental constitutional rules which has to be resolved, namely the right to protect ownership rights, and the right to protect good faith (or the right to protect legitimate expectation and acquired rights). This conflict and its solution led to conflicting legal opinions between two of the highest Czech courts, the Constitutional and the Supreme Courts. In fact, the Old Civil Code (in effect until 31 December 2013) by which legal relations established during its effectivity will govern, followed from the legal principle that no-one can transfer more rights than he or she actually has. The Supreme Court strictly adhered to this rule1 and concluded that the good faith of

another person who has acquired the right to ownership is of no effect to the ownership of the property. It would only have been possible to take this into account if the law had provided for it accordingly. Nevertheless, this was not the case here.

However, this conclusion was subsequently rejected by the Constitutional Court², and in fact

it ruled that it is necessary to protect the good faith of the further acquirer, and that it is possible to protect it even during the effectivity of the Old Civil Code. Yet the Supreme Court did not accept this opinion, and in its further decisions rejected the protection of the good faith of further acquirers, or considerably limited it.³ Thus spun the imaginary

carousel of contradictory decisions by the highest Czech courts, leading to legal uncertainty for those affected by this issue. The Supreme Court refused to accept the opinion of its superior court, and it was largely criticized for that by the Constitutional Court⁴. But in 2016 there was a reversal in the Supreme Court's⁵ decision. Due to the "adamancy" of the Constitutional Court, the Supreme Court admitted that under the Old Civil Code it was possible to acquire ownership rights to a property from a non-owner on the

basis of the good faith of the acquirer when registered with the Land Register.

The New Civil Code (in effect from 1 January 2014, or under the interim provisions related to this issue with full effect from 1 January 2015) already reflects the necessity of protecting the good faith of further acquirers. In effect, this new regulation prefers the title registered with the Land

Register over unregistered interests. In other words, what is registered with the Land Register is considered to be true unless the opposite is proven. In particular, the laws enable that the person who acquires ownership (against payment) from a person who is registered as the owner in the Land Register (as of the day of filing a motion to register its right) will become the real

owner irrespective of whether the transferor was the real owner of the property. This is positive news for people acquiring property (e.g. the purchasers), but it does enable fraudulent transfer of property. For instance, a fraudster falsifies purchase agreements and powers of attorney, and negotiates with the land registry office instead of the owner. If the fraudster retransfers the property to a further acquirer who does not know that he or she is actually acquiring stolen property, the subsequent

Why should you pay attention to the Land Register? The first twenty days can save you Registration registration request Within First After 20 days a month a month 3 years Definitive loss of No risk Loss of the property the property Contact the Request Non-existent registration Land Register egistration of the note of immediately the note of sputability disputability against all and against good file an action faith buyers and file an action Forfeit the No additional entire cost of charges will be applicable CZK 50-100.000 the property

Under new legislation,

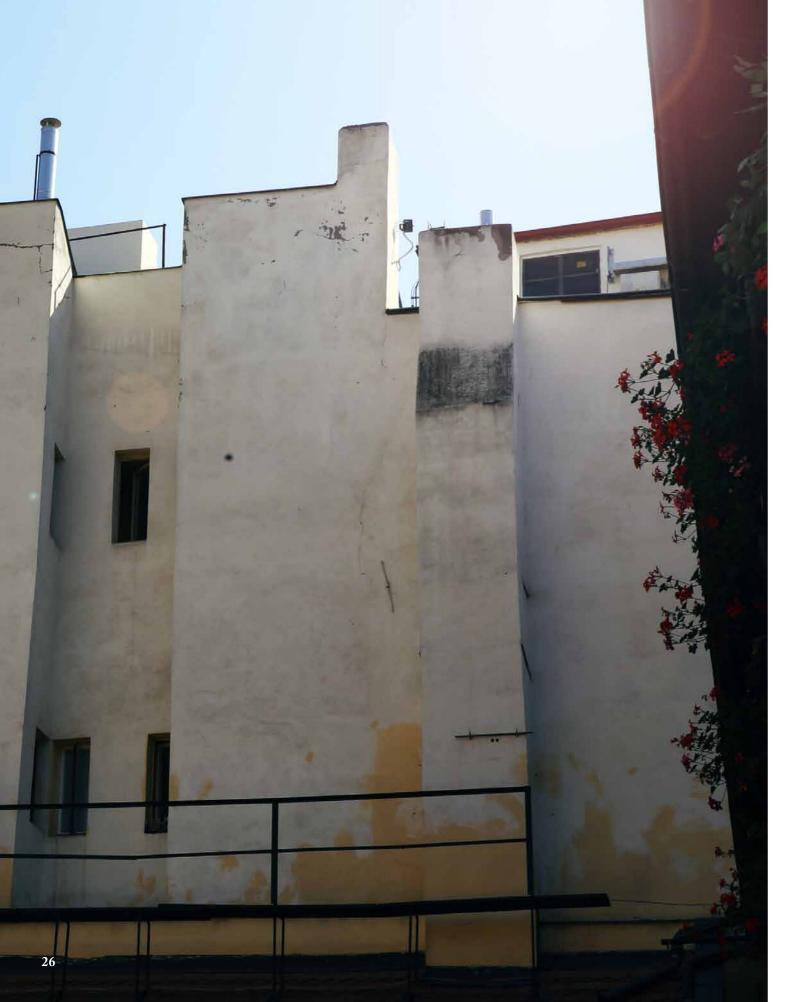
with the Land Register

the data registered

is considered to be

true, unless proven

otherwise.



acquirer can become the owner of the property, and the original owner will lose it.

In order to prevent such fraud as well as possible errors by the land registry office or for example executors, the law provides for the right to demand deletion of the registration, and to request that the disputed note is registered. However, the applicant has to apply to a court for this right, and within two months give evidence to the land registry office about the application. The disputed note has a fundamental impact on whether a third person may acquire an ownership right to the stolen property. In fact, if the applicant applies for registration of the disputed note, they must do so no later than one month after finding out about the unauthorized registration, no-one can then be in good faith and acquire ownership. If the owner was not notified about registration, he or she can apply for the disputed note's registration within three years from the day on which the disputed registration was filed with the register. This period represents the maximum deadline in which it is possible to demand an ownership right.

In order that owners can effectively enforce their rights, the new Act on Land Register (in effect from 1 January 2014) creates an obligation on the land registry office to inform the owner directly (not only the owner's representative) as soon as there is any change to registration in the Land Register. From the day of dispatching the notification, there is a twenty-day waiting period. During this period the land registry office cannot file the registration and can only "wait" for its expiration. Within this time it is possible to prevent unauthorized registration by sending a dissent declaration to the land registry office. The office will not then proceed with the registration as a result of such a declaration. This is the most effective way to prevent fraud. However, fraudsters usually know how to deal with such a situation. They target activities towards people who do not reside at their permanent addresses on a long-term basis; or, based on a falsified power of attorney, they arrange for forwarding the post to an address where they can simply hand it over. The defence

of the original owner against such a transfer will not then be easy. While it is true that the three year period for registration of the disputed note will be applicable, there is a precondition that the original owner proves that he or she was indeed not informed about the registration of the other person's right. In view of the fact that this legal regulation is new, it is not possible to foresee how the courts will deal with this issue. However, the above-mentioned decision-making practice indicates that the good faith of the further acquirer will be an important factor, and will be taken into consideration.

Owners thus have legal means to protect their property. However, in the sense of the principle that the law serves the vigilant, it is necessary that owners actively enforce their rights. In order to contribute to this aim, there is a surveillance service of modifications to the Land Register maintained by the State Administration of Land Surveying and Land Register. By this method, an owner immediately knows that there has been a change in the Land Register related to his or her property, using e.g. a data mailbox, email or text message. Nevertheless, even in this case it is possible that the fraudster will falsify a signature in a similar way as in the case of the transfer agreement, and thus arrange for a change of delivery address.

What is the result of the new regulation? The future acquirers of property can rely on information registered with the Land Register more confidently. If they are purchasing a property from a person who is registered as an owner in the register, and they are doing so in good faith that this is the truth, the risk that they will lose the property will be minimized. Even in this case, it is not possible to rely on the principle of good faith alone, and it is necessary to pay appropriate attention to the situation. On the other hand, owners should be aware that even though their ownership right was once registered in the Land Register, it does not mean that this right is inalienable. Whether the person is an owner or an acquirer, he or she should remain vigilant in relation to the property. This is the only guaranteed way to prevent possible difficulties.

