

**NOTE: THIS TRANSLATION IS INFORMATIVE, I.E. NOT LEGALLY BINDING!**

**591/1992 Coll.,**

**ACT**

of 20 November 1992

**on Securities  
(The Securities Act)**

Amendment: 89/1993 Coll.  
Amendment: 331/1993 Coll.  
Amendment: 259/1994 Coll.  
Amendment: 61/1996 Coll., 152/1996 Coll.  
Amendment: 15/1998 Coll.  
Amendment: 70/2000 Coll.  
Amendment: 307/2000 Coll.  
Amendment: 362/2000 Coll.  
Amendment: 259/2001 Coll.  
Amendment: 239/2001 Coll.  
Amendment: 501/2001 Coll.  
Amendment: 362/2000 Coll. (part)  
Amendment: 308/2002 Coll.  
Amendment: 476/2002 Coll., 88/2003 Coll.  
Amendment: 362/2000 Coll. (part), 308/2002 Coll. (part), 257/2004 Coll.  
Amendment: 56/2006 Coll.  
Amendment: 296/2007 Coll.  
Amendment: 230/2008 Coll.

The Czech National Council has passed this Act:

**PART ONE  
GENERAL PROVISIONS**

Heading deleted

Article 1

(1) This Act applies to securities which are in particular shares<sup>1)</sup>, interim certificates (in Czech “zafimní listy”)<sup>2)</sup>, share subscription certificates (“poukázky na akcie”)<sup>2a)</sup>, unit certificates<sup>3)</sup>, bonds<sup>4)</sup>, investment coupons<sup>6)</sup>, coupons (Article 12), option warrants (“opční listy”)<sup>6a)</sup>, bills of exchange and promissory notes<sup>7)</sup>, cheques<sup>7), 8)</sup>, bills of lading<sup>9)</sup>, warehouse

certificates (“skladištní listy”)<sup>10)</sup> and agricultural warehouse certificates (“zemědělské skladní listy”)<sup>10a)</sup> .

(2) Securities shall be subject to the provisions on movables, unless this Act or a special legal regulation stipulates otherwise.

(3) A foreign security shall be a security issued abroad, unless a special legal regulation stipulates otherwise<sup>6b)</sup> .

## Article 2

If securities of the same class are issued by the same person in the same type and form and the same rights are attached to them, they are considered to be substitutable securities.

## Article 3

(1) Securities may be of the following types: a bearer security, a security to order or a registered security (i.e. registered in someone’s name). A special law<sup>11)</sup> may stipulate that a security may be issued in one of these types only.

(2) Where a legal regulation<sup>11a)</sup> refers to a security as made out to the owner, the security shall be subject to the provisions of this Act on bearer securities.

(3) Where a legal regulation<sup>11a)</sup> refers to a security as a registered security and simultaneously allows for transferring thereof by endorsement, the security shall be subject to the provisions of this Act on securities to order.

Heading deleted

## Article 4

### Requisites of Securities

(1) The requisites of securities shall be defined by an act or another legal regulation<sup>12)</sup> .

- (2) The requisites of book-entry securities shall not include
- a) their numerical designation,
  - b) signatures or their imprints,
  - c) information on authorisation issued by the competent state authority.

(3) If, under the law, it is necessary to distinguish individual book-entry securities, the person maintaining their register shall be obliged to assign a numerical designation to such individual securities for this purpose, acting on their issuer’s request.

## Article 5

### Issue of a Security

(1) A security shall be issued on the date when it possesses all the requisites stipulated for it by law or other legal regulations and when, in a manner stipulated by law, the security becomes the property of its first acquirer (the date of issuance of a security). The date of issue of a security shall be the date when the security may be issued to the first acquirer thereof. The date of issue of a security shall be determined by the issuer, unless a special act stipulates otherwise<sup>12c)</sup>.

(2) The particulars of the procedure to be followed by a person that issues a security<sup>1)</sup> (hereinafter “issuer”) shall be subject to the provisions of this Act and special legal regulations<sup>3)</sup>.

(3) Shares, share subscription certificates, unit certificates or bonds may be issued as bulk certificates replacing these individual securities. The rights attached to a bulk certificate may not be divided into portions by means of a transfer. Under the conditions stipulated in advance in the statutes of an issuer of shares, in the bond issue conditions (terms) or in the contractual terms and conditions of the purchase and redemption of unit certificates, the owner of a bulk certificate shall have the right to exchange it for individual securities or other bulk certificates. A bulk certificate must have the requisites stipulated for a physical security. The provisions of a special legal regulation<sup>12f)</sup> shall apply to the exchange of a bulk certificate for book-entry securities mutatis mutandis.

(4) A security, if it contains all the requisites stipulated for it by a legal regulation, shall be duly issued even if the requisites of its issuance procedure have not been complied with or if it has not become the property of its first acquirer in the manner stipulated by law, provided that the first or any further acquirer believed in good faith that he acquired a duly issued security. This shall in no way affect the liability of persons that violated the obligations during the issuance of securities. Unless the contrary is proven, it is supposed that the acquirer acted in good faith.

(5) Persons whose rights have been affected by the issuance of securities in the manner pursuant to paragraph 4 above shall have the right to a compensation for damage, both in relation to the issuer and in relation to persons acting on behalf or for the account of the issuer in the given matter. This liability for damage shall be governed by the regulation of compensation for damage in the Commercial Code.

## Article 6

Heading deleted

The issue price of a security means the amount of money for which the issuer issues the security.

## Article 7

Repealed

Article 8  
Repealed

Article 8a  
Heading deleted

The provisions of part two of this Act shall also apply mutatis mutandis to types of investment instruments<sup>12f)</sup> other than securities, unless the nature of the matter implies otherwise.

Article 8b  
Repealed  
Heading deleted

Articles 9–11  
Repealed

Article 12

Coupons

(1) Coupons may be issued as bearer securities for the purpose of exercising the right to the yield on a share, interim certificate, bond or unit certificate.

(2) Physical coupons shall be issued in a coupon sheet form. The coupon sheet may include a talon entailing the right to be given a new coupon sheet. A talon shall not be a security.

(3) A coupon must contain information on

- a) the class, issuer and numerical designation of the security in respect of which it was issued, except for the numeric designation of a book-entry security,
- b) the amount of yield or the method of its determination,
- c) the date and the place of exercising the right to the yield.

