



NEWSLETTER 2/2025

Legal Framework for the ESG in the Czech Republic

AN OVERVIEW OF THE GENERAL INFORMATION ON THE ESG

- ESG stands for ***Environmental, Social*** and ***Governance*** (criteria).
- It is a framework system that emphasises the importance of solving environmental and social issues in order to improve long-term well-being and resilience of society.
- The ESG factors can have a significant impact on a company's performance and value. Companies that focus on creating sustainable and responsible business strategies can achieve greater social and financial sustainability and thus increase their competitiveness. A company that commits to creating sustainable and responsible business strategies can gain greater trust and loyalty from investors and customers.
- ESG is subject to increasing regulation. In an increasing number of countries, companies are required to report on their ESG practices, and regulations are becoming increasingly strict. Companies that take ESG reporting seriously can therefore be better prepared for current and future regulatory requirements.
- The most of ESG regulation **comes from the EU, which then forms the basis for the local regulation.**

- ESG is based on three pillars, thus it is important to understand what falls under each one of them:
 - > **Environmental:** energy usage and efficiency, climate change strategy, waste reduction, biodiversity loss, greenhouse gas emissions, carbon footprint reduction...
 - > **Social:** fair remuneration and living wages, equal employment opportunity – diversity and inclusion, employee benefits, workplace health and safety, community engagement, responsible supply chain partnerships, adhering to labour laws...
 - > **Governance:** responsible corporate governance, risk management, compliance, ethical business practices, avoiding conflicts of interest, whistleblowing, accounting integrity and transparency...
- Most importantly, ESG compliance is nowadays a widely accepted and promoted concept of non-financial reporting. As a result of new and future legislation, it is becoming essential for all companies to adopt this approach.
- **What should such reporting include?**

As the focus of an ESG report is on the assessment of all three pillars of ESG, it should contain, inter alia, the assessment of the following areas:

- > **Environmental factors:** impact of business on nature and resources, e.g.: greenhouse gas emissions, energy efficiency, water and waste management, impact on biodiversity and climate change. Specifically, this means that a company should measure the amount of energy a company consumes and how much energy is produced from renewable resources, the output of GHG emissions (as they have impact on climate change), water quality and consumption under the water management... The goal of a company should be to minimize the negative impact on the environment and improve ecological sustainability for future generations.

- > **Social factors:** this part of a company's report should have a focus on a company's relationships with its employees, community and customers, e.g.: human rights, diversity and inclusion (regardless of gender, race, religion, sexual orientation or other factors), working conditions (meaning aiming for job security, working hours and reasonable wages), health and safety, employee training and development... Moreover, a company should have a plan to develop and train its employees to keep them at the top of their field. Finally, responsible sales and marketing involves evaluating whether a company sells and promotes its products and services in a responsible manner, considers ethical and moral standards, and does not discriminate against any group of people. All in all, the company's aim here should be to ensure that it

respects basic human rights and is socially responsible, fulfilling its obligations to employees, but also to society as a whole.

- > **Governance factors:** this part of the report should cover the business governance and transparency of a company (e.g.: corporate governance, ethics and legal compliance, corporate culture, remuneration and risk management). In this category, it is assessed whether the company complies with established standards and laws and whether its management corresponds to ethical and moral principles. At the same time, risk management is assessed, i.e. the company's ability to identify and minimize the risks associated with its business. The aim is to ensure that the business is managed transparently and responsibly.
- It is important to recognise that ESG is not just about mandatory reporting on set metrics, but more importantly about actually incorporating sustainability into the way companies operate and changing the way they conduct business. The focus is on integrating ESG into companies' business and operational strategies and identifying those responsible for ensuring compliance with these strategies. The aim is to make sustainability an integral part of companies' management, governance and decision-making processes.