AK-PS & PROPERTY LAW

Complex legal solutions for construction, purchase, sale, and lease of property

Drafting of a structure and methods for financing administrative, industrial, logistic, and household projects

Legal due diligence of legal titles, their history, and their potential defects and encumbrances with suggestions for efficient solutions

Drafting and negotiating credit agreements and related security documents

Infrastructure solutions, including transfers of complex built-up infrastructure and preparing sites for development

Notes

- 1. E.g. in its decision dated 14 June 2006, file no. 31 Cdo 2808/2004
- 2. Plenary decision dated 16 October 2007, file no. Pl. ÚS 78/06
- 3. See e.g. the decision dated 30 January 2008, file no. 31 Cdo 3177/2005, or decision dated 1 June 2011, file no. 30 Cdo 4280/2009
- 4. See e.g. the decision of the Constitutional Court dated 17 April 2014, file no. I. ÚS 2219/12, and the following decision of the Supreme Court dated 12 November 2014, file no. 31 Cdo 1168/2013, or the decision of the Supreme Court dated 11 November 2015, file no. 30 Cdo 3565/2015
- 5. Decision dated 9 March 2016, file no. 31 Cdo 353/2016



INSOLVENCY LAW, RESTRUCTURING AND CLAIM RECOVERY (WORKOUT)

A Czech creditor's pledge in European cross-border insolvency proceedings

Text: Eva Bílková

those cases where one business partner gets into a difficult financial situation, or insolvency proceedings are opened against it.

Given the increasingly international character of business, "cross-border insolvency proceedings" are becoming more important. This category includes situations where each business partner comes from a different state and insolvency proceedings are opened against one of them. These difficult cases become even harder as a result of the international element.

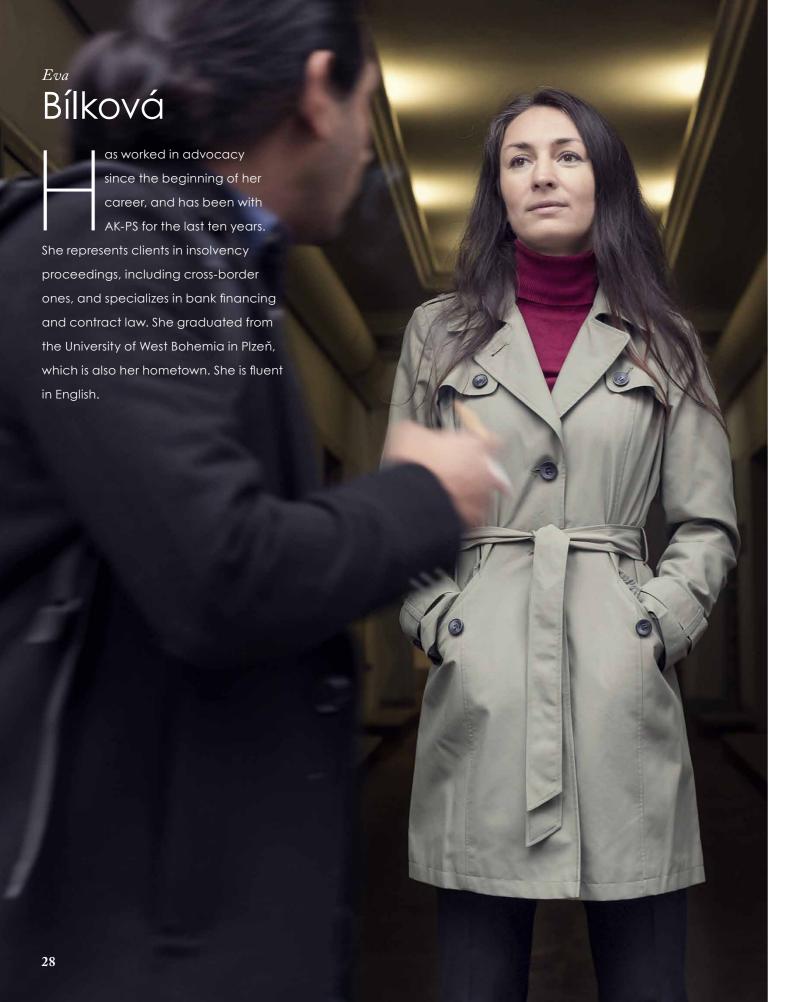
Different codes must be considered. If EU partners are involved, laws from Czech, European, and in some cases other third party

countries, come into play.

N IMPORTANT FIELD OF LEGAL ADVICE CONCERNS

This was exactly the situation when we represented, among others, an important Czech banking entity in insolvency proceedings against its debtor in Italy. Billions in receivables for hundreds of creditors were involved. The bank's receivables were secured with a pledge over claims arising from the accounts which the bank maintained. The pledge was governed by Czech law and was created before the insolvency proceedings were opened. The bank's position as secured creditor was dependant on solving the following question:

creditor exercise its pledge over claims arising from the bank accounts in order to satisfy its claims towards the Italian debtor if an insolvency proceeding was opened against the pledgee in Italy?





I. European regulation

As of 31 May 2002, Council Regulation (EC) no. 1346/2000 on insolvency proceedings which applied from 29 May 2000 ("regulation")1 came into effect for EU member states (excl. Denmark). It is directly applicable in member states, and concerns collective cross-border insolvency proceedings which entail the partial or total divestment of a debtor and the appointment of a liquidator (listed in Annex A for particular member states). The regulation applies in cases when the centre of the debtor's main interests (COMI)2 is within the territory of a member state, but one of the creditors or its assets are located in another member state's territory. The regulation does not introduce insolvency proceedings with general authority for the entire EU, but it does regulate international competency for commencement of insolvency proceedings, recognition of the decisions, and the applicable law.

Under the regulation, the court where proceedings commence is that of the member state where the pledgee's main interests are

situated (main insolvency proceedings). The law of the state where insolvency proceedings are opened is then the applicable law for the proceedings and its effects (lex concursus). As a general rule, proceedings have the same effects in all member states as under the law of the state which opened them. This law applies to their opening, administration, and termination. Proceedings opened in such a manner have universal effect, i.e. it applies to the debtor's total assets regardless of the territory of the state in which it is situated. For the purposes of our case, if insolvency proceedings are opened by the Italian court, Italian insolvency law will apply within the territory of the EU member states (including the Czech Republic).

II. Rights in rem exception

From the above, it is clear that even a Czech creditor is subject to Italian law, and will be entitled to proceed against the debtor in accordance with Italian law only. This conclusion does not sound promising for the creditor. Furthermore, it cannot be presumed that a creditor will be sufficiently aware of the foreign

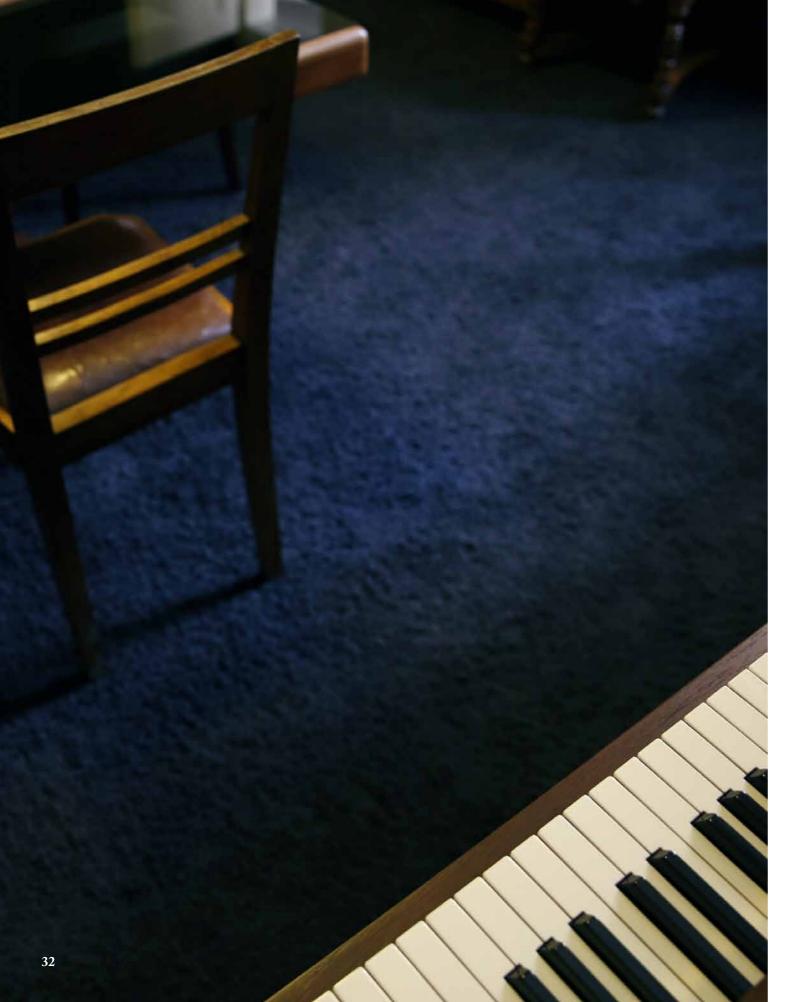
legal environment, and this foreign regulation could negatively affect said creditor.