## PART TWO CONTRACTS ON SECURITIES

### CHAPTER I

#### CONTRACTS ON THE TRANSFER OF SECURITIES

Article 13

(1) A contract on the transfer of securities for consideration shall be governed by the provisions of the Commercial Code on contracts of purchase, unless this Act or the nature of the

matter implies otherwise. The contract shall be valid only if it includes specification of the transferred securities and their purchase price.

(2) A contract on the transfer of securities without a consideration (free of charge) shall be governed by the provisions of the Civil Code on the contract of donation, unless this Act or the nature of the matter implies otherwise.

Articles 14 and 15  
Repealed

Article 16

1) The price difference resulting from an effected purchase or sale of a security on a regulated market shall be decisive in the application of Article 469 of the Commercial Code. If a security is not traded on a regulated market, the price difference arising from another purchase or sale carried out in a regular manner shall be decisive.

(2) In application of the provisions of Article 470 of the Commercial Code, the price difference shall be determined on the basis of the price of the security on a regulated market; if the subject of a contract consists in a security that is not traded on a regulated market, the price for which the security is usually sold shall be decisive. The price on the date of withdrawal from the contract shall be decisive; if the entitled party failed to withdraw from the contract without undue delay, the earliest possible day when such party could have withdrawn from the contract is decisive.

(3) The right to compensation for damage shall also include costs related to the intermediary's activity in respect of the contract which was withdrawn from, as well as costs related to the intermediary's activity in respect of the contract for substitute sale or substitute purchase, to the extent usual for such costs.

(4) The application of the provisions of paragraphs 1 and 2 above shall in no way affect the right to compensation for the remaining damage.

Article 16a

Contract on the Loan of Securities

(1) Under a contract on the loan of securities, a creditor undertakes to transfer to the debtor a certain number of substitutable securities, and the debtor undertakes, after the expiry of the agreed period of time, to transfer to the creditor the same number of substitutable securities and pay a price for the loan of the securities, provided that such price was agreed.

(2) Instead of a price in money, it may be agreed that the debtor shall transfer to the creditor a higher number of substitutable securities than the number initially transferred to the debtor.

(3) Contractual relations arising from a contract on the loan of securities for a consideration shall be subject to the provisions of the Commercial Code<sup>14a)</sup>. Contractual relations arising from a contract on the loan of securities without a consideration shall be subject to the provisions of the Civil Code<sup>14b)</sup>.

## Transfer of Securities

### Article 17

(1) A transfer of a physical security shall take place upon its delivery to the acquirer, unless the law stipulates or the parties agree otherwise.

(2) The obligation to transfer a physical security shall be fulfilled upon transfer carried out pursuant to paragraph 1 above, provided that the physical security corresponds to the contract.

### Article 18

(1) Transfer of a physical security to order shall also require an endorsement. The endorsement must be unconditional and all rights attached to the security are passed on by the endorsement, unless a special act implies otherwise<sup>15)</sup>. Any condition on which the endorsement has been made dependent is considered as unwritten<sup>15a)</sup>.

(2) The transferability of a security to order may be restricted only if a special act<sup>16)</sup> so admits.

(3) The legal effects of an endorsement shall be subject to the provisions of a special legal regulation that governs the endorsement of a bill of exchange (promissory note)<sup>15a)</sup> mutatis mutandis.

### Article 19

(1) A contract on the transfer of a registered physical security must be made in writing.

(2) The transferability of a registered security may be excluded or restricted only by a special act<sup>11)</sup> or if a special act so admits.

### Article 20

Unless otherwise stipulated by a special act<sup>18)</sup>, the person to whom a security is transferred shall become the owner of the security even if the transferor did not have the right to transfer the physical security, unless the person was aware, or must have been aware of the fact, that the transferor did not have such right at the time of the transfer. Good faith shall be presupposed in case of doubt.

Articles 21–27a  
Repealed

CHAPTER II  
PROCUREMENT CONTRACTS

Article 28

(1) Under a commission contract on procuring (arranging) the purchase or sale of a security (hereinafter “commission contract”), the commission agent undertakes to procure, in his own name and on the account of the principal, the purchase or sale of a security, or to carry out an activity to achieve this objective, and the principal undertakes to pay a fee for it.

(2) A contract pursuant to paragraph 1 above must be made in writing.

(3) Unless hereinafter otherwise stipulated by this Act, a commission contract and the ensuing legal relations shall be governed by the provisions of the Commercial Code<sup>20</sup>.

Article 29

Unless the parties to a commission contract agree otherwise, an order of the principal, on the basis of which the commission agent procures the purchase or sale of a security, must be made in writing. If the order of the principal is not made in writing, the commission agent must provide the principal, at his request, with a confirmation of the given order.

Article 30

(1) If the principal gives an order to the commission agent to procure the purchase of a security, the commission agent may request an advance payment.

(2) If the principal gives an order to the commission agent to procure the sale of a security, the commission agent may request, for a physical security, that the principal deliver this security to him or, for a book-entry security, that the suspension of the exercise of the right to dispose of such security be recorded in the register of investment instruments maintained pursuant to a special legal regulation<sup>12f)</sup> (hereinafter “register of investment instruments”).

(3) During the period when the order to procure the sale of a security is binding, the principal shall not be entitled to dispose of the security.

Article 31

(1) The commission agent may be relieved from his obligation by selling a security from his assets to the principal or by buying a security from the principal, only if this is permitted by the commission contract.

(2) If possible, the commission agent shall be obliged to sell the security for a higher price or buy the security for a lower price, than the price specified in the order; the commission agent shall have this duty even without the consent of the principal.

(3) If the amount of the purchase price or selling price is not specified in the order of the principal, the commission agent shall be obliged to buy the security for the lowest price for which the security could be purchased with professional care and sell it for the highest price for which the security could be sold with professional care.

#### Article 32

(1) Unless a special act stipulates otherwise, physical securities entrusted to a commission agent for the purpose of sale are the property of the principal until acquired by a third party.

(2) Physical securities that the commission agent procures for the principal shall pass to the property of the principal on the date of their delivery to the commission agent. The commission agent shall be obliged to give these securities to the principal without undue delay after the principal has paid the price of the purchased securities and a fee pursuant to Article 28(1). The commission agent shall not have this duty if he is obliged to deposit the securities for the principal under a contract (Articles 34 and 37).

(3) Without undue delay after concluding a contract on the purchase or sale of a book-entry security, the commission agent shall be obliged to give an order to record the transfer to a credit or to a debit of the principal's account in the register of investment instruments. The commission agent shall be obliged to prove to the person authorised to maintain a register of investment instruments<sup>12f)</sup> his/its entitlement to give such order.

