

### **Significant changes to the Business Corporations Act effective since January**

An amendment to the Business Corporations Act will enter into force on January 1st 2021, bringing several significant changes. However, the amendment does not bring important changes only into the future, but may also affect existing business corporations, which are obliged to adapt to the amendment. In some cases, there are even very short deadlines (three months from the effect of the amendment). A description of the selected changes and their impacts can be found in the following article. You may find more info [HERE](#).

### **The major amendment to the Labor Code will bring further changes with the coming year**

Another part of the amendment to the Labor Code will enter into force on 1st of January 2021. The first part of the amendment is already binding to employers and employees since 30th of July 2020. The amendment as a whole introduces important changes, especially in the area of payed leave calculation, compensation for damage caused by a work related accident or an occupational disease, delivery of documents between employers and employees and introduces a new institute of a shared working position into Czech labor law. A description of the selected changes and their impacts can be found in the following article.

You may find more info [HERE](#).

### **You can't just unilaterally reconsider a stipulation made in the settlement agreement**

In a recent decision, the Supreme Court of the Czech Republic clarified and supplemented the case law on the validity of the settlement agreement. It is clear from the approach of the Supreme Court of the Czech Republic that its interpretation always aims to maintain the validity of the settlement agreement in order to ensure legal certainty in this contractual relationship regarding the termination of the settled rights and obligations and their replacement by new rights and obligations. It is, therefore, not possible for one party, for example, to reconsider a settlement agreement after finding that its claim was not in fact contentious or doubtful. In this article, we will briefly approach a recent decision of the Supreme Court of the Czech Republic file no. 33 Cdo 1720/2019 from 21st of November 2019.

You may find more info [HERE](#).

### **Contractual penalty linked to withdrawal from contract**

Recently, two fundamental decisions of the Supreme Court of the Czech Republic have been issued, which fundamentally change the approach of the Supreme Court to the hitherto relatively formal conception of the issue of contractual penalties agreed upon withdrawal from the contract. This shift in case law could be very briefly characterized by the fact that there is no direct deviation from the current approach (i.e. the impossibility of negotiating a contractual penalty in connection with exercising one's right), but in the spirit of the provisions of Act. No. 89/2012 Coll., the Civil Code (hereinafter referred to as "Civil Code") the Supreme Court interprets the individual provisions of such agreed contractual penalties in a manner that preserves validity, if it is at least somewhat possible. In this article, we will very briefly approach the specific decisions where a clear shift in the approach of the Supreme Court of the Czech Republic can be seen.

You may find more info [HERE](#).

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