In our case, the creditor intended to exercise its pledge over claims from the accounts, and an exception from the above rule could be considered, under Art. 5 of the regulation -Third parties' rights in rem. According to this provision: "the opening of insolvency proceedings shall not affect the rights in rem of creditors or third parties in respect of tangible or intangible, moveable or immoveable assets — both specific assets and collections of indefinite assets as a whole which change from time to time — belonging to the debtor which are situated within the territory of another Member State at the time of the opening of proceedings." Should the exception apply to our case, it would mean that the creditor could exercise its pledge over the claims regardless of the insolvency proceedings commenced in Italy. To define whether the pledge falls under this exception, it is necessary to consider (i) if it is a right in rem, and (ii) if this right in rem burdens the debtor's assets at the moment of opening insolvency proceedings within the territory of another member state.

(a) Right in rem criterion

The regulation does not define the right in rem criterion. An explanatory report to the European Convention on Insolvency Proceedings,





AK-PS & INSOLVENCY LAW, RESTRUCTURING AND CLAIM RECOVERY

Legal advice for insolvency and related areas. Preparation of legal solutions for credits, restructuring, reorganization, insolvency and claim recovery

Legal representation in disputes relating to insolvency proceedings, restructuring, and claim recovery

Provision of legal services for strategic and/or financial investors in the acquisition of distressed companies, or in purchasing assets in insolvency proceedings

Protection and enforcement of creditors' rights in insolvency proceedings, and their representation in creditor bodies

the Virgos-Schmit Report³, can serve as an interpretive guide in this regard. The question whether the pledge is right in rem should be judged primarily under local law (i.e. the law which would apply to the particular pledge if the insolvency proceedings had not been opened). Through this process, the effects of the pledge as a right in rem, which were created over the debtor's assets situated in the territory of a different member state from the state where the insolvency proceedings were opened, is ensured. On the other hand, according to the report, an unreasonably wide interpretation of "right in rem" is not possible (however, it is sometimes allowed by member states' particular local regulations) and Art. 5 of the regulation sets particular limitations. In practise, the law which existed before opening the insolvency proceedings and said regulation must meet two main attributes (i) a direct relation between rights in rem and the asset value which is secured by this right; and (ii) the absolute character of such a right, i.e. it is enforceable against anyone who unjustly breaches it regardless of whether the subject burdened by this right was transferred to a third party (erga omnes effect). Rights which meet these conditions will be the rights in rem in relation to which the exception under Art. 5 Sec. 1 of the regulation will apply. An example list of particular rights meeting the above conditions and which qualify as rights in rem in the member states is included in Part. 5 Sec. 2 of the regulation. In particular it means: (a) the right to dispose of assets or have them disposed of and to obtain satisfaction from the proceeds of or income

from those assets, in particular by virtue of a lien or a mortgage; (b) the exclusive right to have a claim met, in particular a right guaranteed by a lien in respect of the claim or by assignment of the claim by way of a guarantee; (c) the right to demand the assets from, and/or to require restitution by, anyone having possession or use of them contrary to the wishes of the party so entitled; (d) a right in rem to the beneficial use of assets.

In our case, the creditor intended to exercise the pledge to the claims from the account which it maintained for the debtor. This pledge was governed by Czech law. According to Czech case law and other experts, the subject of the pledge was not represented by the finances deposited in the account, but by the claim of the account's owner for payment of the funds from this account against the third party which maintained the account. With respect to the above, the pledge can be governed by Art. 5 Sec. 2 Letter (b) of the regulation (i.e. the

exclusive right of claim satisfaction, in particular a right secured by a mortgage over this claim). According to Act no. 89/2012 Coll. the Civil Code, the pledge to a claim arising from the account is a right in rem. In light of the above, and upon meeting the attributes of a right in rem according to the Virgos-Schnit Report, the particular pledge can be considered a right in rem under Art. 5.

(b) Criterion of the assets situated within the territory of another member state

To apply the exception of Art. 5 to the particular pledge over the claims from the accounts, it must concern the debtor's assets which are situated within the territory of another member state at the moment of insolvency proceedings commencing. Rules of the asset's "situating" are set up under Art. 2 Letter g) of the regulation. Under this provision, in the case of receivables, the member state in which the assets are situated is the one in which the obliged party's centre of main interests are situated under Art. 3 Sec. 1. In our case, the obliged party was the creditor (bank) which was obliged to pay the debtor the finances from the pledged account. Therefore, the member state in which the assets were situated was the Czech Republic.

The pledge over the claims to the account thus falls under the exception set up with the Art. 5, by reason (i) it is a right in rem under Art. 5, (ii) it concerns the debtor's assets which, at the moment of insolvency proceedings commencing, were situated in another member state when they were commenced, and (iii) it was created before they commenced.

The pledge will not be affected by opening proceedings in Italy, and the creditor will be entitled to exercise this pledge as if no insolvency proceedings had actually been opened.

It is important to note that the exception under Art. 5 of the regulation is not absolute. Under Sec. 4 of this article, a lawsuit may be filed by reason of invalidity, contestability, inefficiency of the pledge agreement, or if the pledge's creation would be an act damaging all creditors. The rules concerning the invalidity, contestability or inefficiency would then be governed by Italian law.

Notes

- The Regulation will be replaced by the new
 Regulation of the European Parliament and of the
 Council no. 2015/848 on insolvency proceeding,
 with effect from 26 June 2017
- 2. In the case of legal entities, the regulation sets the rebuttable presumption (in other words, you can argue against this presumption) according to which the registered office represents the centre of

the debtor's main interests

3. Virgos, Miguel and Schmit, Etienne. (1996) Report on Convention on Insolvency Proceedings. This report was prepared in accordance with the European Convention on Insolvency Proceedings which preceeded the regulation. Even though this convention has not come into effect, the Virgos-Schmit Report is respected and used as an interpretation document even in relation to the regulation, since its content corresponds with the convention's one

FINANCIAL AND BANKING LAW

Bank Financing Structured Project Financing Security - Selected Issues

Text: Oliver Majdúch, Eva Bílková

E OFFER LEGAL SERVICES TO CLIENTS from the banking sector, and when acting on structured financing matters - many of them involving problematic financing (the "workout") - we face various practical problems related to security, especially mortgages. These issues can make or break a creditor's position in insolvency or debt collection proceedings. Creditors can lose their preferentially-secured position, and can even be fined for incorrectly applying a receivable.

The Supreme Court held that if the mortgage exists, a mortgage securing the same receivable cannot be repeatedly created.





These significant legal issues often result from ambiguity or lack of precedent, and we would expect to resolve these in the long run with the continued application of Act no. 89/2012 Coll. the Civil Code.

We would like to highlight some of these issues:

Is a secured creditor's position in insolvency proceedings endangered?

In discussions related to the Insolvency Act, a problematic Supreme Court's decision¹ arose. This decision concerned the creation of a mortgage securing future or conditional receivables. If this decision were not considered to be isolated and incorrect legal opinion, but instead became the foundation for Court practice, the legal position of secured creditors who apply future or conditional receivables in insolvency proceedings could be substantially weakened.

In this matter, a bank assumed obligations towards the debtor to issue a bank guarantee on behalf of a beneficiary, secured by a registered mortgage over the debtor's real estate. Consequently the debtor was declared bankrupt. After the bankruptcy declaration, the bank performed towards particular beneficiaries based on bank guarantees, and subsequently applied for these receivables to be satisfied separately from the registered mortgage. This case was decided under Act no.

Law foreseeability recently corresponds to its level of 20 years ago

328/1991 Coll. on Bankruptcy and Settlement. The Supreme Court ruled that the bank had no separate right of satisfaction because bank guarantees were called upon (and its receivables against the debtor arose) only after bankruptcy was declared (analogy to the current "commencement of insolvency proceedings"). The right for separate satisfaction to be created was prevented under Sec. 14 Subsection 1 Letter e) of the Act on Bankruptcy and Settlement.

Under this provision, the right cannot be acquired post-bankruptcy. The Supreme Court ruled that future or conditional receivables are not created at the moment a mortgage agreement is concluded and (in the case of property) registered, but rather only at the moment when the secured receivable is created².

This decision concerns the Act on Bankruptcy and Settlement. However, we cannot rule out that the Supreme Court would apply the same logic to interpretation of the Insolvency Act (which precludes creation of a right of satisfaction from secured assets after commencement of insolvency proceedings). The conclusions of the quoted decision cannot be recognized as they deny the sense and purpose of securing future or conditional receivables and their exercise in the insolvency proceeding. However, it also cannot be excluded that the same reasoning will become Supreme Court practice.

Securing an increasing loan by mortgage

It is common that the scope of a secured loan increases throughout its term. If the original loan is secured by a mortgage of a sufficient value, this is also commonly used to secure new receivables from the loan scope increase. This "supplementary security" is sometimes created by a new mortgage executed at the same time as the increase. As a result, all receivables are secured by the original mortgage (including formerly secured receivables together with receivables subsequent to amendment of the loan agreement). In fact, a number of mortgages are effectively consolidated, and, as a result, a certain range of receivables is repeatedly secured by the same mortgage. This is essential if the mortgagee intends to call on the mortgage, or to apply it in insolvency or debt collection proceedings. The Supreme Court looked at such facts when receivables from the same loan agreement were secured by two mortgage agreements over the same property. The Court held that if the mortgage exists, a mortgage securing the same receivable cannot be repeatedly created³.