#### Article 33

(1) Under a contract of mandate on procuring the purchase or sale of securities, the mandatory undertakes to buy or sell a security in the name and on the account of the mandator, and in accordance with the orders of the mandator, or to carry out an activity to achieve this objective, and the mandator undertakes to pay a fee for it. The provisions of Article 31 pertaining to the obligations and rights of the commission agent shall apply to the obligations and rights of the mandatory mutatis mutandis.

(2) Under a contract on intermediating the purchase or sale of securities, the intermediary undertakes to carry out an activity aimed at providing the interested party with an opportunity to sell or purchase a security, and the interested party undertakes to pay a fee for it.

(3) Contracts pursuant to paragraphs 1 and 2 above must be made in writing.

(4) Unless this Act stipulates otherwise, the contracts referred to in paragraphs 1 and 2 above, and the legal relations arising from these contracts, shall be governed by the provisions of the Commercial Code<sup>21)</sup>.

#### Article 33a

(1) A contract on procuring the issue of a security and a contract on procuring the return of a substitutable security must be made in writing.

(2) The contracts pursuant to paragraph 1 above relating to investment securities may be concluded only by an investment firm as the procurer, unless the licence of the investment firm provides otherwise, unless a special legal regulation stipulates otherwise.

#### Article 33b

(1) A contract on intermediating the issue of a substitutable security and a contract on intermediating the return of a security must be made in writing.

(2) The contracts pursuant to paragraph 1 above relating to investment securities may be concluded only by an investment firm or a regulated market operator as the intermediary, unless the licence of the investment firm or the regulated market operator provides otherwise.

### CHAPTER III

#### CONTRACTS ON SAFEKEEPING, ADMINISTRATION, DEPOSIT AND MANAGEMENT OF SECURITIES

##### Contract on the Safekeeping (Custody) of Securities

#### Article 34

(1) Under a contract on the safekeeping of securities, the safekeeper undertakes to take a physical security into individual or bulk safekeeping, and the safekeeper's client (hereinafter "client") undertakes to pay a fee for it. The contract must include specification of the persons authorised to dispose of the physical security that is being put into safekeeping. If the contract does not specify the amount of the fee, the safekeeper shall be entitled to a fee that is usual at the time of conclusion of the contract.

(2) Individual safekeeping means the placing of a physical security of an individual client into safekeeping separately from physical securities of other clients. The safekeeper shall be obliged to return to the client the same physical security that the client entrusted into safekeeping thereof. The safekeeper shall be liable for any damage to the physical security taken into safekeeping.

(3) Bulk safekeeping means the placing of a substitutable physical security of the client into safekeeping together with substitutable physical securities of other clients. The safekeeper shall be obliged to give a substitutable physical security to the client; however, the client shall not be entitled to the return of the same physical security that was placed into safekeeping of the safekeeper. The safekeeper shall be liable for any damage to the physical security placed into

safekeeping. Substitutable securities in bulk safekeeping shall be a joint property of the clients. The share of a client in the joint property shall follow from the ratio of the sum of the nominal values of substitutable securities put by the client in bulk safekeeping to the sum of the nominal values of all substitutable securities in bulk safekeeping. If the securities do not have a nominal value, the number of the securities shall be used instead of the nominal value. The provisions pertaining to co-ownership<sup>21a)</sup> shall not apply to substitutable securities in bulk safekeeping. Each client shall be entitled to exercise his/its rights towards the safekeeper individually.

(4) The safekeeper shall be obliged to keep records of the physical security placed into safekeeping. The records shall contain the commercial name or designation or name, identification number or birth certificate number, and registered office or place of business or place of residence of the client and the issuer, the class of the physical security and its nominal value. For individual safekeeping of a physical security, the records shall also include its number and safekeeping location.

(5) If the physical security is not with the safekeeper at the time of the contract conclusion, the safekeeper shall be obliged to accept and place the security into safekeeping.

(6) The safekeeper shall be obliged to protect the physical security against loss, destruction, damage or devaluation.

(7) The client shall be entitled to request at any time that the physical security be submitted to him and to return it to the safekeeper, unless the contract on the deposit of securities has ceased to exist.

(8) Unless the contract on the safekeeping of securities has been concluded for a fixed term, both the safekeeper and the client may terminate the contract. Unless a period of notice has been agreed upon, the safekeeper may terminate the contract as of the end of the subsequent calendar month and the client may terminate the contract with immediate effect.

(9) Unless the contract on the safekeeping of securities or an expression of will of the client in relation to withdrawal of the security placed into safekeeping implies otherwise, the contract shall be considered to have ceased to exist if the client has withdrawn all the physical securities that have been under safekeeping.

(10) In order to protect his/its rights under the contract on the safekeeping of securities, the safekeeper shall have the right of pledge to the physical security placed in safekeeping, provided that the security is in the possession of the safekeeper.

(11) If insolvency proceedings are pending with respect to insolvency or imminent insolvency of the safekeeper in the case of bulk safekeeping of substitutable securities, such securities shall not be part of the estate pursuant to the special legal regulation.<sup>21b)</sup> After bankruptcy is adjudicated, the insolvency trustee shall be obliged to take the necessary measures for their release and give such securities to the individual clients in accordance with their respective shares pursuant to paragraph 3 above. If it is impossible to give the securities to all clients, the insolvency trustee

shall place the unreturned securities in safekeeping of another safekeeper under similar conditions, taking account of protection of interests of the clients. The insolvency trustee shall have the right to reimbursement of costs incurred in connection with the above measures against the debtor. The clients shall guarantee the reimbursement of such costs *pro rata* according to their shares.

(12) The provisions of paragraphs 1 to 11 shall apply to book-entry securities *mutatis mutandis*.

#### Article 35

(1) The safekeeper may put a physical security accepted under a contract on the safekeeping of securities into the safekeeping of another safekeeper (hereinafter “secondary safekeeping”).

(2) The safekeeper shall be entitled to place a physical security, that he has taken into his safekeeping, into a secondary safekeeping without consent of the client.

(3) The handing over of a physical security into a secondary safekeeping shall be without prejudice to the rights and obligations of the client towards the safekeeper.

#### Article 36

##### Contract on the Administration of Securities

(1) Under a contract on the administration of securities, the administrator undertakes to perform all legal acts during the lifetime of the contract that are necessary for exercising and retaining the rights connected with a certain security, and the owner of the security undertakes to pay a fee for it. If the contract does not specify the amount of the fee, the administrator shall be entitled to a fee that is usual at the time of conclusion of the contract.

