

Legal Alert

September, 2014

Changes of the board members' rights, obligations and responsibility since the 1st of January 2014

Since the 1st of January 2014 when new Code on Corporations (Act No. 90/2012 Coll.) and new Civil Code (Act No. 89/2012 Coll.) come into force, the changes of the Czech companies' board member's responsible, their rights and obligations occurred.

From the 1st of January the board members may:

- be expelled for 10 years from all the Czech based companies;
- be adjudged to refund the salary and other benefits and bonuses repaid by the company to the board member for the last two years of his/her office;
- become a guarantor for all obligations (including non-monetary obligations) of the company of which he/she is a board member;
- perform the activities being of competitive character towards the business of the company of which he/she is a board member;
- be responsible for not concluding the contract with his/her business partner.

In October Accace Legal law firm will organize the legal seminar focused on the above issues of the board members' responsibility, rights and obligations and administration of the corporations. We will inform you about the date of the seminar in advance.

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