If this manner of security is applied, then receivables resulting from the loan agreement in entirety (incl. from all amendments which increased the scope) would be secured by consecutively-concluded mortgage agreements. Each of these agreements would only secure

the particular receivables, not the receivables previously secured. Consequently, if the mortgagee applies all their receivables resulting from the loan agreement in the insolvency proceedings as "secured", it is insufficient to do so referring to the latest mortgage agreement only. The mortgage needs to be applied based on all mortgage agreements, otherwise only those secured receivables included within the last loan scope increase will be included.

Forfeiture - is it feasible?

Under the previous Civil Code, a forfeiture agreement (based on which a creditor can retain a mortgage if the debtor fails to pay the debt) was prohibited. The Supreme Court rejected forfeiture (prior to its prohibition in the Civil Code), and various forfeiture-based contractual provisions. These provisions were considered invalid due to their conflict with the purpose of mortgage law, and in many cases also their conflict with the principles of good morals.

The new Civil Code introduced a change⁴, "unless the secured debt reaches maturity, it is prohibited to agree that the creditor is entitled to monetize the mortgage by any means, or to retain it for any or predetermined price". The prohibition of forfeiture only applies to the period before the secured debt's due date. Once it becomes due, the parties are not generally precluded from agreeing on forfeiture⁵. Furthermore, before the secured debt is due, forfeiture can be agreed upon in a limited scope only. Such a provision cannot include retention of the mortgage for any or a predetermined price. If the parties agree that, should the debtor fail to pay the loan, the mortgage's usual price will be assessed by an expert, and the creditor will then be allowed to retain the mortgage for this price following the loan agreement's conclusion, such a provision will be valid.

Under the new regulation, the creditor and debtor can rightly assume that, upon meeting all legal conditions, their agreement on performing the mortgage by forfeiture is valid. This conclusion can only be questioned in a particular dispute. We note particular statements and opinions by experts working for the Supreme Court that the institution of forfeiture does not sit well with the purpose of mortgage law. It cannot be excluded that the Supreme Court will continue its line of reasoning under the new regulation. Agreements on forfeiture are therefore a substantial risk.



Notes

- 1. File no. 29 Cdo 4340/2011 from 26 August 2014
- 2. Legal reasoning of this decision is as follows: "Mortgage law is an accessory law. Therefore, a mortgage will be created on the basis of the mortgage agreement, only if the receivable secured by the mortgage was created validly. If the receivable for securing of which the mortgage was created has not been created validly (e.g. by reason the agreement on the basis of which the receivable was supposed to be created has not been concluded, or if such agreement is invalid etc.), the mortgage does not exist, even if the mortgage agreement as such was perfect. Absence of a receivable which is supposed to be secured by the mortgage does not form a reason for mortgage invalidity. As a consequence, even if the mortgage agreement is valid (and if the mortgage was
- registered with the Land Register) the mortgage is not actually created. If security of the future or conditional receivable (or their combination) is concerned, based on the accessory character of the mortgage law, the mortgage can only refer to that (amount of the) receivable, which has actually been created"
- 3. The Supreme Court's decision, file no. 29 Odo 760/2003 from 30 November 2005
- 4. At least it appears so after reviewing Art. 131
 Sec. 2 (b)
- 5. This applies except when the debtor or the creditor is a consumer or an individual - a small or middlesized entrepreneur. In such a case, the prohibition of forfeiture for any or predetermined price before or after the secured debt's due date will apply (provision of Art. 1315 Sec. 3 of the Civil Code)

36 POLVERINI STRNAD POLVERINI STRNAD 37

CORPORATE LAW, LABOUR LAW

Higher legal demands on managing directors. Can you meet them?

Text: Vladislava Kučerová

At the moment of accepting office, an appointee has to consider whether they are able to meet the standard of due managerial care.

Vladislava

Kučerová

s an attorney who specializes in property law (including financing and construction), labour law,

corporate law, and representing

o gain professional experience ever lince she was a student, first by working or JUDr. Bohuslav Klein, a prominent

arbitration proceedings specialist in the Czech Republic (a long-time chairman of the Arbitration Court attached to

the Economic Chamber of the Czech

Republic and Agricultural Chamber

of the Czech Republic), subsequently

global legal network), and finally in the

corporate environment as the Head of

Litigation Unit at Komerční banka. She

studied at Charles University's Faculty

of Law in Prague, and enhanced her

anguage skills while interning and

at KSD LEGAL (a member of the EY

clients in court and arbitration

proceedings. In October 2016 she celebrated her tenth anniversary of working at AK-PS. She has continued

Due managerial care

The new definition of the term "Due Managerial Care" is that every managing board member must perform their duties with the necessary loyalty and the required knowledge and due care. Due managerial care does not require "professional care" as defined in Sec. 5 of the Civil Code, i.e. it does not require the board member to utilize all professional knowledge and capability in order to undertake company business.

For board members at business corporations it is also stated that the person could act "in good

faith reasonably presuming that he or she acts as well-informed and in a defensible interest of the company" acting with due care and the required knowledge.

This definition puts emphasis on good faith, loyalty, and the company's benefit. It protects the company against the misuse of directorship, and obliges board members to refrain from engaging in conflicts of interest in the execution of their duties.

The definition is further aimed at increasing awareness of certain financial decisions, though the board member needs only a basic knowledge, and he or she has to be able to consider seeking expert advice, and act on it accordingly. The Supreme Court has supported this view in its decisions¹. It can only be suggested that members of statutory bodies consult experts on important decisions so as to not expose themselves to the risk of violating their duty of managerial care.

The Supreme Court has concluded that a board member who has expert knowledge must use it when performing their duties, otherwise they risk breaching their obligation of loyalty to the company².

Negligence

At the moment of accepting office, an appointee has to consider whether they are able to meet

the standard of due managerial care. If, at that moment or at any time subsequently, the officer discovers that they are not able to proceed with due managerial care, they act negligently. The law does not specify consequences for such negligence. Rejection of or withdrawal from the position being the most obvious course of action. In our view this provision should prevent appointment of (more commonly in supervisory boards) completely unqualified persons, so-called "to makeweights". Such unqualified persons would be liable for their negligence (unless they can prove otherwise) under both civil law and criminal law provisions.

Business judgement rule

The obligation of due managerial care for board members at business corporations is further affected by the business judgement rule, i.e. acting lege artis. Under this rule, board members are primarily liable for the due performance of

Note

- 1. E.g. file no. 29 Cdo 2531/2008, 29 Cdo 2896/2011, 29 Cdo 2363/2011
- 2. Decision of the Supreme Court, file no. 29 Cdo 1356/2011



their office to the standard which would have been taken by any other reasonably careful person in a similar situation. They are primarily not liable for the results of their actions. Therefore, if a board member proves that, when, considering a decision, they acted with due managerial care, they cannot be unlimitedly liable for incurred damage.

The business judgement rule comes from the law of Delaware (or from the Delaware Supreme Court's judgements respectively), but it was not adopted in full. It is stricter in specifying the burden of care, but importantly it shifts the burden of proof to the accused board member to demonstrate that they acted in accordance with the rule.

When enforcing receivables, a board member should always consider "all the circumstances", i.e. the legal character of the receivable, the cost of its enforcement and its possible legal enforceability, and only thereafter decide if enforcement is economically beneficial to the company.

Given the above and based on decisions by the Czech Supreme Court, in our view the introduction of the business judgement rule into the laws of the Czech Republic is redundant. The Czech Supreme Court had already reflected the business judgement rule when considering the liability of board members before the New Civil Code entered into force (see e.g. decision of the Supreme Court, file no. 29 Cdo 4276/2009). A board member has to make decisions in accordance with all the circumstances, i.e. to be appropriately well-informed, and to act in the best interests of the company. In most cases the Supreme Court ordered board members who had demonstrably failed to observe loyalty to their companies to pay damages.

Burden of proof

As already mentioned, in enforcement of damages against a board member, the defendant bears the burden of proof to establish that they acted with due managerial care. This differs from standard civil law procedure where the burden of proof rests with the plaintiff.

The burden of proof when it is alleged an employee caused damage to a company rests with the company as employer.

In addition to the burden of proving that a board member has performed their duties with due managerial care, they also need to prove that they have acted in accordance with the business judgement rule. The burden to prove quantum and casual link between the damages and the alleged breach, still rests with the plaintiff

During proceedings, the Court may decide that it is unfair to demand that the evidence be provided by the defendant. It could also make such a decision in cases where the defendant has already left their office and lacks access to the company's documents. Nevertheless, it must be emphasized that companies are usually not very active in providing evidence in such cases and both parties (to the board member's disadvantage) often lack evidence. Thus we recommend that both parties should maintain possible evidence for future use and properly store documents evidencing the procedure of making decisions related to business leadership.

Liability for breach of due managerial care

Apart from other consequences of a breach in the duty to perform office with due managerial care (e.g. criminal liability, expulsion from office etc.), one of the major risks to a board member is liability for damages caused by said board member. This liability is unlimited, i.e. up to the objective amount of all property, i.e. irrespective of fault, and is joint and several between all members of the respective board.

