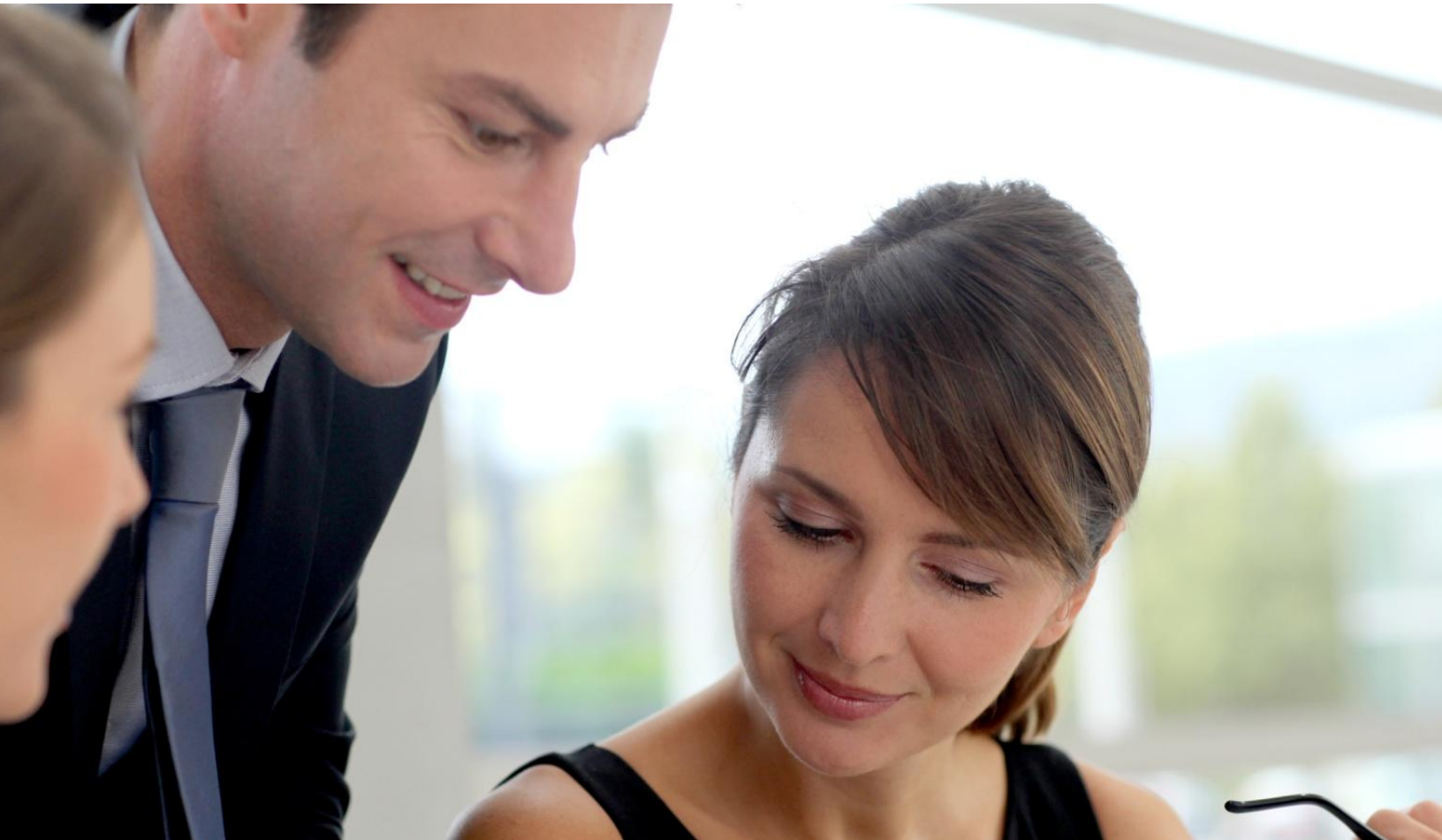


News Flash

February, 2015



**Report on relations for the first time
under the new Act on Business
Corporations**

Czech Republic

Report on relations for the first time under the new Act on Business Corporations

We would like to draw your attention to the legal obligation of statutory bodies to prepare Report on relations between the controlling and controlled entity for the year 2014. This year the companies for first time drawn up the Report on relations according to the provisions of Act on Business Corporations, which tightened the rules for the preparation and places greater demands on its scope.

Report on relations shall be prepared within 3 months after the end of the accounting period at the latest. Further it shall be reviewed by the supervisory body (if appointed) and finally submitted to the Collection of Deeds of the registry court without undue delay. If such obligations are breached, company may face a disciplinary fine up to CZK 100,000.

Who shall prepare such report?

Report on relations is being prepared by the statutory body of the so-called “controlled entity”. This is a company under the influence of controlling entity, i.e. the entity which possesses the share of voting rights representing at least 40% of all votes in the controlled entity, or which may apply its decisive influence in the company indirectly. If the company is owned by the sole owner, he is always considered to be a controlling entity.

We would be pleased to prepare the Report on relations between related parties for you as well as to provide its submission to the Collection of Deeds of the respective registry court. The remuneration for the preparation of the Report on relations depends on the complexity of the arrangement of the relations between the controlling and controlled entity. The final amount of remuneration for our consultancy in preparing a report on relations is determined upon prior individual agreement. Please keep in mind that if business year of your company ended in December, the Report on relations shall be prepared until March 31st, 2015.

Contact

Nela Čechová, Corporate Services Manager, Nela.Cechova@accace.com, + 420 222 753 480-1

About Accace

With more than 250 professionals and branches in 7 countries, Accace counts as one of the leading outsourcing and consultancy services providers in Central and Eastern Europe. During past years, while having more than 1400 international companies as customers, Accace set in motion its strategic expansion outside CEE to become a provider with truly global reach.

Accace offices are located in Czech Republic, Hungary, Romania, Slovakia, Poland, Ukraine and Germany. Locations in other European countries and globally are covered via Accace's trusted partners network.

More about us on www.accace.com