(2) The administrator shall be obliged to perform all acts necessary to exercise and retain the rights connected with the security as well as to exercise rights of exchange or pre-emptive rights connected with the security, unless the contract provides otherwise.

(3) The administrator shall be obliged to perform instructions of the owner of the security; these instructions must be made in writing, unless the contract on administration of securities permits another form. The administrator shall be obliged to notify the owner of the security of any incorrect instructions in time.

(4) If required by the nature of an act that is to be performed by the administrator, the owner of the security shall be obliged to submit to the administrator the physical security or the required power of attorney in writing, in time after being invited thereto by the administrator. If an act is related to a book-entry security, in time after being invited by the administrator, the owner of the security shall be obliged to take measures ensuring that the administrator has the necessary authorisation to give orders to dispose of the book-entry security.

(5) Where the administrator is supposed to exercise a right connected with a security, the owner of the security shall be obliged to provide the administrator with a power of attorney or have the administrator recorded on his owner account in the central register of investment instruments. If the owner of the security gives the administrator instructions on how to use the voting right, the administrator shall be obliged to vote for the owner holder of the security in the prescribed manner.

(6) The administrator shall return a physical security to its owner without undue delay after performing the act for which the physical security was required, unless the nature of the act implies otherwise. During the period when the physical security is in possession of the administrator, the administrator shall be liable for any damage to the security pursuant to Article 34(2).

(7) Unless agreed otherwise, the fee for administration of a security also includes costs incurred by the administrator during the fulfilment of his obligation.

(8) Unless the contract provides otherwise, the administrator shall perform legal acts related to the administration of a security on behalf of (in the name of) the owner of the security and on the account thereof; the provisions of the Commercial Code on the contract of mandate shall apply to the determination of the rights and obligations of the parties *mutatis mutandis*. Where the administrator is supposed to perform a legal act on his own behalf and on the account of the owner of a security, the provisions of the Commercial Code on commission contract shall apply *mutatis mutandis*.

(9) The provisions of Article 34(8) shall apply to termination (revocation) of a contract on administration of securities *mutatis mutandis*, unless the contract provides otherwise.

## Article 37

### Contract on the Deposit of Securities

(1) Under a contract on the deposit of securities, the depositary undertakes to accept a physical security in order to deposit and administer it, and the depositor undertakes to pay a fee for it. If the contract does not specify the amount of the fee, the depositary shall be entitled to a fee that is usual at the time of conclusion of the contract.

(2) The provisions regulating contracts on the safekeeping of securities and contracts on the administration of securities shall apply to a contract on the deposit of securities *mutatis mutandis*. The depositary shall be obliged to submit annually a report on the state of the deposited physical securities.

(3) If a physical security is given to the depositor at his request, the depositary shall not be obliged to administer the security during the period when the physical security is not in his possession.

(4) The depositor may limit the obligations of the depositary to those arising from a

contract on the safekeeping of securities or to those arising from a contract on the administration of securities. In this case, the fee to be paid by the depositor shall be appropriately reduced.

(5) The depositary may put a physical security into a secondary safekeeping, or into a secondary safekeeping and administration, only with the consent of the depositor. A person that has accepted the physical security into a secondary safekeeping and administration may not be authorised to exercise the voting right attached to such security.

## Article 37a

### Contract on the Management of Securities

(1) Under a contract on the management of securities, the manager undertakes to manage the assets of the client consisting in securities or cash funds intended for the purchase of securities at the manager's discretion within the framework of the contract, and the client undertakes to pay a fee for it. If the contract does not specify the amount of the fee, the manager shall be entitled to a fee that is usual at the time of conclusion of the contract.

(2) A contract referred to in paragraph 1 above must be made in writing.

(3) In the case of management of investment instruments, only an investment firm may be the manager pursuant to paragraph 1 above, unless the licence of the investment firm implies otherwise.

(4) The manager shall be obliged, to procure the purchase, sale, as well as initial acquisition of securities, and unless the contract stipulates otherwise, also perform the activities pursuant to Articles 34 and 36, with the objective of providing for professional care for the client assets in the long term. The client may limit the obligations of the manager to those related to the procurement of the purchase, sale and initial acquisition of securities. In this case, the fee to be paid by the client shall be appropriately reduced.

(5) The provisions of Article 34(7) shall apply mutatis mutandis, unless the nature of the matter implies otherwise.

(6) The provisions regulating commission contracts on procuring the purchase or sale of securities, contracts of mandate<sup>21c)</sup>, and eventually also contracts on the safekeeping of securities and contracts on the administration of securities shall apply to a contract on the management of securities mutatis mutandis.

(7) The provisions of paragraphs 1 to 6 above shall be without prejudice to the regulation of the management contract pursuant to a special legal regulation<sup>21d)</sup>.

## Article 38

### Immobilisation of Securities

(1) A contract on the safekeeping of securities placed into bulk safekeeping may also be concluded by the issuer of such securities as the safekeeper's client. In this case a physical security shall be issued on the date of delivery of the certificate to the safekeeper in favour of its owner. The name of the owner shall not be specified upon issuance of the security on physical securities to order and on registered physical securities that are placed by the issuer into safekeeping. The provisions of a special legal regulation<sup>12f)</sup> on book-entry securities shall apply to securities deposited in this manner by the issuer (hereinafter "immobilised securities") mutatis mutandis, unless this Act stipulates otherwise. The date of entry of the security in the register of investment instruments must be identical with the date of delivery of the certificate to the safekeeper.

(2) The provisions of a special legal regulation<sup>12f)</sup> shall apply mutatis mutandis to the procedure pursuant to paragraph 1 above for a physical security that has already been issued.

(3) The owner of an immobilised security shall have the right to request that the issuer without undue delay submit the security to him. Prior to submission of a physical security to the owner, the issuer shall fill in the name of the owner on registered physical securities and on physical securities to order.

## CHAPTER IV

### CONTRACT ON PLEDGING SECURITIES

#### Article 39

(1) A contract on pledging securities shall be governed by the provisions of the Civil Code<sup>23)</sup> on the right of pledge (lien), unless this Act stipulates otherwise. The right of sub-pledge (sub-lien)<sup>24)</sup> shall not be applicable for the purposes of this Act.

(2) A right of pledge may not be established for pledged securities unless they are pledged pursuant to Article 34(10) or 56(8).

#### Article 40

(1) A right of pledge that is established on the basis of a contract pursuant to Article 39 (hereinafter "contractual right of pledge") shall arise for a physical security upon delivery of the security to the pledgee, unless this Act stipulates otherwise.

