

Information on Czech Republic national BOR

The information below has been provided by the countries participating in BORIS in relation to the following questions:

Question 1: What does your national central beneficial ownership register(s) offer?

The register of beneficial owners is a public-administration information system and is kept in electronic form by the competent courts. The information system is administered centrally by the Ministry of Justice. The register is governed by means of Act No 37/2021 on the register of beneficial owners [Czech acronym 'ZESM']. It serves to record statutory data concerning the beneficial owners of legal entities established in the Czech Republic and the relevant legal arrangements.

Entered in the register are statutory data concerning beneficial owners and related facts (Section 13 of the ZESM). These are (1) data identifying the person constituting a beneficial owner, (2) data explaining the basis of a beneficial owner's position (including data concerning the structure – if any – of the relevant relationships), (3) data concerning the duration of a beneficial owner's position and (4) data concerning the legal entity or legal arrangement to which beneficial ownership relates. Also recorded are (5) data relating to the procedural aspects of the recording of individual data (when they were recorded or made available). Lastly, (6) data are entered in the 'irregularity note'.

Question 2: Is registration and/or authentication and/or authorisation required to search in your national central beneficial ownership register(s)?

Via the Internet, the register is partially accessible to the public free of charge. Full access to data is restricted to legally selected entities. Extracts obtainable from the register are in electronic form.

Access for the public

Anyone may search the register free of charge as a guest by entering a specific legal entity's name or identification number. Anyone may also obtain directly from the website a partial electronic extract or confirmation that the register contains no data concerning a given entity. Only publicly accessible data can be searched.

Remote access to all data

The purpose of remote access is to enable the requisite information to be made available promptly to a legally privileged group of entities (Section 16(2) of the ZESM). Selected entities may remotely access all data (including historical data) in the register of beneficial owners via an online interface administered by the Ministry of Justice. Authorised entities may search the register by entering a specific legal entity's name or identification number, and also by using beneficial-owner identification data. Remote access to the register is free of charge.

Persons accessing the register remotely must identify themselves in accordance with the statutory requirements concerning user registration (Section 17 of the ZESM). Authorised persons prove their identity by means of electronic-identification tools. Requests for remote access are handled by the Ministry of Justice. In the case of public authorities, non-public data in the register of beneficial owners can be accessed remotely by means of JIP/Kaas services (without the Ministry of Justice having to be asked to establish remote access).

Question 3: Is registration and/or authentication and/or authorization required to access beneficial ownership information in your national central beneficial ownership register(s)?

Via the Internet, the register is partially accessible to the public free of charge. Full access to data is restricted to legally selected entities. Extracts obtainable from the register are in electronic form.

Access for the public

Via the Internet, the register is partially accessible to the public free of charge. The public may access data concerning the name, the country of residence, the year and month of birth and the nationality of a legal entity's beneficial owner, and concerning the nature of the beneficial owner's status and the size of his/her share if the latter is the basis of that status. Also accessible to the public are the data generated by automatic transcription and therefore already available in a public register. In the case of registered beneficial owners of legal arrangements, the register is generally not public.

Without needing to be registered, anyone can obtain directly from the website a partial electronic extract (of data that are public) or confirmation that the register contains no data concerning a given entity.

Access for registrants and beneficial owners

Both registrants and beneficial owners have access to all data (including historical data) relating to their register entry.

A registrant may obtain an extract directly from the registry website after self-authentication and self-authorisation via the data-box information system (a legal entity must have a data box set up). A beneficial owner may obtain an extract relating to him directly from the register website using means of electronic identification. In general, the competent court also enables a registrant or a beneficial owner to obtain extracts (once the applicant's identity has been verified).

An electronic extract may also be obtained from the competent court, but this has to be paid for.

Remote access to all data

The purpose of remote access is to enable the requisite information to be made available promptly to a legally privileged group of entities (Section 16(2) of the ZESM). Selected entities may remotely access all data (including historical data) in the register of beneficial owners via an online interface administered by the Ministry of Justice. Remote access to the register is free of charge.

Persons accessing the register remotely must identify themselves in accordance with the statutory requirements concerning user registration (Section 17 of the ZESM). Authorised persons prove their identity by means of electronic-identification tools. Requests for remote access are handled by the Ministry of Justice. In the case of public authorities, non-public data in the register of beneficial owners can be accessed remotely by means of JIP/Kaas services (without the Ministry of Justice having to be asked to establish remote access).

Question 4: Is access to your national central beneficial ownership register(s) free of charge?

