

PETERKA PARTNERS

THE CEE LAW FIRM

NEWSLETTER

Czech Republic Slovakia Ukraine Bulgaria
Poland Romania Belarus Hungary

NEWS

FROM PETERKA & PARTNERS



Ukrainian Desk at PETERKA & PARTNERS

We are glad that our Ukrainian office is fully operating and continues providing legal services to all our clients in all areas of Ukrainian Law. Our key personnel are safe and some of them joined our offices in the Czech Republic and Poland, meaning we can meet our clients whenever they need us.

We are happy to announce launching of the [Ukrainian Desk](#), aiming to facilitate Ukrainian businesses to expand or relocate abroad. Members of the Ukrainian Desk, some of whom are currently staying in our EU offices, help Ukrainian business people to receive legal assistance in EU jurisdictions especially in corporate, commercial, tax, employment, immigration, intellectual property law.

In addition to assisting Ukrainian businesses in opening presence abroad, our Ukrainian Desk also helps international clients in relocating their staff and production abroad when necessary.



As a result, the client gets a **one-stop shop** allowing to smoothly transfer or expand its business or part of it from Ukraine to EU countries

We have been continuously supporting Ukraine since the beginning of the Russian invasion on 24 February 2022 and has repeatedly condemned this act of aggression, especially attacks on civilian targets.

The safety of our colleagues in Ukraine, with many of them already relocated to our offices in Prague and Warsaw, remains our utmost priority.

We have also provided concrete financial, material and legal assistance to the people in Ukraine and Ukrainian refugees abroad.

As the part of the PETERKA & PARTNERS activities towards Ukrainian citizens, we proudly supported the initiative of the Embassy of Ukraine in the Czech Republic and helped with the publication of children's books for different age groups "Three Piglets" and "Wet Nose", with a total circulation of 6,300 copies. We believe that in order to preserve the national code, every child should be able to continue reading in Ukrainian.



PETERKA&PARTNERS RECOMMENDED by Legal500 EMEA 2022 edition and Lawyers&Business

We are delighted that we received rankings in the practice areas of Banking and Finance, Commercial, Corporate and M&A, Dispute Resolution, Employment, Real Estate and Construction, Restructuring and Insolvency, and TMT in the prestigious Legal500 international ranking.

Congratulations to our **Czech, Slovak and Ukrainian** offices! 🎉

And we would like to say thank you to **our Clients** for their feedback and the recognition of our team's hard work.

A graphic celebrating Peterka & Partners' ranking in the Legal500 EMEA 2022 edition. The graphic features the firm's logo, the Legal500 logo, and a table of practice areas for three offices: Czech Republic, Ukraine, and Slovakia.

Czech Republic	Ukraine	Slovakia
Banking & Finance Commercial, Corporate and M&A Dispute resolution Employment Real Estate and Construction TMT	Employment	Banking & Finance Commercial, Corporate and M&A Dispute resolution Employment Real Estate and Construction

We are also proud to announce that we have been ranked as one of the leading law firms in the Czech Republic by the magazine Lawyers & Business.

Their yearbook presents a comprehensive overview of the Czech legal market and highlights our unique infrastructure on the foreign markets across the CEE region through our own offices.

New Energy Sector leader

Our Romanian team has strengthened by recruiting expert **Dan Ciupala**, well-known on the Romanian market and the CEE region especially for his extensive Real Estate experience. Dan, whose wide expertise includes **Energy** amongst his main focus areas, has more than 20 years of experience in various top international law firms and was recently appointed as **Leader of the PETERKA & PARTNERS Energy practice** with the aim of developing the firm's Energy practice within CEE.



PETERKA&PARTNERS Slovakia: Client Reception

Last year, our law firm reached a significant milestone, the **20th anniversary of operating on the Slovak market**. In addition, we moved our office to new modern premises.

We celebrated this anniversary on **Wednesday, 15 June 2022** together with our Clients and Partners and after such a long time we were able to finally meet in person.