(2) The arising of a contractual right of pledge with respect to a physical security that is transferable by endorsement shall also require a written statement of the owner of the security made on such security (hereinafter "pledge endorsement"). This shall be without prejudice to the provisions of Article 11(6). A pledge endorsement must include the "to be pledged" clause or words with the same meaning and specification of the identity of the pledgee. The pledgee may

not further transfer a security containing a pledge endorsement unless a special act stipulates otherwise<sup>25)</sup>. If a receivable secured by a pledge has ceased to exist, the pledgee shall be obliged to record the expiry of the right of pledge on such security by crossing out the pledge endorsement.

#### Article 41

(1) A contractual right of pledge with respect to a physical security may also arise upon handing the security over to a third party into safekeeping or into safekeeping and administration, provided that this person is simultaneously provided with the original or an officially authenticated copy of the pledge contract. This shall be without prejudice to the provisions of Article 40(2).

(2) A contractual right of pledge with respect to a physical security that has been placed into safekeeping (Article 34), or into safekeeping and administration (Article 37) shall arise when the establishment of such a right of pledge is notified to the safekeeper or depositary. The notification may be made by the pledgee, the debtor or the pledgor. The original or an officially authenticated copy of the pledge contract must be enclosed with the notification. This shall be without prejudice to the provisions of Article 40(2).

(3) A pledge with respect to a physical security pursuant to paragraphs 1 and 2 above must be recorded in the accounting records of the safekeeper or depositary. The identity of the pledgee must follow from these records.

(4) A pledged physical security that is under individual safekeeping must be kept separately from other securities of the safekeeper's client. The same shall apply to pledged physical securities deposited under a contract on the deposit of securities. A pledged physical security must not be returned without the consent of the pledgee.

#### Article 42

(1) A contractual right of pledge with respect to a book-entry security shall be established upon entry of this right of pledge into an owner account in the register of investment instruments.

(2) The order to enter a contractual right of pledge may be given by the pledgee, debtor or pledgor. The original or an officially authenticated copy of the pledge contract shall be enclosed with such order.

(3) The order to enter a right of pledge must contain

- a) the commercial name or designation or name, and registered office or place of business, or residential address of the pledgor,
- b) the identification number or birth certificate number of the pledgor,
- c) ISIN, or other information required for identification of the book-entry security, and the number of items of this security pledged,
- d) the commercial name or designation or name, identification number or birth certificate

number, and registered office or place of business or residential address of the pledgee, and  
e) the amount of the principal of the receivable, for which the right of pledge was established, and the date of maturity thereof, if known, or the type of receivables, for which the right of pledge was established, the maximum amount up to which the pledgee may be satisfied, and the duration of the right of pledge.

(4) The contractual right of pledge with respect to a book-entry security shall expire upon the entry of the expiry of the right of pledge. An order to enter the expiry of the contractual right of pledge shall be given by the pledgee, debtor or pledgor. A document proving that the secured receivable has expired or proving another reason for expiry of the right of pledge shall be enclosed with the order; the document need not be enclosed if the order to enter the expiry of the right of pledge is given by the pledgee.

#### Article 43

(1) In the case of a disposal of a pledged security, the right of pledge shall also be effective in relation to the acquirer.

(2) If a pledged physical security is placed into safekeeping, it may not be submitted to the safekeeper's client without the consent of the pledgee. The same shall apply to a physical security deposited under a contract on the deposit of securities.

(3) During the existence of the right of pledge with respect to a security, the right of pledge shall also apply to yields on the pledged security.

(4) If a pledged security is to be exchanged by the issuer for another security, a right of pledge shall be established to the same extent with respect to the security for which the original security is exchanged. If a pledge endorsement is required for the establishment of a right of pledge, the issuer shall sign the pledge endorsement on the exchanged security on behalf of the owner of the security.

(5) The pledgee shall not be entitled to exercise the rights connected with the pledged security unless this Act or a special legal regulation or contract stipulates otherwise. If a right to fulfilment (payment) arises from a pledged security, the issuer shall be obliged to give the fulfilment to the pledgee. The pledgee shall set off the received fulfilment against the receivable secured by the right of pledge, unless the contract stipulates otherwise.

#### Article 44

(1) If a receivable secured by a right of pledge with respect to a security is not discharged duly and in time, the pledgee shall be entitled to sell the pledged security through an investment firm or exercise the right to fulfilment (payment) arising from the pledged security pursuant to Article 43(5). The pledgee shall be obliged to notify the pledgor in advance of the intended sale.

(2) An investment firm shall sell the pledged security on a regulated market on its own behalf and on the account of the pledgor in the case of a listed security, or this sale shall be effected by the pledgee in a public auction in the case of a security that is not listed. The

investment firm shall submit the proceeds from the sale of a security, less the costs connected with its sale and the usual remuneration, to the pledgee. If the subject of the sale consists in a security containing a pledge endorsement, the investment firm shall mark the security with an endorsement in favour of the purchaser after crossing out the pledge endorsement by the pledgee on behalf of the owner.

#### Article 44a

Unless this Act stipulates otherwise and unless excluded by the nature of the matter, the provisions of Articles 39 to 44 shall also apply to a right of pledge that is established otherwise than under a contract, *mutatis mutandis*.

### CHAPTER V

#### CONTRACTS ON SECURITIES CONCLUDED AT A DISTANCE

Articles 44b–44i

Repealed

#### PART THREE

Repealed

#### CHAPTER I

Repealed

Heading deleted

Articles 45–46d

Repealed

Heading deleted

Articles 47–48a

Repealed

#### CHAPTER II

Repealed

Article 49

Repealed

#### PART III

Repealed

Articles 50–54  
Repealed

CHAPTER IV  
repealed

Articles 55–70a  
Repealed

CHAPTER V  
repealed

Articles 70b–70c  
Repealed

PART FOUR  
Repealed

Articles 71–78b  
Repealed  
Heading deleted

Articles 78c–78h  
Repealed

PART FIVE  
Repealed

Articles 79–81  
Repealed  
Heading deleted

Articles 81a–81e  
Repealed  
Heading deleted

Article 82  
Repealed  
Heading deleted

Article 83–85  
Repealed

Heading deleted

Article 86–87  
Repealed

PART SIX  
Repealed

## JOINT, TRANSITORY AND CONCLUDING PROVISIONS

Articles 87a–87d  
Repealed  
Heading deleted

Articles 87e–99  
Repealed

Article 100

Act No. 455/1991 Coll., the Trade Act (Trades Licensing Act) shall be supplemented as follows:

1. In Article 3(1)(c) item 6, the words “and brokers” shall be inserted after the words “stock dealers”.
2. In Article 3(2)(a), the words “of off-exchange operators, investment firms” shall be inserted after the words “stock exchanges”.