Employees are liable for damage which they cause to a company on the basis of their

AK-PS & **CORPORATE** LAW Comprehensive legal services for incorporating, operating, transforming, dividing, mergers/ acquisitions/sales (M&A) for corporations Representing clients in squeeze-out procedures, winding up, and liquidation of corporations Legal services in structuring corporate relationships and enterprises, including preparing related parties' relations report, shareholder agreements, and other related documentation Preparing and setting mechanisms for joint venture operations Provision of legal services and preparation of initial public offers (IPO)



negligence, up to a limit of 4.5 times their average monthly income.

The general preconditions for incurring liability for damages are (i) a breach of the legal obligation by the perpetrator; (ii) incurrence of damage on side of the injured person, and (iii) a casual link between the breach of the obligation and the incurrence of the damage.

A board member can be released from an obligation to pay damages if it is established that the damage (or part thereof) was caused when fulfilling obligations to prevent harm, or if the member was not able to fulfill the obligation of due managerial care because of the existence of an (unpredictable and invincible) obstacle excluding liability. The character of such an obstacle would be, however, considered only by the respective court in the particular case.

If a company's supervisory board prohibits the board from acting in a certain way, those members of the supervisory board not acting with due managerial care would be liable for possible damage incurred to the company rather than the members of the managing board.

Limitation or complete exclusion of liability of a board member for the damage incurred by failing to act with due managerial care is impossible. There is a possible **mitigation of risk** in the liability for damage by a board member by virtue of Sec. 51 (2) of the Act on Business Corporations. Under this provision the member can apply to the supreme corporate body (usually the general meeting) to grant an instruction related to business leadership. Even in this case, the member of the statutory body is not released from the obligation to act with due managerial care.

The amount of damages

Damage is now specified as a loss of assets. It represents not only a decrease in material property but also any increase in debts. It is irrelevant whether the damage was incurred at the moment of the action of the board member, or later as a consequence of breach of, or rectification of, such a breach.

The liable board member should compensate for incurred damage by handing over any profit they received as a consequence of their actions. This corresponds to the rule of payment for damages "restitutio in integrum" under Sec. 2951 (1) of the Civil Code. However, usually the handing over of profit is not possible at that time. In

such cases, the board member is obliged to provide financial compensation of this profit.

Settlement of compensation for damage

It is now possible to resolve liability for such damages by concluding a settlement on compensation for damage under Sec. 53 (3) of the Act on Business Corporations. In a settlement, the parties agree on the amount of damage incurred as well as on the manner of its settlement. The scope of compensation available would presumably be considered only by the Courts; nevertheless we view that settlements which completely exclude any compensation for damage would be deemed invalid. Given that, by concluding a settlement which extinguishes not only liability for damage but also the board member's guarantee, it can be presumed that this will be a popular legal option. A settlement must be approved by the general meeting.

Liability insurance for board members

It is possible to obtain liability insurance for board members to protect both these members and the companies themselves. It protects board members against damage incurred as a result of their managerial decisions. On the basis of the insurance, the insurance company pays the damages instead of the insured person. The damages have to be calculated fiscally, e.g. in case of damage to reputation, the costs to remedy the reputation could be compensated etc.

Guarantee of the company's obligations

Not only the company but also its creditors are legally protected against a board member's actions (wrongful trading). When acting for a company, a board member is obliged to fulfil his or her own obligations in relation to creditors, and the member is obliged to fulfil the company's obligations should the company not fulfil them on its own.

If the board member does not pay damage incurred to the company, the member guarantees the company's obligations to the extent of the

AK-PS & LABOUR LAW

Preparation of complex labour law documentation including internal regulations

Legal solutions on legal representatives status, and preparation of individual contracts (employment, mandate, management)

Support in collective bargaining and preparation of documents for negotiations with trade unions, including legal solutions for working time, overtime work, and low workload

Provision of comprehensive legal services in collective dismissals

Legal representation of clients in labour disputes both on the side of employer and employee

unpaid damages against all creditors who are unable to enforce their debts against it.

The general guarantees of the company's obligations are extended in special circumstances, the most important being a guarantee in the company's insolvency. The board members guarantee all the company's obligations provided there is insolvency, provided that such members (or former members) knew or should have known it, or should have been aware of the pending insolvency but took no actions to avert it. Such a guarantee would not apply to a person who was demonstrably appointed to the office in order to divert from the insolvency ("the crisis manager") provided that they performed the office with due managerial care.





You have a right to privacy

n the digital age, where advanced technology makes any attempt to maintain privacy an increasingly difficult task, any effort to secure privacy almost looks suspicious. The Charter of Fundamental Rights and Freedoms guarantees everyone their constitutional right to the protection of privacy and property. The "right to protection from unlawful collection, public release or other misuse of personal information" can be found in article 10 (3) of the Charter. There is therefore no reason why any information about the private property of any person should be made publicly available in any open registry.

As a private individual as opposed to a person in the public eye, you have the right to full protection of both your privacy and your property without the need in future to defend this right. A greater degree of privacy offers more personal freedom.

There is no exception, even considering the recent "Panama papers" affair when 11.5 million secret documents concerning almost a quarter of a million companies were leaked from the Panama-based Mossack Fonseca firm. The incident demonstrates that the property structures of some of these companies names politicians and other public figures, including some heads of state such as the prime minister of Iceland, and the relatives of other high-ranking politicians from several countries.

It is appropriate to put those responsible for the management of state finances under stricter public control. After all, their office automatically restricts some of their rights. But what is not appropriate is to for anyone to easily find out details of the property structures of private individuals. It is simply not acceptable that, if you wish to guard your privacy, you immediately become suspect. As a private individual, you have the absolute right to the protection of both your privacy and property without the need to defend it.

Privacy protection is not a crime

The right to discretion and the protection of personal and property rights is guaranteed by the Czech constitution. A private entity must be able to claim protection against state institutions, and the total asset value does not in any case weaken the claim. With the exception of the state, no-one should have the opportunity to extract information regarding your privacy from open, public registries. Just imagine the full extent of the risk this kind of unauthorized access to your private information can represent.

How to ensure appropriate protection?

Without a doubt public pressure for protection of privacy has weakened of late. As a result, more passive, private individuals have to count on a lower degree of anonymity. However, there are mechanisms which can help you.

Should you wish to defend your right to private property, we have created the Asset Protection - Discrete Structure (AP-DS) solution. It represents a more cost effective and faster alternative to offshore structures. AP-DS holds

Panama documents shock

The Panama documents affair understandably caused public outrage when it came to light that shares in offshore companies were being held by high-ranking politicians all over the world. But somewhat surprisingly, only a few were outraged by the unprecedented invasion of privacy which affected a large number of Mossack Fonseca clients. Many clients had done nothing wrong, but still documents concerning their wealth and private life were circulated by anonymous sources to hundreds of journalists. No-one except the authorities of the relevant countries should be entitled to screen private information. Even they must have a legitimate reason to do so.

Tax haven – a safe island

When journalists use the term "tax haven", the general public usually imagines a country which offers extremely advantageous conditions to foreign companies. These companies pay the country, which is typically small in geographical area and number of inhabitants, a minor flat tax rate in return for a number of benefits. We don't expect to find these benefits in any member states of the OECD community. These include a zero income tax rate, no obligation to do standard book-keeping, filing income tax returns, performing audits, or guaranteeing full anonymity for company shareholders. The term tax haven implies that companies locate their headquarters in places such as Belize, Panama, or the Seychelles in an attempt to avoid tax. But it is very easy to forget that there could be another legitimate reason for such a decision, namely attempting to protect one's privacy.

none of the negative connotations which are usually associated with the optimization of tax payments and it benefits from all the advantages of these structures at the same time.

Seeking such a structure is fully legitimate: to protect the owners from unauthorized, third-party intrusions into their privacy. Naturally, the public administration of any democracy must have the right to access information, as defined by the law and at all time, pertaining to well-grounded suspicion of criminal activity.

Private individuals would be on an equal footing when maintaining the chance of staying private.

Without the active right to protection of privacy, their position would not differ from anyone holding a public office.

Any state would consider protecting an individual's privacy an undesirable phenomenon. However, it is our indisputable right to protect our privacy from third parties, and our total assets should not represent a handicap. Today it seems that privacy is becoming a scarce and luxurious commodity. This is why we should make better use of existing legal instruments to make asset protection an accessible tool for anyone who lives a happy and peaceful family life. This is why we have developed the AP-DS solution.

Family Office: We make your life easier

"Family Office is a solution for managing the financial and personal affairs of high-net-worth individuals. Family Office provides tailor-made solutions, specialized professional know-how, and other discrete services."

When taking important legal actions or making business decisions, it is normal to consult professionals. That way you limit the risk of financial loss or disclosure of sensitive information, business secrets, etc. The management and protection of your family affairs and family assets also requires this level of due diligence. Our Family Office is here to assist you.