LEGAL

NEWS



CZECH REPUBLIC

Cookies

From 1 January 2022, an important amendment to the Electronic Communications Act came into force. According to the amendment in question, all website administrators may collect the personal data of website visitors merely based on the visitor's verifiable consent (the opt-in principle). The consent of visitors may not be automatically set in the browser beforehand. However, the opt-in principle does not apply to technical cookies which are necessary for the transmission of messages and the provision of services, including the provision of secure communication.

Amendments to Employment Act and Act on Public Health Insurance

On 1 April 2022, amendments to the Employment Act and the Act on Public Health Insurance came into effect. The employer, when notifying the date of termination of employment to the relevant District Social Security Administration, shall newly notify also the type of employment, length of employment, pension insurance period, amount of average or presumable net monthly earnings, amount of severance pay, pay-off payments, including the information on whether these payments have been paid, and manner and reason of termination of employment. Such obligation of employers shall be fulfilled within 8 calendar days from the day of termination of employment. Violation of this obligation is sanctioned up to the amount of CZK 100,000. The employer shall fill-in a new form which is available at the following website: www.cssz.cz

Travel Allowances

By Decree No. 511/2021 Coll., rates for compensation for the use of motor road vehicles, the amount of meal allowances for business trips and the average price of fuel for travel allowance purposes were increased.

Financial Market Guarantee System

In connection with a withdrawal of the licence of Sberbank, pay-outs of a deposit compensation up to the sum of EUR 100,000 are currently taking place (approximately CZK 2,499,500). Pay-outs shall continue until 10 March 2025. More information is available at the following website: www.garancnisystem.cz

Lex Ukraine

In reaction to the unprecedented situation in Ukraine, three specific acts concerning the temporary protection of refugees, humanitarian aid and social security for refugees, and education for Ukrainian children were adopted in the Czech Republic. Based on the said legislation, the Ukrainian nationals fulfilling the legal conditions have, among other rights and benefits, free entry to the Czech labour market.

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We are proud to announce that we are **one of the founding members of the Ukrainian-Czech Chamber of Commerce.**

The official establishment of the Chamber took place on the occasion of the 30th anniversary of European solidarity, hosted by the Netherlands-Czech Chamber of Commerce on May 10th 2022.



SLOVAKIA

Measures on Improving Business Environment

The Government plans to introduce around 200 small business-friendly measures in various areas, e.g., voluntary preparation of financial statements under IFRS for selected companies, cancellation of a trade licence which has not been used for at least four years (previously two years), and the sale of smokeless tobacco products and electronic cigarettes via the internet. The Draft Act should be presented in Parliament in June.

Consent of Labour Office with termination notice for disabled employees

When terminating employment with a disabled employee, an employer is required to request consent to the termination notice from the Labour Office. The Labour Office now has to decide on the granting of such consent within 7 business days from the request (instead of the original 30 days), otherwise it is presumed that consent was given.

New Cadastral Portal

As of 1 May 2022, a new Cadastral Portal replaced the old one, introducing a user-friendly experience and new features, e.g., electronic filing services, tracking of data changes, specialized services for surveyors, requests for extracts from ownership deeds and copies from the cadastral map.

Central Register of Accounts

A central register of accounts will be introduced by the Ministry of Finance as of 1 January, 2023. Banks will be obliged to send data on bank accounts and their owners to this register. The register will not be publicly available – data will be provided only to state authorities in order to reveal and prevent organized crime or corruption.

New Construction Acts

From 1 April 2024, new acts on Land-Use Planning and Construction will simplify the process for land-use planning and construction permits, namely by introducing a new electronic system. Permitting of construction projects will be transferred from municipalities to state authorities. Land and construction proceedings will also be merged.

UKRAINE

Martial law

On 24 February 2022, martial law was introduced in Ukraine due to the armed aggression of the Russian Federation against Ukraine. For now, martial law has been prolonged till 25 May 2022, and further prolongations are expected.

New labour regulation

The Law of Ukraine No. 2136-IX dated 15 March 2022 establishes special rules for employment within the period of martial law, such as temporary suspension of labour agreements, provision of unpaid vacations, regulation of the impossibility of salary payments, and others.