Article 101

Act No. 513/1991 Coll., the Commercial Code, as amended by Act No. 264/1992 Coll., shall be amended and supplemented as follows:

1. The wording of Article 37 shall be denoted paragraph 1, and a paragraph 2 shall be attached, which reads as follows:

“(2) Entrepreneurs who are not entered in the Commercial Register may use a double-entry-bookkeeping system instead of a single-entry bookkeeping system provided that they use it for the entire accounting period.”.

2. In Article 67(1), the words “to the extent to which it is created mandatorily pursuant to this act” shall be inserted after the word “use”.
3. Paragraph 2 in Article 67 shall be replaced by the following wording:

“(2) A limited liability company and a joint-stock company shall mandatorily create a reserve fund out of net profit. The reserve fund may be created on the incorporation of the company from addition payments made by the members over and above the value of their contributions.”

4. Paragraph 1 in Article 124 shall be replaced by the following wording:

“(1) A company shall create a reserve fund (Article 67) at the time and in the amount specified in its deed of association. Unless the reserve fund was already created at the time of the company’s incorporation, the company is bound to create it from the net profit in the first year of its profitability, as indicated in its annual financial statements. The reserve fund shall be created in an amount equal to at least 10% of the net profit, but without exceeding 5% of the amount of registered capital. An amount specified in the deed of association or statutes of at least 5% of net profit shall be annually transferred to the reserve fund until it reaches the level stipulated in the deed of association or statutes, such level being equal to at least 10% of registered capital.”.

5. A sentence which reads “Other types of shares than those provided for by this Act shall not be issued” shall be attached to Article 155(3).

6. A new letter f) which reads “a decision on conversion of shares issued as certificated securities into book-entry securities and vice versa” shall be inserted in Article 187(1) after letter e).

The previous provision denoted letter f) shall be denoted letter g) and the provision denoted letter g) shall be denoted letter h).

7. Paragraph 1 in Article 217 shall be replaced by the following wording:

“(1) A company shall create a reserve fund (Article 67) at the time and in the amount specified in its statutes. Unless the reserve fund was already created at the time of the company’s incorporation, the company is bound to create it from the net profit in the first year of its profitability, as indicated in its annual financial statements. The reserve fund shall be created in an amount equal to at least 20% of the net profit, but without exceeding 10% of the amount of registered capital. An amount specified in the statutes of at least 5% of net profit shall be annually transferred to the reserve fund until it reaches the level stipulated in its statutes, such level being equal to at least 20% of registered capital.”.

8. A paragraph 3 which reads as follows shall be inserted in Article 217:

“(3) If the reserve fund is established by payment of a higher amount than corresponds to the

underwritten nominal value of the shares (share premium) and the amount paid is not sufficient to pay the nominal value of both the shares and the share premium, the amount paid shall count first towards fulfilment of the obligation to pay the share premium.”.

9. Letters a), b) and c) in Article 261 shall be replaced by the following wording:

“a) between the founders (promoters) of business companies, and between a member (partner) and a business company (partnership), as well as between the members (partners) themselves, if these obligations concern participation in the company as well as if they arise from contracts under which a member’s (partner’s) ownership interest is transferred,

b) between the founders (promoters) of a co-operative and between a member and a co-operative, if the obligations ensue from membership of the co-operative or from contracts on the transfer of membership rights and duties,

c) arising from stock exchange transactions and their intermediation (Article 642) and also from contracts concerning securities acquired against a consideration (payment).

In letter d), words “a contract on the deposit of securities and other values” shall be replaced by words “a contract on the deposit of a thing with a bank”.

10. Division XXII, Chapter II, PART THREE of the Commercial Code shall read:

**“Contract on the Deposit of a Thing with a Bank”**

11. In Article 700, the previous text shall be replaced by the following wording:

“Article 700

Under a “contract on the deposit of a thing with a bank”, the bank undertakes to receive certain “things” in order to deposit them and manage (or administer) them, and the “depositor” undertakes to pay the bank a fee for its services.”.

12. In Article 762, the words “a contract on the deposit of securities or other values” shall be replaced by the words “a contract on the deposit of a thing with a bank”.

Article 102  
Repealed

Article 103

This Act shall take effect on 1 January 1993.

## **Selected provisions of amendments**

Section II of Act No. 362/2000 Coll.

### **Transitional Provisions**

1. Publicly tradable securities issued pursuant to previous legal regulations and admitted to trading on a public market as of the date this Act takes effect shall be deemed, from the date this Act takes effect, registered securities. Publicly tradable securities issued pursuant to previous legal regulations and not admitted to trading on any public market as of the date this Act takes effect shall lose, on the date this Act takes effect, public tradability and shall not become registered securities. A public market operator shall, within six months from the date this Act takes effect, examine whether the securities publicly tradable under previous legal regulations and admitted to trading on a public market meet the terms and conditions laid down in this Act, save for approval of a prospectus by the Commission. If they do not meet the conditions for admission to trading on a public market pursuant to Article 72, the Commission shall decide within the same time limit on the exclusion of these securities from trading on the public market. Under Article 80a, issuers shall give those essential elements of the prospectus which were not included in the prospectus for these securities published prior to the date this Act took effect.
2. The provisions of item 1 on the publishing of the essential elements of the prospectus shall not apply to registered securities which in accordance with this Act do not require a prospectus or which have been excluded by the public market operator pursuant to item 1.
3. Proceedings on providing a licence to carry on public securities trading which were opened prior to the date this Act took effect, shall be terminated.
4. Proceedings on prohibiting securities public trading which were opened pursuant to the current legal regulations and have not been legally completed as of this date, shall be terminated as of this date.
5. The previous legislation shall apply to the obligations of an issuer of securities issued on the basis of an offer to the public, provided that the offer to the public, including any call to subscribe for shares, was made as of the date this Act took effect.
6. On the first appointment of members of the board of directors of the Fund, the Minister of Finance shall appoint one member for one year, one member for two years, one member for three years, one member for four years and one member for five years.
7. A licence granted to an investment firm prior to the date this Act takes effect shall be deemed a licence granted pursuant to this Act to the following extent:
  - a) a licence to carry on securities trading under Article 45(1) prior to the date this Act takes effect shall be deemed a licence to provide investment services under Article 8(2)(a)–(c);