ESG WITHIN THE EU'S LEGAL LANDSCAPE

- Sustainable financing facilitates re-orientating investments towards sustainable economic activities, which is an essential part of the European Green Deal and part of this reorientation involves providing increased transparency about companies ESG impacts, risks and opportunities.
- The key legislation in force is the **Corporate Sustainability Reporting Directive (CSRD)**¹, which requires companies to disclose their social and environmental impact. The EU requires companies to disclose information on what they see as the risks and opportunities arising from social and environmental issues, and on the impact of their activities on people and the environment. This helps investors, civil society organizations, consumers and other stakeholders to evaluate the sustainability performance of companies, as part of the European Green Deal.
- **The CSRD sets a new mandatory standard for non-financial reporting.** It has replaced the existing Non-Financial Reporting Directive (NFRD), which made non-financial reporting mandatory for selected companies (such as banks and insurance companies), in particular, by extending the scope to a significantly larger range of companies and introducing more detailed requirements for non-financial reporting in the area of ESG. One of

¹ Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting

the main reasons why the EU has adopted the CSRD is to cope with climate change and other negative impacts on the environment and society itself. The aim is that companies' ESG performance is accurately reflected in the ESG reports and that this non-financial reporting becomes an integral part of mandatory reporting in general.

- **Consequently, the CSRD makes non-financial reporting mandatory, and companies will have to submit it annually.** The CSRD came into force on 5 January 2023 and the deadline for its transposition into Member States' legislation expired on 6 July 2024. The rules contained therein will take effect gradually, with the largest companies being already affected in the accounting period for the year 2024, and other companies thereafter in subsequent years, with the CSRD reaching full effect in 2028.
- According to the CSRD, the obligation of assessment and ESG reporting is based on the **principle of double materiality**. At first, a company must assess how its business activities, operations, products or business relationships contribute or detract from environmental and social sustainability (**impact materiality** – *outward perspective*). Secondly, the company must also consider how sustainability issues (e.g. climate change or social inequalities) affect a company's financial position, performance, and prospects (**financial materiality** – *inward perspective*) – if negatively, we refer to risks, or if positively, then we refer to opportunities.

- Following the adoption of the CSRD, the European Commission adopted an implementing act establishing the **European Sustainability Reporting Standards (ESRS)**². The use of the ESRS will be **mandatory** for companies that are obliged by the CSRD to report certain sustainability information. The ESRS are expected to help companies to communicate and manage their sustainability performance more efficiently, as well as to reduce reporting costs by avoiding the use of multiple voluntary standards as this is the case today. In this respect, the ESRS are thus intended to **ensure consistency and comparability in reporting**. There are 12 ESRS (2 cross-cutting standards and 10 thematic standards), covering the full range of sustainability issues:

I. General Standards

- ESRS 1 – General requirements – defines basic general standards and regulations
- ESRS 2 – General information – basic information about the company

II. Environmental standards

- ESRS E1 – Climate change

² Commission Delegated Regulation (EU) 2023/2772 of 31 July 2024 supplementing Directive 2013/34/EU as regards sustainability reporting standards

- ESRS E2 – Pollution
- ESRS E3 – Water and Marine Resources
- ESRS E4 – Biodiversity and ecosystems
- ESRS E5 – Resource use and circular economy

III. Social standards

- ESRS S1 – Own workforce
- ESRS S2 – Workers in the value (supply) chain
- ESRS S3 – Affected communities
- ESRS S4 – Consumers and end-users

IV. Governance standards

- ESRS G1 – Corporate behaviour

- A detailed description of material scope of these standards, including the assessment and reporting methodology, can be found in Annex 1 of the Commission Delegated Regulation.

- When it comes to which topics should be considered in the ESG report, the company should follow the principle of double materiality and the business activities and operations of the company. The range of topics (standards) that companies can cover in an ESG report applies to everyone; however, the companies only choose these general topics after evaluating the so-called principle of double materiality. **In other words, it depends on whether a certain sustainability topic (standard) is relevant for the given company.**
- However, it is necessary to mention that the **standard ESRS 2 (General information) must be included in every ESG (sustainability) report**, regardless of the outcome of the double materiality analysis.
- In addition, it is also relevant to mention the already existing and effective **Sustainable Finance Disclosure Regulation (SFDR)**³ which is a regulation that requires financial market operators and financial advisors to disclose how they integrate sustainability risks into their investment decision-making processes. The regulation was developed to improve transparency in the financial market in relation to disclosure of sustainability information, and to combat greenwashing (i.e. misleading environmental advertising or information). It came into

³ Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector

force in 2021. In addition, from 30 June 2023, financial market operators must disclose additional information on how they incorporate ESG factors into their policies.