Both public access to certain data and restricted access for a selected entity (e.g. an obliged entity) to all data are provided free of charge.

Question 5: How can you perform searches in your national central beneficial ownership register(s)?

Anyone may search in the register free of charge as a guest by entering a specific legal entity's name or identification number. Anyone may also obtain directly from the website a partial electronic extract or confirmation that the register contains no data concerning a given entity. Only publicly accessible data can be searched.

Selected authorised entities (e.g. obliged entities) that can remotely access all data (including historical data) in the register of beneficial owners can search the register by entering a specific legal entity's identification number or name, and also by using beneficial owners' identification data.

Question 6: How do you ensure adequacy, accuracy and timeliness of the information held in the national central beneficial ownership register(s)?

There are mechanisms both for monitoring registered data and for encouraging proper compliance with the registration requirement. Any irregularities in the register can ultimately be rectified through an irregularity procedure conducted by the competent court. Specific consequences arising under private law from non-compliance with the registration requirement are dealt with at the same time.

By means of an irregularity procedure (Section 42 *et seq* of the ZESM), the court is able – as the body responsible for keeping the register – to correct factual inaccuracies in the register, thereby ensuring that the content thereof continues to be reliable and of good quality. As part of the irregularity procedure an 'irregularity note' is drawn up. This enables information concerning potential irregularities to be entered quickly.

The purpose of an irregularity procedure is primarily to delete incorrect data from the register. An irregularity is a situation where the data in the register do not reflect reality (current or historical) or are missing altogether. An irregularity procedure requires no proposal and may be initiated by a court on the basis of notifications from eligible entities, and also at its own initiative. The court initiates procedures when required in order to protect the rights of third parties (Section 44 of the ZESM). The court considers how significant an irregularity is and whether it may cause someone harm. The main aim of the procedure is to ensure that the registrant corrects the irregularity detected, so the court initially calls for the irregularity to be rectified or explained.

Irregularities are generally reported to the court by obliged entities, since they are required to do so under Section 15a of Act No 253/2008. Obligated entities are most often able to detect irregularities when identifying clients or carrying out checks on them. Before reporting an irregularity, obliged entities must, however, first bring their findings to the attention of the client and give him/her an opportunity to explain or rectify them. A number of irregularities can be eliminated in the course of this informal process carried out by obliged entities.

In certain cases the outcome of an irregularity procedure forms the basis for the relevant municipality with extended powers to punish an offence by means of a fine. A fine of up to CZK 500 000 may be imposed for offences involving a breach of the obligation to register a person pursuant to Section 9(1) of the ZESM. The same penalty may be imposed on a person who has not complied with the requirement to cooperate as specified in Section 10 of the ZESM.

Failure to include any data whatsoever in the register of beneficial owners will be penalised in particular. In general, failure to record data reflecting the actual situation constitutes an offence.

In addition to public penalties (fines), Section 52 *et seq* of the ZESM provides for further consequences if a beneficial owner fails to register. Those consequences stem on the one hand from failure to register the right person and, on the other, from the fact that no information has been entered at all. They ensue independently of an irregularity procedure and are not linked to a prior finding by the court that the register contains an irregularity.

Under the relevant legislation the consequences of failing to register as a beneficial owner are threefold: what are referred to in Section 52 of the ZESM as *zastírající smlouvy* (fictitious contracts) may not be enforced, profits may not be distributed (Section 53 of the ZESM) and votes may not be cast (Section 54 of

the ZESM) within a commercial corporation's highest body (general meeting, members' meeting). Such consequences have a major impact on the contractual relations between commercial corporations and their partners.

It may also be mentioned, for example, that, under Act No 134/2016, failure to comply with the requirement to register beneficial owners may result in the exclusion of a given supplier from a public contract. Under Section 14 of Act No 218/2000 and Section 10a of Act No 250/2000, beneficial owners are also required to be registered if they wish to receive grants or subsidies.

Question 7: Since when has/have the national central beneficial ownership register(s) been operational? Please also provide the link(s) to the national law(s) implementing the national central beneficial ownership register(s).

The register of beneficial owners was established on 1 June 2021 by means of Act No 37/2021 on the register of beneficial owners. It replaced or followed on from the previous beneficial-owner data register governed by means of Act No 304/2013, which had been in force since 1 January 2018. The data entered in the old register under the legislation in force until 31 May 2021 have been transferred to the new register.

The register of beneficial owners is governed by means of Act No 37/2021 on the register of beneficial owners [Czech acronym 'ZESM'], which can be consulted, for example, [here](#).