Even though the name could give such an impression, Family Office is not only about

family law advice. Family Office represents a complex solution for both individuals and entire families who require proper management of their financial and family affairs. The concept of our Family Office is built on discretion, tailor-made solutions, and professional know-how. Your decision to join us will secure the service you need and relieve you from the burden of these most complicated tasks.

Family first

Family Office is not a novelty. For many decades, individuals who regularly make a large amount of property and financial transactions have used the services of specialized advisory firms. Family Office is based on the coordinated management of family assets, including capital market investments, property investments, personal and corporate legal affairs, and wealth management.

Family Office's main goals are to ensure effective legacy planning and management. Private advisors invest the family funds, make payments to family members whenever required, and help co-ordinate the family in the management of their assets. An integral part of legacy planning is adequate succession planning.

Family Office's mission is to take care of you and your family. The extent of tailor-made care is pre-defined by mutual agreement. Our Family Office advisors concentrate not only on the protection and stability of your family and its assets but also on asset growth, a successful life for your family members, and the realization of your vision in line with your values.

Family Office – our approach

This type of service has a long tradition and many different structures. It is therefore helpful to explain our particular approach. Our firm offers complex legal protection of assets, including property management and trusteeship. We concentrate on long-term horizons, and consider the aforementioned succession planning and management for future generations.

In addition, we offer legal advice in many complex or unexpected situations, as well as services you might appreciate in your daily life. These include tax and accounting services, private banking and insurance advice, property management including property services, and even personal services such as resolving potentially difficult family situations using the services of a psychologist. All these services are provided by our trusted Family Office partners. Should you require it, we are also happy to work with your existing providers.

The larger the total asset pool, the more difficult it is to imagine that one person can manage it alone. Managing any property with diligence is an absolute must. If you wish to partly or entirely free yourself from the burden of the duties mentioned above and at the same time ensure that each is carefully kept under your control, it is time to select our Family Office services. We free you from all these worries so that you can concentrate on what is important in your life.

48 POLVERINI STRNAD POLVERINI STRNAD 49

Asset Protection



Asset Protection: How to protect your wealth?

Anyone who has acquired a certain amount of wealth knows how much hard work is involved. Only gradually are we starting to realize that the acquisition of wealth and its preservation and protection are two different things. Each requires different approaches and skills.

This is the reason why we have developed the Asset Protection solution. It closely connects to legal protection of property, as defined by existing legislation, such as the narrowing of the institution of communal property (i.e. communally-owned by spouses, insurance, reservation

about the inharitance inventory (in Czech: výbrada soupisu pozůstalosti), pledge, etc.), and it offers stronger and much more complex legal protection. Over the years we have encountered many cases where our clients have done nothing wrong but have still suffered damages.





Saab 9-3 Aero

Reliability and a distinctive attitude

BRAND DIFFERENT FROM THE OTHERS, WITH ITS SCANDINAVIAN soundness, numerous innovations, and an emphasis on safety, all combined together with a powerful turbo. Pavel Strnad, owner of one such car, couldn't agree more. The magic of Saab was created with style, quality, and a tradition in aircraft design. It is Saab's approach to new technologies and safety that he has always enjoyed. Not everyone likes the uncompromising Saab design, but without doubt its sharp features attract attention.

30 years without a roof

This model is based on the legendary 900 series introduced in 1978. The cabriolet had to wait for its release for another five years – the public could first see the car in 1983 in Frankfurt, Germany. Its concept roused a lot of interest. Introducing a new model is one thing, but selling it is another, and it wasn't until three years later that a limited edition of four hundred cars with a two-litre turbocharged petrol engine and with a 175 horsepower output started selling in the United States. "Ninehundreds" immediately sold out, and buyers queued up for the next batch.

In Europe the model sold out even before production, and the original three-year plan for the production of two thousand cars per year went down the drain. The "Ninehundred" cabriolet was popular thanks to its spacious interior which can hold up to four adults together with their luggage, its powerful turbo, and its

automatic folding roof which took less than thirty seconds to fold and unfold. The decisive character of the vehicle did not bow to the swinging American cars or to German technical sports cars. Saab developed something different and it became a welcome alternative for drivers who were yet to discover cabriolets.

It was this amazing success that Saab tried to build on in 2003 with the new "Nine-three". It offered the fastest folding roof, unique waterproof textile upholstery, and a system called DynaCage - a roll-over protection system above passengers heads which saw Saab awarded with a five-star rating by Euro NCAP for the first soft-top cabriolet We should also not forget its reliability which remained a distinctive Saab feature even when the brand was owned by American General Motors (the giant carmaker bought Saab in 1990).

From Dlouhá Street all the way to southern Italy

Pavel's car has a mileage of 170 thousand kilometres to-date, and together they have travelled for instance all the way to southern Italy. At that time Pavel drove his car all year round, but lately he has started saving his favourite for special occasions.

Though the Swedish carmaker now has a list of historical achievements, the 13-year-old cabriolet has not lost its splendour. Quite on the contrary. On the street, its atypical design is still quite unique. People who chose this car must have had, or still have, a flair for unusual solutions. Saab cabriolets are unmistakable cars and it is not so surprising that, when asked if he would buy a similar car today, he replies: absolutely! Luckily there is no reason to buy another one as he takes great care of his.



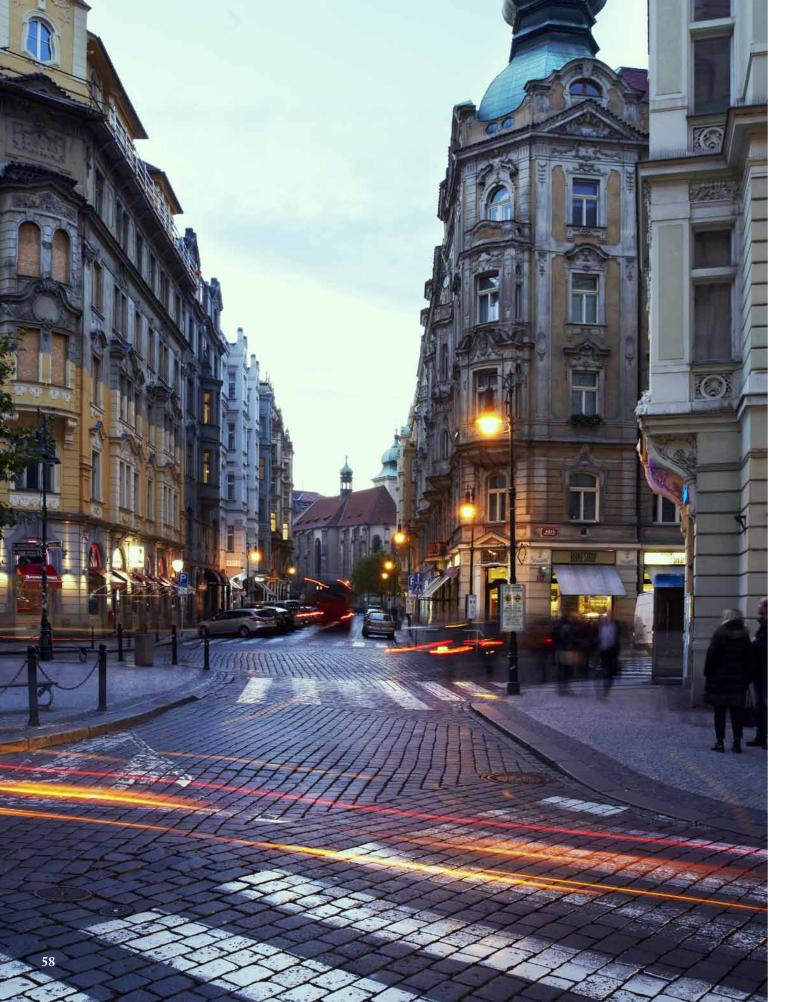
3 things you may not know about Saab

Saab originally produced aircraft, and only after a certain amount of time decided to expand its product portfolio to cars. In addition to the legendary cars, Saab is also responsible for the Gripen fighter jets which belong to the Czech Air Force.

Since its founding in 1937, Saab (Formerly Saab AB) has had several owners. These days the carmaker belongs to Chinese owners. Consortium NEVs now owns the rights to the Saab technology, without the rights to use the company name. On the basis of the 9-3, NEVs builds an electric car for the Chinese market. In Sweden, they produce only the bodywork, and the remainder is manufactured in China. By 2020, NEVs plans to produce 150,000 of these vehicles.

54 POLVERINI STRNAD POLVERINI STRNAD 55





Long story short – an office in the beating heart of Prague has its advantages

is a popular place for both locals and travellers. It concentrates the best of Prague gastronomy, culture and architecture. It was named Dlouhá (Long) for a reason. It extends for 500 metres through Old Town from Revoluční Street all the way down to Old Town Square.

Building a law firm in such a place therefore has a whole lot of advantages. Access to good public transport is just one of many. Just as our lawyers straddle Italy and the Czech Republic (and now also Slovakia), our office also straddles the old and new. A theatre and clubs; Argentinian and Czech cuisine. Dlouhá Street can be considered the beating heart of Prague, and we have a finger on the pulse of the city. It is alive here day and night.