- b) a licence to carry on activities under Article 46(2)(a) prior to the date this Act takes effect shall be deemed a licence to provide investment services under Article 8(2)(e);
  - c) a licence to carry on activities under Article 46(2)(b) prior to the date this Act takes effect shall be deemed a licence to provide investment services under Article 8(2)(a) and (b);
  - d) a licence to carry on activities under Article 46(2)(c) and (d) prior to the date this Act takes effect shall be deemed a licence to provide investment services under Article 8(3)(a); if the licence provided to an investment firm prior to the date this Act takes effect applies only to activities under Article 46(2)(c) or (d), it shall cease to be valid to this extent within three months from the date this Act takes effect;
  - e) a licence to carry on activities under Article 46(2)(e) prior to the date this Act takes effect shall be deemed a licence to provide investment services under Article 8(3)(a);
  - f) a licence to carry on activities under Article 46(2)(f) prior to the date this Act takes effect shall be deemed a licence to provide investment services under Article 8(2)(a)–(c);
  - g) a licence to carry on activities under Article 46(2)(g) prior to the date this Act takes effect shall be deemed a licence to provide investment services under Article 8(2)(a) and (b); and
  - h) a licence to carry on activities under Article 46(2)g prior to the date this Act takes effect shall be deemed a licence to provide investment services under Article 8(3)(d) and (f).
8. A licence provided to an investment firm prior to the date this Act takes effect in respect of securities shall be deemed a licence pursuant to this Act in respect of investment instruments under Article 8a(1)(a) and (b). A licence to carry on activities under Article 46(2)(f) prior to the date this Act takes effect shall be deemed a licence to provide investment services under Article 8(2)(a)–(c) in respect of investment instruments under Article 8a(1)(d)–(g).
9. The Commission shall, at the request of an investment firm, issue a certificate on the extent of a licence pursuant to this Act in accordance with items 7 and 8.
10. An investment firm which was granted a licence pursuant to Article 45(1) prior to the date this Act takes effect, shall, within one year from the date this Act takes effect:
- a) bring its legal form into compliance with this Act; this shall not apply to the National Property Fund of the Czech Republic,
  - b) to bring the amount of its equity capital into compliance with this Act;
  - c) to bring its capital adequacy, the rules for which it is obliged to comply with under Article 46d(1), into compliance with this Act,
  - d) to provide the Commission with information on persons under Article 45(4)d for the purposes of proving that a close link between the investment firm and these persons does not prevent the effective exercise of state oversight,
  - e) to bring the rules of organisation of the internal operation of the investment firm (Article 47a) and the rules of conduct of the investment firm towards customers

- (Article 47b) into compliance with this Act, and
- f) to provide the Commission with information on persons actually controlling the activity of the investment firm (Article 45(4)(g)) and documents (Article 45(5)(b)) for the purposes of providing consent pursuant to Article 46a.
11. If the investment firm does not fulfil the obligations under item 10 within one month from the date this Act takes effect, the Commission may apply penalties pursuant to this Act.
  12. If the persons actually controlling the activities of an investment firm are not granted consent by the Commission pursuant to Article 46a within 18 months from the date this Act takes effect, their authorisation to actually control the investment firm's activities shall lapse.
  13. A person who, after the time limit in item 12 elapses, performs the activity of a person actually controlling the activities of an investment firm in contravention of item 12 may be subject to a penalty pursuant to this Act.
  14. If, within 18 months from the date this Act takes effect, the Commission does not provide its consent to persons having a qualifying holding in an investment firm pursuant to Article 48a, the provisions of Article 48a(8) shall apply when this time limit elapses.
  15. Proceedings opened prior to the date this Act takes effect pursuant to Act No. 591/1992 Coll., as amended, save for the proceedings referred to in items 3 and 4, shall be completed pursuant to this Act.
  16. An over-the-counter market operator and a person engaged in securities settlement who were granted a licence prior to the date this Act takes effect shall bring the form of their shares into compliance with this Act within one year from the date this Act takes effect.
  17. A public market operator and a person engaged in securities settlement who were granted a licence prior to the date this Act takes effect shall supplement their internal regulations and pursuant thereto operate the public market and organise and operate the settlement system in compliance with this Act within six months from the date this Act takes effect.
  18. If the term "publicly tradable securities" is used in legal regulations, it shall mean "registered securities".

#### Section IV of Act No. 259/2001 Coll.

##### Transitional Provisions in respect of Parts II and III

1. If a licence for any of the activities given in Article 45(1) of Act No. 591/1992 Coll., on Securities, as amended, is requested by an investment firm which was granted a licence

prior to the date this Act takes effect, the provisions of Article 45(3) and Article 46c(1) of Act No. 591/1992 Coll. shall not apply to it. This shall be without prejudice to the provisions of Article II(10)(a) and (b) of Act No. 362/2000 Coll., amending Act No. 591/1992 Coll., on Securities, as amended, and some other acts, as amended by this Act, or the provisions of item 2.

2. An investment firm whose shares are not issued in book-entry form as of the date this Act takes effect, shall, within one year from the date this Act takes effect, bring the form of its shares into compliance with the requirement under Article 45(3) of Act No. 591/1992 Coll., on Securities, as amended.
3. An investment firm which carried on the activity given in Article 8(2)(d) of Act No. 591/1992 Coll., on Securities, as amended, or an activity of a similar nature on the basis of a licence granted pursuant to Article 45 of Act No. 591/1992 Coll. until 31 December 2000, may continue such activity until the Commission decides on its application for a licence to carry on activities under Article 8(2)(d) of Act No. 591/1992 Coll., submitted within 90 days from the date this Act takes effect. If the application is not submitted within this time limit, the authorisation to carry on the activity given in Article 8(2)(d) of Act 591/1992 Coll. or an activity of a similar nature shall expire when this time limit elapses.

#### Section IV of Act No. 308/2002 Coll.

##### Transitional Provisions

1. Proceedings opened prior to the date this Act takes effect shall be completed pursuant to the previous legal regulations.
2. Registration under Article 45a carried out prior to the date this Act takes effect shall be deemed registration carried out pursuant to this Act. Persons performing activity under Article 45a(1) as of the date this Act takes effect shall bring their position into compliance with this provision within one year from the date this Act takes effect.
3. The provisions of this Act concerning the satisfaction of a pledgee from securities pledged shall also apply to rights of pledge that arose prior to the date this Act takes effect.
4. Claims asserted prior to the date this Act takes effect shall remain unaffected.
5. The calculation of the contribution to the Fund shall be governed by the provisions of this Act from the first day of the quarter following the quarter in which this Act takes effect.
6. The obligation in Article 47c(8) shall be fulfilled by an investment firm for the first time for the entire calendar quarter following the date this Act takes effect.