- In conclusion, the above-mentioned legislation, along with the European Green Deal, address **sustainability, environment and social well-being**. It represents a key role in the **EU's policy of sustainable finance** that aims to support economic growth while reducing pressures on the environment to help reach the climate and environmental objectives, taking into account social and governance aspects.

ESG AND THE CZECH REPUBLIC

- As an EU Member State, the Czech Republic has to comply with the EU legislation.
- Apart from this and based on the 17 Sustainable Development Goals (SDGs) set out in the 2030 Agenda for Sustainable Development, adopted by all UN Member States, the Czech Republic adopted a **Strategic Framework – Czech Republic 2030**. This document incorporates the SDGs into Czech policy framework. It is a strategic framework for long-term development of Czech society. Its objective is “to improve the quality of life of all inhabitants of the Czech Republic while respecting natural limits”. Furthermore, it sets out the principles of sustainable development (see pg. 16 of the document). The six key areas are addressed: *People and society, Economic model, Resilient ecosystems, Municipalities and regions, Global development and Good governance*.
- However, with the exception of the aforementioned NFRD, which introduced a non-financial reporting obligation for a very narrow range of obliged entities, there has been no comprehensive or coherent legislation in the Czech Republic regulating ESG in detail.

TRANSPOSITION OF THE EU LEGISLATION INTO THE CZECH LEGAL SYSTEM

- The Czech Republic has transposed the first part of the sustainability reporting part of the CSRD into the **Act No. 563/1991 Coll., Accounting Act**, specifically into its Sections 32f – 32l. The transposition took place as a part of the act amending certain laws in connection with the consolidation of public budgets (also referred to as the “Consolidation Package”). The amendment of the Accounting Act became effective as of 1st January 2024.
- According to Section 32h par. 2 of the Accounting Act, **the purpose of sustainability report** is to provide information that enables stakeholders to understand the impact of the accounting entity’s activities on sustainability and to understand the impact of sustainability on the entity’s development, performance and position (*i.e. double materiality*). It further **defines sustainability for reporting purposes** to include environmental, social, human rights, governance, employment, anti-corruption and anti-bribery issues.
- Under Section 32f of the Accounting Act, and in accordance with the phased effectiveness of the CSRD, **the obligation to compile and make available the sustainability report** is now imposed (**already for the accounting period from 1 January 2024**) only on a legal entity which (cumulatively):
 - > is a business corporation,

- > is a public interest entity⁴,
 - > would be a large accounting entity⁵ even if it were not a public interest entity, and simultaneously,
 - > exceeded the criterion of an average number of 500 employees per accounting period at the balance sheet date.
- Some legal entities are **exempted from the obligation to compile a sustainability report** under Section 32g of the Accounting Act. In particular, the following legal entities are exempted:
 - > small and non-complex institutions⁶;
 - > captive insurance and reinsurance companies;
 - > investment funds;

⁴ Legal entities with their registered office in the Czech Republic, which are listed in Section 1a of the Accounting Act. These include mainly banks, insurance companies, pension companies, health insurance companies or business corporations that issue investment securities admitted to trading on European regulated market.

⁵ An accounting entity that exceeds at least two of the following criteria at the balance sheet date: a) total assets of CZK 500,000,000; b) annual aggregate net turnover of CZK 1,000,000,000; c) average number of employees during the annual period of 250.

⁶ Within the meaning of Article 4, paragraph 1, point 145 of EU Regulation No. 575/2013 of 26 June 2013 on prudential requirements for credit institutions and investment firms (as amended by EU Regulation No. 2019/76 of 20 May 2019).

- > entities that are not an issuer of investment securities admitted to trading on a European regulated market and are a consolidated entity included in the consolidating entity of another EU company;
- > entities that are not an issuer of investment securities admitted to trading on a European regulated market and are a consolidated entity included in the consolidating entity of foreign person which is incorporated under the law of a state other than a Member State of the EU;
 - In order for consolidated entities to be exempt, the sustainability report of this third country consolidating entity must then include information in accordance with the legislation and standards issued by the EU.
- The obligation to prepare a sustainability report **also applies to consolidation**. In this context, the report shall be prepared by the consolidating entity, which is:
 - > a public interest entity; and
 - > a consolidating entity of a large group of entities that, on a consolidated basis, exceeded the criterion of an average number of 500 employees for the financial year.