Just as our lawyers
straddle Italy and
the Czech Republic
(and now also Slovakia),
our office also straddles
the old and new.
A theatre and clubs;
Argentinian and
Czech cuisine.



DLOUHÁ STREET BY NUMBERS

is the house number where we reside. It is located exactly between an Argentinian restaurant, La Casa Argentina, and a Cuban cigar shop, La Casa del Habano.

to dozens - you will need more than just your fingers to count the restaurants, bars, and clubs that you can visit on Dlouhá Street. You will definitely need to take a holiday should you decide to visit them all.

the total annual audience which visits the theatre on Dlouhá Street. Between 1953 and 1961 the theatre was called the Jiří Wolker Theatre and it focused on children's entertainment.

500

and it is the reason why it was named Dlouhá (long) in the 14th century. Dlouhá is streets in Old Town.

730

years – this is how long we have been residing at our offices in Dlouhá Street. However, even before that we weren't too far away our offices were on Týnská.

10++

1 100

80 000

metres is the total lenath of Dlouhá Street. also one of the longest

the average amount of beers in litres which are served by restaurant Lokál in one day. The number varies according season - in winter it is around 1,000 litres, whilst in summer it's closer to 1,200.

Good food in thousands of styles

No matter whether you are a fan of Czech cuisine or you prefer more exotic tastes, on Dlouhá Street vou will most certainly find what you love the most. There are plenty of places where you can have a great meal any time. If you wish to get energy for a hard day ahead of you, you can start off in the bistro La Bottega Bistroteka where, according to Oliver Majdúch (corporate and labour law / pharmaceutical law), they make the best breakfasts. Our Slovak colleague sings the praises of the staff and their understanding of the art of making a great coffee. For those who like their coffee sweet, the bistro offers a special mix of both sugar and espresso to be used as a sweetener. In the evening, La Bottega Bistroteka offers a perfect atmosphere to enjoy a glass of good white wine. For breakfast at any time of day, you can stop at the nearby Pastacaffé, a popular place with Veronika Prokopová (property law / court and out-ofcourt dispute resolution / Asset Protection / Family Office). She enjoys their classic of scrambled eggs, with wholemeal rolls and

If you are a fan of traditional Czech food and home-made soups with no artificial flavourings be sure to visit Lokál for lunch. Our colleague Eva Bílková (insolvency / banking and finance / contract law) visits Lokál, a restaurant which, besides great food, also offers excellent draught Plzeň lager. Jakub Šilha (litigation / property law / community law / corporate law) on the other hand would recommend Mincovna, situated directly on Old Town Square for those who enjoy a chilled glass of 12-degree beer. Indeed, this part of Prague has been known for high-quality beer for hundreds of years. Emperor Charles IV enjoyed the services of local Prague breweries after he was forced to hide from a storm in the "U hrubého muže" brewery. And he liked the local beer so much that it becomes a must-have at the imperial table.

Dlouhá Street and its surroundings offer a wide range of restaurants specializing in a variety of foreign cuisine (Mexican, Argentinian, Italian, Irish, Spanish, Thai, Korean, French, Chinese, and Lebanese), and gourmet specialities (raw food, fish restaurants, traditional gingerbread). On nearby Týnská Street you will find Maitrea, the renowned vegetarian restaurant. It offers a pleasant atmosphere and good food.

An ideal place for meat-eaters on the other hand is Naše maso, an unconventional butcher's shop with first-class meats and smoked meats. Customers can sample fresh products, such as hamburgers, minced meat, traditional steak tartare and delicious sausages. In 2015 a new Vietnamese bistro Banh-mi-Ba, which soon became very popular, was opened just round the corner from our offices on Rybná Street.

If you are in a hurry, you can grab something to eat for example at the **Bakeshop** bakery where Pavel Strnad sometimes drops into. He would recommend the "devilishly sinful chocolate cake" as they themselves describe it. Also notable is **Sisters**, the open-faced sandwiches shop (with seating) where Lenka Kaizrová (acquisitions and institutionalized leases of industrial premises and other

property/law of obligations/corporate law) also goes. Her recommendation? "Personally I mainly eat their vegetarian open sandwiches. I like the ones with egg, beetroot, and celeriac sauce."

Where to go for a drink after a day of success

As it grows dark, the street lamps are switched on and the lights in the offices are turned off. But you still have plenty of places to stop at for an after-work drink. On Dlouhá Street there are a lot of restaurants with a pleasant atmosphere. Pavel Strnad likes to celebrate his work successes with an Old Fashioned, a quality cocktail, at **Public Interest**. "But sometimes I let barman Jirka surprise me with his choice. He has yet to disappoint me," he adds. The other surrounding restaurants also offer a unique atmosphere. For example Anonymous Bar, a place which Oliver Majdúch would recommend for a celebration, will captivate you with its unique design.

Bokovka Wineshop created by, among others film director Jan Hřebejk, is an excellent place for anyone who thrives on wine tasting. The local sommelier not only has wines from Bohemia and Moravia, but also from the rest of the world. However, if you take the advice of Giampaolo Polverini, from their range of red wines he would recommend established Italian flagships, such as Brunello or Barolo (e.g. from Cascina Fontana), and from their white wines the Moravian Sauvignon from Gala Vinařství.

Architectural gems on Dlouhá

One of the most interesting buildings from an architectural point of view on Dlouhá is without question. U Zlatého stromu no. 729, a residential building which is adjacent to the one where we have our office. Behind its frontage, which was renovated in 1926 under K. Pecánek's supervision, there hides a courtyard with an enclosed balcony from the Renaissance dating to the end of 17th century.

Formerly at House no. 714, on the corner of Rybná Street, Old Town's slaughterhouse was located. King Jan Lucemburský granted it the butcher's coat of arms. The contemporary building was built in 1898 by architect F. Buldra. The building's façade is decorated with stuccos and sculptures by renowned Czech sculptor, stucco worker and designer, Celda Klouček.

House no. 727 is currently occupied by Dlouhá Palace, and it is registered in the list of cultural sights. The current building dates from 1928 and it was built in the place of former baroque buildings. Out of these, only the façade was preserved. All other parts forming the new building were designed by Paul Sydow's architecture workshop. It is a totally unique New York-style residential complex in the Czech Republic.

Another building of high artistic value is Wohanka's House no. 714, built in an Art Nouveau style, and named after Josef Wohanka, the imperial counsel

One of the youngest architectural additions to Dlouhá is V Hradbách's House. It was created as part of the junction between Dlouhá Street and Revoluční Street after the Second World War, and is located where the Old Town bulwark wall formerly stood.

Culture before sleep

Dlouhá Street doesn't just have restaurants, coffee shops or pubs. You can also find a whole range of clubs or the popular Prague theatre Divadlo v Dlouhé. It is located at House no. 728, and its cultural origins date back to 1937 when it was called the Great Operetta. The theatre gained today's name in 1995. Vlad'ka considers herself as a theatre-lover and she regularly goes there. She praises the excellent, and funny, acting ensemble. If you were to ask her which show she would recommend, she would unhesitatingly respond that it is the Kainar-Kainar cabaret or LokVar, the visiting puppeteering club.

NoD, an experimental space, is also an interesting place, open to artistic or public experiments, be that theatre, art by young independent artists, cognitive activities, or even fighting prejudice. Apart from that, they also serve delicious coffee. On the opposite side of Dlouhá Street there is the Cermak Eisenkraft gallery which focuses on Czech modern art as well as that of contemporary young artists.

In short, Dlouhá Street is simply THE ideal place for an office. It is situated in the very hub of events, and people from all over the world meet there. It is a reflection of what we do, and what we offer our clients. It provides many places for a unique gastronomy experience, a rich history, and an important cultural centre. Given that the way to our office is interesting in itself, we would be only too glad if you also used the opportunity to visit us. Although Dlouhá Street is long, it is only a short step to reach us.

60 61 POLVERINI STRNAD POLVERINI STRNAD



Dlouhá Street step by step

PIZZA NUOVA

Revoluční 1

Opening hours: 11:30 - 23:30

The main fare on offer is traditional, Neapolitan pizza with hand-rolled dough, pasta, salads, fresh fish and grilled meats, including Czech mature beef. Wi-fi.

2 LOKÁL

Dlouhá 33

Opening hours: 11:00 - 1:00 (midnight on Sundays)

Traditional Czech cuisine, coupled with light and vegetarian meals. High-quality draught beer straight from the tank

3 NAŠE MASO

Opening hours: Mon-Sat 8:30 - 22:00 An unusual combination of a butcher's shop with top-quality meat and smoked-meat products with the opportunity to try a few things right there: hamburgers, meatloaf, steak tartar and sausages, plus a daily special.

4 SISTERS

Dlouhá 39

Opening hours: Mon-Fri 8:00 - 19:00,

Sat 9:00 - 18:00

A local gastronomic speciality - highquality open sandwiches in unu combinations, including light "fit" versions.

