

## Implementation of whistleblower protection in the Czech Republic (Whistleblowing)

The Czech Republic is obliged to implement Directive (EU) 2019/1937 of the European Parliament and of the Council on whistleblower protection and to protect persons, typically employees, but also, for example, contractors who report violations of certain legislation against retaliation by the person who is violating said legislation.

On 30 November 2022, the expected Whistleblower Protection Bill was presented to the Chamber of Deputies of the Parliament of the Czech Republic by the Government. The bill is now heading for a general debate at its first reading.

The bill introduces a number of new obligations that will primarily affect employers with 50 or more employees. Its essence is to allow the reporting of possible illegal conduct of which the whistleblower has become aware in connection with his or her work or similar activity. In order to submit such notifications, the employers in question will be obliged to introduce an internal notification system, i.e., a technical solution consisting of a secure communication channel accessible not only to employees but also to business partners, job applicants, etc. Information on how to submit notifications must then be published with the possibility of remote access.

The bill contains an exhaustive list of areas regulated by the legislation, violations of which may be the subject of notification. It is the scope of the regulations governing these areas and the subsequent evaluation of the notification in terms of their violation, which will be the responsibility of the competent person designated by the employer, that is problematic. That person is then responsible for receiving and evaluating the notifications. The employer may designate a person within the company or outsource this function. Given the scope of the designated regulations, the requirements for the person responsible are quite high in terms of his or her legal background.

Whistleblowers and others are also to be protected from retaliation related to the notification. Whistleblowers, their relatives, persons who have informed the whistleblower and other persons associated with the whistleblower are protected. A report may also be made anonymously, but in such a case the employer need not deal with the report.

A fine of up to CZK 1,000,000 (approximately EUR 40,000) can be imposed for non-compliance with the obligations set by the law.

Discussions and amendments now turn to the question of whether anonymous notifications will also be subject to the whistleblower protection regime and what the scope of the legislation will be whose breaches will be reported under the regime.

So far, two written amendments have been attached to the bill. One of the proposals aims to remove the obligation to include the personal details of the whistleblower in the notification and, consequently, to remove the employer's ability to assess whether or not to deal with the notification. Thus, all notifications could be anonymised and the employer would have to give equal weight to all of them.

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The second proposal aims to further expand the areas of legislation whose violations may be subject to notification – in one version to all offences and in the other to only those with a ceiling of at least CZK 100,000 (approximately EUR 4,000).

It is not yet possible to estimate when the bill might be adopted, as this will depend on the speed of the legislative process. However, the law is expected to enter into force on the first day of the second calendar month following the date of its promulgation. Employers with at least 250 employees in particular should therefore be prepared for the quick implementation of the law.

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