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- 1) Article 155 et seq. of Act No. 513/1991 Coll., the Commercial Code, as amended by Act No. 264/1992 Coll.
  - 2) Article 176 of the Commercial Code.
  - 2a) Article 204b of Act No. 513/1991 Coll., the Commercial Code, as amended.
  - 3) Article 11 of Act No. 248/1992 Coll., on Investment Companies and Investment Funds.
  - 4) Act No. 530/1990 Coll., on Bonds.
  - 6) Act No. 92/1991 Coll., on the Conditions of Transfer of State Property to other Persons, as amended. Government Order No. 383/1991 Coll., on the Issuance and Use of Investment Coupons, as amended by Government Order No. 69/1992 Coll.
  - 6a) Article 217a of the Commercial Code.
  - 6b) Act No. 219/1995 Coll., the Foreign Exchange Act, as amended.
  - 7) Act No. 191/1950 Coll., on Bills of Exchange and Cheques.
  - 8) Article 720 of the Commercial Code.
  - 9) Especially Article 612 of the Commercial Code.
  - 10) Article 528 of the Commercial Code.
  - 10a) Act No. 307/2000 Coll., on Agricultural Warehouse Certificates and Agricultural Public Warehouses and on the Amendment to Some Related Acts.
  - 11) For example Article 22(1) of Act No. 92/1991 Coll.
  - 11a) For example Article 156 of the Commercial Code.
  - 12) For example Article 155 of the Commercial Code, Article 3 of Act No. 530/1990 Coll., Article 23 of Act No. 92/1991 Coll., Article 11 of Act No. 248/1992 Coll., Article 2 of Decree No. 160/1956, on the Conditions of Cargo Transport by Sea, and Articles 12 and 13 et seq. of Act No. 530/1990 Coll.
  - 12c) For example Article 168(3) of the Commercial Code.
  - 12f) Act No. 256/2004 Coll., on Business Activities on the Capital Market.
  - 14a) Article 261(3)(c) of the Commercial Code.
  - 14b) Article 657 of the Civil Code.
  - 15) For example Articles 18 and 19 of Act No. 191/1950 Coll.
  - 15a) Section 1, Article 12(1) and Article 16 of Act No. 191/1950 Coll., on Bills of Exchange and Cheques.
  - 16) For example Article 156(3) of the Commercial Code and Article 11(2) of Act No. 191/1950 Coll.
  - 18) For example Article 16 of Act No. 191/1950 Coll.
  - 20) Article 577 et seq. of the Commercial Code.
  - 21) Article 566 et seq. and Article 642 et seq. of the Commercial Code.
  - 21a) Article 136 et seq. of the Civil Code.
  - 21b) [Act No. 182/2006 Coll., on insolvency and manners of resolving insolvency \(the Insolvency Act\), as amended.](#)
  - 21c) Article 566 et seq. of the Commercial Code.
  - 21d) Article 5b of Act No. 248/1992 Coll.
  - 23) Article 151a et seq. of the Civil Code.
  - 24) Article 151k et seq. of the Civil Code.

- 25) For example Article 19 of Act No. 191/1950 Coll.
- 25a) Article 64 of the Commercial Code.
- 25b) Article 66a of the Commercial Code.
- 25c) Article 15 of Act No. 15/1998 Coll., on the Securities Commission and on the Amendment to Other Acts.
- 25d) For example, Article 7 of Act No. 21/1992 Coll., on Banks, as amended, Article 29 of Act No. 248/1992 Coll. and Article 23(5) of Act No. 15/1998 Coll.
- 26) Act of the Czech National Council No. 200/1990 Coll., on Offences, as amended.
- 27) Article 1 of Act No. 65/1965 Coll., the Labour Code, as amended (complete wording No. 451/1992 Coll.).
- 28) Article 6(3)(b) of Act No. 214/1992 Coll., on the Stock Exchange.
- 29) Act of the Czech National Council No. 576/1990 Coll., on the Rules for Financial Management of the Budgetary Funds of the Czech Republic and of Municipalities in the Czech Republic (the National Budget Rules), as amended.
- 30) Act No. 99/1963 Coll., the Civil Procedure Code, as amended (complete wording No. 501/1992 Coll.).
- 31) Article 8 of Act No. 141/1961 Coll., the Criminal Procedure Code, as amended.
- 32) Act of the Czech National Council No. 337/1992 Coll., on the Administration of Taxes and Fees.
- 32a) Article 20a(7) of Act No. 21/1992 Coll., as amended by Act No. 165/1998 Coll..
- 32b) Act No. 42/1992 Coll., on Private Pension Insurance and the Amendment to Some Acts Related to its Introduction, as amended.  
Act No. 185/1991 Coll., on Insurance, as amended.
- 32c) Act No. 61/1992 Coll., on Some Measures against Money Laundering and the Amendment to Related Acts, as amended.
- 32d) Article 8(2)(b) and Article 9(2)(f) of Act No. 148/1998 Coll., on Personal Data Protection , as amended.
- 33a) Article 156(4) of the Commercial Code.
- 33b) Article 66a of the Commercial Code.
- 33c) Article 24 of Act No. 214/1992 Coll., as amended.
- 34) Article 186(3) and Article 186a of the Commercial Code.
- 34a) Article 186a of the Commercial Code.
- 34b) Article 183h of the Commercial Code.
- 35) Act No. 71/1967 Coll., on Administrative Proceedings (the Administrative Procedure Code), as amended.
- 36) Article 5(3) of Act No. 15/1998 Coll.
- 36a) Act No. 61/1996 Coll., on Some Measures against Money Laundering and the Amendment to Related Acts, as amended.
- 36b) Act No. 552/1991 Coll., on State Inspection, as amended.
- 36c) Act No. 563/1991 Coll.
- 36d) Article 44 et seq. of the Commercial Code.
- 36e) Article 69 of the Commercial Code.
- 37a) Article 183d of the Commercial Code.
- 37b) Article 156(2) and Article 185(2) of the Commercial Code.
- 37c) Article 50 of Act No. 455/1991 Coll., on Trades and Entrepreneurial Activities (the Trades Licensing Act), as amended.
- 38) Article 22(1) of Act No. 92/1991 Coll. and Article 21 of Act No. 530/1990 Coll.

38a) Government Order No. 383/1991 Coll., on the Issuance and Use of Investment Coupons, as amended by Government Order No. 69/1992 Coll.

42) Act No. 15/1992 Coll., on the Securities Commission and on the Amendments to Other Acts.