5 PASTA FRESCA

Celetná 11

Opening hours: 11:00 - 24:00 Fresh seasonal home-made pasta made

according to the best Italian tradition. Part of the restaurant is a wine bar with a collection of vintage Italian wines.

6 LA BOTTEGA Oliver's tip **BISTROTEKA**

Opening hours: 9:00 - 24:00

A bistro combined with an Italian delicatessen shop. A lovely spot for breakfast, and for a quick bite to eat during the day or in the evening.

7 DIVINIS

Týnská 21

Opening hours: Mon-Fri 12:00 – 15:00 and 18:00 - 1:00; Sat 18:00 - 1:00 An Italian restaurant owned by the popular chef Zdenek Pohlreich, receiver of the Michelin Bib Gourmand award, casual atmosphere.

8 POT-AU-FEU

Opening hours: Mon-Fri 11:00 - 15:00 and 18:00 - 22:00. Sat 18:00 - 23:00 Focused on top-class results, inspired by the French culinary school. The chef personally supervises every single meal, including

IA DEGUSTATION **BOHEME BURGEOISE**

Opening hours: 18:00 - 24:00 Traditional Czech and European cuisine

under the supervision of chef Oldrich Sahajdak, a cosy environment. An open kitchen allows guests to witness the

10 RESTAURACE Jakub's tip **MINCOVNA**

Staroměstské náměstí 930/7

Opening hours: 11:00 - 24:00

Offers a modern twist on traditional Čzech cuisine, serving the best Moravian and Czech wines and Plzeň beer straight from the tank. The name of the restaurant (Mint) refers to the history of the building; coins were minted there in the 18th and 19th century.

III SABORES TAPAS & VINOS

Malá Štupartská 3

Opening hours: 11:00 - 23:30 The taste and atmosphere of Spain is brought to the heart of Europe by this tapas bar, where even the smallest bite to eat becomes a big occasion.

12 SEEFISH

Opening hours: 10:00 - 22:00 This alluring bistro serves a wide range of saltwater and freshwater fish, and seafood of the highest quality less than two days after they are caught.

13 PASTACAFFÉ Veronika's tip

Vězeňská 1

Opening hours: 8:00 - 22:00

An elegant design environment offers a wide breakfast menu, and modern meals, using home-made pasta and fresh ingredients, including traditional Italian starters, home-made desserts and cakes.

CULTURE

14 DIVADLO V DLOUHÉ

Dlouhá 39

A repertory theatre

with a strong creative identity. It focuses on lesser-known plays, and interprets the classics with originality in a contemporary social background. The theatre's repertoire also includes less traditional scenic elements. Its specialty is the frequent involvement of a live band in the structure of the play. The most famous members of its ensemble are Jan Vondráček, Helena Dvořáková and Miroslav Táborský.

15 NOD

Dlouhá 33

Opening hours: Mon - Fri 10:00 - 1:00. 14:00 - 1:00 at weekends

An experimental space where three directions intertwine: theatre performances, exhibitions, and thematic evenings along with crossover projects. Each is combined with an eagerness to find and test new possibilities of expression. The premises also has a restaurant cafe in a club style.

16 CERMAK EISENKRAFT **GALLERY**

Dlouhá 12

Opening hours: 9:00 - 22:00

The Cermak EISENKRAFT gallery was founded in 2014 and offers its visitors and customers the finest art. This art company focuses on modern and contemporary Czech

17 DŮM U KAMENNÉHO ZVONU

Staroměstské náměstí 13

Opening hours: Tue - Sun 10:00 - 20:00 One of the capital's most valuable gothic monuments has served as an exhibition centre for the City Gallery for almost thirty years. It hosts prestigious exhibitions of historic art collections as well as contemporary art productions. It is also possible to rent the space.

WINE & BAR & FUN

18 BOKOVKA

Dlouhá 37

Opening hours: Tue - Sun 15:00 - 1:00 The wine bar's new location connects a unique collection of wines and the film director Jan Hřebejk. The sommelier can offer you wines from Bohemia, Moravia, and the rest of the world. While you are enjoying the remarkable wine, you may also like to try something from its delicious menu.

17 TRETTER'S COCTAIL BAR

V Kolkovně 3

Opening hours: Mon - Sat 19:00 - 3:00, Sun 19:00 - 2:00

One of the most popular bars in Prague, led by Michael Tretter, with an interior evoking the atmosphere of Paris and New York in the thirties

20 PUBLIC INTEREST

U Milosrdných 12

Opening hours: Mon - Sat 18:00 - 3:00, Sun 18:00 - 1:00

A bar in an old-world setting. You will plunge into its premises like a nice relaxing

ACCOMMODATION

21 HOTEL JOSEF

Rybná 20

A modern, design hotel with 109 rooms created by the architect Eva Jiřičná. Breakfast includes French-style pastries from the hotel's bakery. Clients can burn off excess calories in the gym with

22 HOTEL MAXIMILIAN

Haštalská 14

The hotel with its unassuming elegance and emphasis on high-quality services, including a fitness centre, is located in the vicinity of Dlouhá Street. Guests can even enjoy the company of a goldfish in a bowl in their own room. Sports lovers can try morning jogging tours through the historic city centre with a commentary on the local sights.

DRY CLEANING AND IRONING

23 5ÀSEC

Dloubá 20

Opening hours: Mon-Fri 8:00 - 19:00, Sun 8:00 - 17:00

Besides laundry and dry-cleaning, the shop also offers tailoring and zip replacements. Standard cleaning time is 90 minutes.

24 KUSSOVA PRÁDELNA

Opening hours: Mon-Fri 8:00 - 18:00

SHOE REPAIR

25 OPRAVNA OBUVI NA POČKÁNÍ

Dlouhá 37

Opening hours: Mon-Thurs 9:00 - 18:00, Fri 9:00 - 17:00

HEALTH AND FITNESS

HEALTH CLUB & SPA INTERCONTINENTAL **PRAGUE**

Opening hours: Mon-Fri 6:00 - 22:00, Sat-Sun 7:00 - 22:00

PUBLIC NOTARY OFFICE

26 JUDR. JIŘÍ SVOBODA. JUDR. MIROSLAV NOVÁK

Dlouhá 16

Opening hours: 10:00 - 22:00 As a contact place for the Czech POINT service, the public notary office issues extracts from various public information registers.

27 CZECHPOINT, **ECONOMIC CHAMBER** OF THE CZECH REPUBLIC

Dloubá 13

Opening hours: Mon-Thurs 9:00 - 15.30, Fri 9:00 - 14:00

ATM

ČESKÁ SPOŘITELNA

Availability: nonstop

KOMERČNÍ BANKA

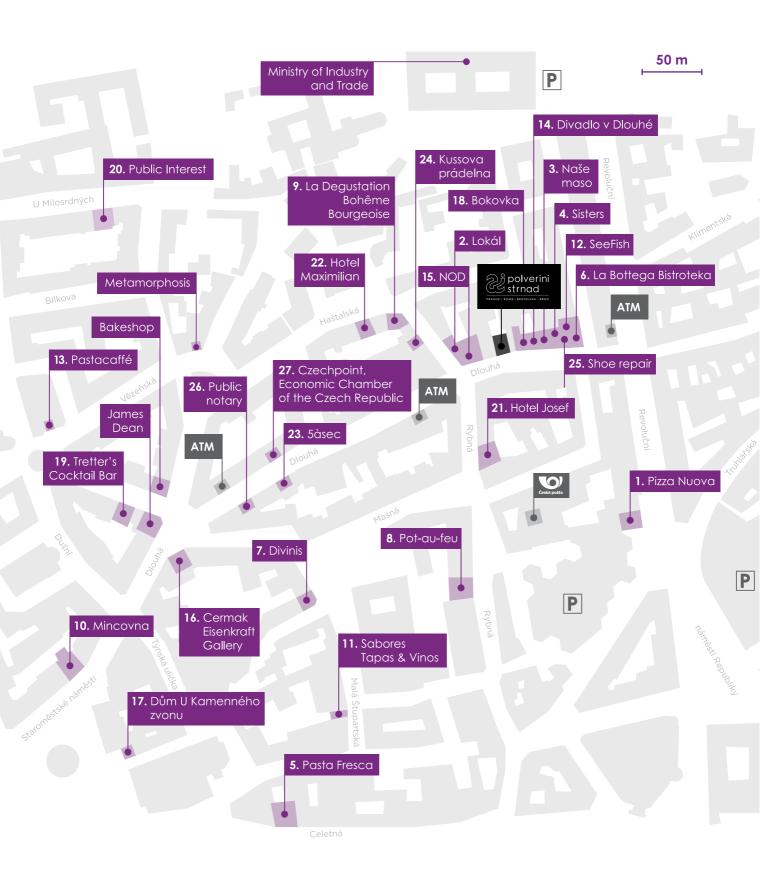
Dlouhá 34

Availability: nonstop

ČSOB

Revoluční 11

Availability: 9:00 - 12:00 and 13:00 - 18:00





Dlouhá 35, Prague 1 tel: +420 224 217 485 info@ak-ps.eu www.ak-ps.eu