



Legal Alert

in the field of corporate law

26 August 2020

Weinhold Legal

Amendment to the Business Corporations Act

As early as January 1, 2021, the so-called major amendment to the Business Corporations Act (the "Amendment") will enter into force. In this context, we have so far informed you in more detail via social networks about changes in the liability of the so-called influential entity in the event of company insolvency ([HERE](#)), profit sharing payments ([HERE](#)) and new rules on conflicts of interest ([HERE](#)).

Changes and news

However, there are many more changes that the Amendment brings, for example:

- ▶ introduction of a special type of a business share with the right to appoint a certain member of the statutory body;
- ▶ abolition of the position of statutory manager in a joint-stock company with a monistic structure;
- ▶ new obligations in the event that a member of the company's statutory body is a legal entity;
- ▶ a different concept of the ban on competition of members of the company's bodies and changes in connection with the approval of the executive service agreement;
- ▶ tightening the liability of members of statutory bodies in the event of the bankruptcy of a business corporation;
- ▶ changes concerning the manner of holding general meetings; or
- ▶ tightening of the procedure towards the so-called inactive companies, or companies that do not establish financial statements.

What to focus on

The above-mentioned innovations will affect the practical functioning of many companies and some of them will even be obliged to amend their memorandums of association (articles of association). The deadline for these adjustments is **generally**

set by the end of 2021, however many specific obligations will need to be met (or at least appropriately) as soon as possible. It will also be appropriate to review shareholders' agreements or other corporate documents and to become acquainted with the effects of the Amendment on the liability of members of statutory bodies.

In this context, we are therefore preparing a number of articles for you, in which we will point out the individual changes and discuss them in more detail, as well as several webinars.

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

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