- For the purposes of the sustainability report and the consolidated sustainability report, an entity that is a cooperative and is a controlling person, excluding controlling persons who exercise joint influence, shall be considered a consolidating entity.
- **Similar exemptions** from the obligation to report as for regular sustainability reports (see above) also apply to consolidating entities.
- The content of the consolidated sustainability report is merely identical to the regular sustainability report, but the **consolidated report must include a list of the consolidated entities** included in the consolidating entity's consolidating unit that do not prepare the sustainability report under the exemption provided by law.
- According to Section 32h par. 3, the sustainability report must include:
 - > a brief description of the entity's business model and strategy, including:
 - I. a description of the resilience of the entity's business model and strategy to sustainability risks,
 - II. opportunities for the entity related to sustainability,
 - III. the entity's plans, including the measures taken to implement them and the related financial and investment plans, to ensure that the entity's business model and strategy are compatible with the

transition to a sustainable economy and with limiting global warming to 1,5 °C in accordance with the Paris Treaty and with the objective of achieving climate neutrality by 2050 under the directly applicable EU legislation governing the European legal framework for climate,

- IV. information about the entity's exposure to coal, oil and gas activities, if any,
 - V. how the entity's business model and strategy take into account the interests of its stakeholders and the entity's sustainability impacts, and
 - VI. a description of how the entity's strategy with respect to sustainability is implemented;
- > a description of the time-bound sustainability-related targets that the entity has set, including, where appropriate, absolute greenhouse gas emission reductions targets for at least 2030 and 2050;
 - > a description of the role of the entity's relevant bodies with respect to sustainability, including a description of their expertise and skills in relation to that role or access to that expertise and skills;
 - > information on the existence of sustainability-related incentive schemes offered to members of the entity's bodies;
 - > a description of the entity's policies in relation to sustainability;

- > a description of the entity's due diligence process in relation to sustainability and, where applicable, compliance with the EU requirements for the application of due diligence processes;
- > a description of the main actual or potential adverse impacts associated with the entity's own operations, value chain, products and services, business relationships and supply chain;
- > a description of the measures taken by the entity to identify and monitor the adverse impacts (referred to in point (g)) and other adverse impacts that the entity is required to identify under the EU's due care requirements;
- > a description of the actions taken by the entity to prevent, mitigate, correct or eliminate the actual or potential adverse effects referred to in point (g), including a description of the results of applying those actions;
- > a description of the main sustainability risks to the entity, including a description of
 - I. the entity's principal dependencies on these issues, and
 - II. how the entity manages those risks.

- The sustainability report shall be prepared **in accordance with the ESRS** as mentioned above. It shall also include information about the entity's own operations and its value chain, including information about its products and services, business relationships and supply chain. Where the necessary value chain information cannot be obtained, the sustainability report shall instead include:
 - > an explanation of the efforts made by the entity to obtain the information;
 - > the reasons why that information could not be obtained; and
 - > the ways in which that information will be obtained in future accounting periods.
- The sustainability report shall also include indicators related to the information provided in the report and the process used to determine this information. The information provided shall be presented in the **short, medium and long term** in order to fulfil the purpose of the sustainability report.
- In exceptional circumstances, and on the basis of a justified decision of the entity's bodies, if the inclusion of information about future developments of the entity or matters currently under discussion could significantly harm the entity's business position, **the sustainability report does not need to include that information**. This does not apply if the failure to include such information would defeat the purpose of the sustainability report.

- The sustainability report shall form a **separate section of the company's annual report**. Furthermore, the sustainability report **must be audited by an auditor**.

ENVISAGED LEGISLATIVE CHANGES IN ESG IN 2025

- Currently, **an amendment to the Accounting Act** is going through the legislative process, which, as foreseen by the CSRD, **should extend the ESG reporting obligation to other, smaller entities**. According to the current wording of the draft bill, the ESG reporting obligation should affect entities which are **business corporations, or credit unions or insurance companies and which are:**
 - I. large accounting entities (*starting with the accounting period for the year 2025*), or
 - II. medium-sized accounting entities⁷ or small accounting entities⁸ which are issuers of investment securities admitted to trading on a European regulated market (*starting with the accounting period for the year 2026*).

⁷ An accounting entity that is neither a micro accounting entity nor a small accounting entity and does not exceed at least two of the following criteria as at the balance sheet date: a) total assets of CZK 500,000,000; b) annual aggregate net turnover of CZK 1,000,000,000; c) average number of employees over the annual period of 250.

⁸ An accounting entity that is not a micro accounting entity and does not exceed at least two of the following criteria as at the balance sheet date: a) total assets of CZK 100,000,000; b) annual aggregate net turnover of CZK 200,000,000; c) average number of employees over the annual period of 50.

- It is envisaged in the draft bill that sustainability reports of medium-sized and small accounting entities might not be as detailed and might contain less information compared to the large accounting entities. It is also proposed to abolish the current simplification of reporting value chain information - obliged entities will thus always have to provide information on their value chain and will no longer be able to refer to the justification why this information could not be obtained.
- The amendment further introduces the **obligation of a consolidated entity** to publish a sustainability report of the consolidating entity of which it is a part, if that consolidating entity is from a third country (i.e. outside of the EU).
- The draft bill also includes an increase in the limits for categorisation of accounting entities for the turnover and total assets indicator (the value of the indicator for the average number of employees remains unchanged) by about 20 %:
 - > Micro accounting entity: assets up to CZK 11,000,000, annual aggregate turnover of CZK 22,000,000;
 - > Small accounting entity: assets up to CZK 120,000,000, annual aggregate turnover of CZK 240,000,000;
 - > Medium-sized accounting entity: assets up to CZK 600,000,000, annual aggregate turnover of CZK 1,200,000,000;

- . However, the legislative proposal is only at the beginning of the legislative process, so it can be expected that the final draft, which is expected to be adopted later this year, will undergo some changes during the legislative process.

SELECTED CZECH LAWS GOVERNING PARTICULAR ASPECTS OF ESG

In order to provide an overview of the legislation affecting ESG issues and criteria in the Czech Republic, below is a list of the most important relevant laws that regulate particular sectors:

- **Environment**

Environmental legislation in the Czech Republic is fragmented, as there are many laws regulating different aspects of the environment (e.g. waste, forests, water...). Some of the most important ones within this field of Czech law are as follows:

- > **Act No. 17/1992 Coll., Environmental Act** – this Act is general legislation in the field of environmental law. It requires natural persons and legal entities (companies) to comply with environmental standards and regulations. This Act defines the principles of environmental protection, establishes a general obligation to prevent pollution and damage to the environment.
- > **Act No. 541/2020 Coll., Waste Act** - the purpose of this Act is to ensure a high level of protection of the environment and human health and the sustainable use of natural resources by preventing adverse impacts and managing waste in accordance with the waste management hierarchy while being socially

viable and economically acceptable in order to achieve the waste management objectives set out in Annex 1 to this Act and to enable the transition to a circular economy.

- > **Act No. 254/2001 Coll., Water Act** - this Act protects surface water and groundwater as endangered and irreplaceable components of the environment and natural resources. Its aim is to establish conditions for the economic use of water resources, for the conservation of water resources and the avoidance of water scarcity and for the preservation and improvement of the quality of surface water and groundwater, to create conditions for reducing the adverse effects of floods and droughts and to ensure the safety of water works in accordance with the EU law.
- > **Act No. 201/2012 Coll., on Air Protection** - this Act is focused on the prevention of air pollution and the reduction of pollution levels to limit the risks to human health caused by air pollution. It also covers the regulation on the creation of conditions for the regeneration of environmental components affected by air pollution.

- **Social**

- > **Act No. 435/2004 Coll., on Employment** - this Act incorporates the relevant EU regulations and further regulates the provision of state employment policy aimed at achieving full employment and protection against unemployment.

State employment policy includes, for example, ensuring the right to employment, monitoring and evaluating the labour market situation, implementing active employment policy, providing information, advisory and mediation services on the labour market, providing unemployment benefits and re-training support, measures to promote and achieve equal treatment in the exercise of the right to employment, measures for the employment of individuals with disabilities and other groups of individuals who have a difficult position on the labour market, and also includes the issue of directing the employment of labour from abroad to the territory of the Czech Republic and from the territory of the Czech Republic to abroad.

- > **Act. No. 262/2006 Coll., Labour Code** - this Act is the primary legislation in the field of employment of natural persons. It regulates the relationship between the employee and the employer, as well as the working conditions of employees as regards their health, safety, working time and leave and entitlement to remuneration.

- > **Act No. 198/2009 Coll., Anti-Discrimination Act** - this Act, which relates to directly applicable EU legislation and to the Charter of Fundamental Rights and Freedoms and international treaties, further defines the right to equal treatment and the prohibition of discrimination in areas precisely defined by this Act.

- **Governance**

The legislation in this area is also fragmented, meaning that there are different laws containing partial obligations for corporations in terms of their management and governance.

The two main laws within this legal area are:

- I. **Act No. 90/2012 Coll., Business Corporation Act** - this Act is a key and fundamental regulation in the field of corporate law. From the point of view of governance, it contains a detailed regulation of the duties and obligations of the statutory bodies of business corporations, as well as the rights and obligations of shareholders. It also defines in detail the functioning and structure of business corporations, their internal operations, as well as the rules for their formation and dissolution.

- II. **Act No. 171/2023 Coll., Whistleblower Protection Act** - this Act entered into force in August 2023. It requires the obliged entities to establish an internal reporting system to enable the reporting of infringements and violations of the law. It also ensures that whistleblowers and others are protected from retaliation by the obliged entities. It is important to mention that the Act does not oblige whistleblowers to file a report, it is still their voluntary option.

Apart from this, so called soft law also plays an important role in the area of corporate governance law. The **Czech Corporate Governance Code** was issued in 2018, with the aim to bring standards and best practices in the spirit of transparency, accountability and a long-term perspective of companies. These attributes, which create an effective corporate governance framework through comparable quality and uniform principles, contribute in the long run to greater growth in the value of companies, their competitiveness, the sustainability of their activities and, finally, to the cultivation of the market.

The Code is intended, in particular, for publicly traded companies (companies that prepare and publish an issuer's annual report pursuant to Section 118 par. 1 of the Capital Market Undertakings Act) and other companies that are required to apply certain corporate governance standards. These companies should address the Code on a "comply or explain" basis.

However, the Code can also be recommended to a wide range of joint-stock companies and other business corporations that share a desire to improve their governance framework. For these companies, the "think and comply" principle should be applied.

CONCLUDING SUMMARY AND RECOMMENDATIONS

- ESG is the result of a growing trend towards transparent non-financial sustainability reporting by companies. The primary purpose is to **promote sustainable and ethical business practices** that contribute to long-term economic growth and social well-being. The EU is at the forefront of the ESG, as evidenced by the recently adopted CSRD, which aims to **harmonize sustainability reporting across Member States**.
- For companies, understanding and complying with the ESG regulation is not just about adhering to law – it is about leading in sustainability, setting the standard for corporate responsibility, and aligning with investors and consumer expectations. ESG reporting will play an increasingly important role in the field of **subsidies, investments and loans**. Companies that can report good ESG results can assume **a competitive advantage**. It is anticipated that ESG reports will also be required by banks and financial institutions which must therefore analyze the possible risks of their investments also from the point of view of sustainability.
- The first group of companies being subject to these rules must prepare the sustainability report this year for the past accounting period for 2024. In the following years, this obligation will be extended to other (smaller) entities – however, it is important to pay attention to the issue now, as companies should **incorporate ESG considerations into their strategies, risk assessments, and daily operations**.

- First of all, **responsibility for sustainability management** should be established in your own company. It is recommended to establish internal roles before starting the reporting process. Then, the first step should be a **double materiality analysis** - a thorough mapping of the company's activities and its business relationships, according to the ESRS standards. Based on the assessment of this analysis, each company should get an overview of the impacts of its activities, as well as the risks and/or opportunities presented by the identified sustainability themes.
- The actual preparation and processing of the sustainability report can also take a lot of time at the beginning. Although the ESRS provides a very indicative structure and contains requirements on how the sustainability report should look like, their content is very extensive. Clearly, this will depend on the **outcome of the double materiality analysis, as not all companies will find all the standards and their content relevant for their business activities and operations.**
- During this year, we should expect further obligations set out by the CSRD enshrined in Czech law. As outlined above, reporting obligations are expected to be extended to more obliged entities. **We will keep you informed of the progress and outcome of the legislative changes in future newsletters.**

We hope that the above summary will help you navigate the new legislation. We are fully available to provide you with additional information or legal assistance in this area if required.

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