Forcible alienation of property of Russian Federation and its residents

Ukraine has begun implementing sanctions against Russia. In particular, Law No. 2116-IX dated 3 March 2022 establishes the rules and procedures for forcible alienation of the property of the Russian Federation and its residents.

Moratorium on fulfilling obligations before Russian Federation and its residents

The Resolution of the Cabinet of Ministers No. 187 dated 3 March 2022 prohibits fulfilling monetary and other obligations before the Russian Federation, companies, and individuals connected with it.

BULGARIA

Draft amendments to Labour Code

A draft law proposes amendments to the Labour Code aimed at the implementation into national law of several EU directives. The prohibition for additional work for another employer would be allowed only in cases of protection of trade secrets and avoidance of conflicts of interest. In addition, employers would be obliged if there are changes in employment relationships to provide the necessary information, in writing, containing the related details not later than the entering into force of the amendments.

Draft law to transpose EU Whistleblowing Directive

A draft law implementing Directive (EU) 2019/1937 on the protection of persons who report a breach of Union law (“EU Whistleblowing Directive”) has now been published for public consultation. The draft law covers the scope of the EU Whistleblowing Directive. The new law is planned to enter into force one year after its promulgation in the State Gazette.

Changes to Consumer Protection Act

The Parliament adopted amendments to the Consumer Protection Act establishing increases of sanctions for certain violations and expanding the range of unfair commercial practices. The changes further introduce the different types of information that should be provided to consumers by the online commerce provider.

Proposal for reduction of statutory interest rate

Draft amendments to the Obligations and Contracts Act propose a reduction of the statutory interest rate applicable in cases of delay by a party with its contractual performance. The proposal also establishes different rates of statutory interest for individuals and merchants. The new rates would not affect obligations for statutory interest which occurred before the entry into force of the changes.

Proposed changes regarding bankruptcy and stabilization procedures

Various amendments to the Commerce Act regarding bankruptcy and stabilization procedures have been proposed. Among others, the changes concern improvements in stabilization procedures, reduction of state fees for bringing annulment claims for certain transactions and actions of debtors in bankruptcy proceedings and extension of the time period for the submission of such claims. In addition, the possibility for bankruptcy of self-employed individuals active in economic activity is planned to be introduced.

POLAND

Certification of public procurement contractors

The Ministry of Development and Technology has drafted a solution, to take effect in 2023, under which public procurement contractors will be able to apply for certifications proving their performance capabilities and resources, reducing the need to obtain extensive documentation before each bid on public contracts

Prevention of company theft

According to a bill prepared by the Ministry of Justice, persons authorized to represent a company will receive electronic information each time an application for a change in the KRS entry is submitted, which may allow a quick response to actions taken by fraudsters who want to make entries on the basis of forged documents.

Polish sanctions

On 16 April 2022, the Sanctions Act came into force, providing for the creation of a national sanctions list, i.e., a list of sanctioned persons and entities (in connection with the Russian aggression against Ukraine). Acting in violation of the Act or violating EU sanctions carries a risk of financial and personal consequences for persons involved in a given transaction, e.g., an administrative fine of up to EUR 4.3 million.

Improving process of employing Ukrainian citizens

The Council of Ministers has adopted an amendment to a special act, according to which an IT system will be created in which employers will be able to post job offers available for Ukrainian citizens. The latter will be able to fill in a questionnaire and provide information about their knowledge and experience. The new process is to enter into force within days.

One of the **Ukrainian Desk projects in Poland** is an information campaign. The Polish office in Warsaw has become a content partner of the [Rzeczpospolita](#) daily and as part of this campaign has prepared a series of articles addressed to Ukrainian companies and refugees.

ROMANIA

Amendments related to commercial guarantee granted to consumer

As of 1 January, the rules related to the applicability, length and burden of proof related to the commercial guarantee granted to the consumer have been amended. A new amendment to the law is also envisaged in the next few months.

Commercial guarantees in contracts for providing digital content/services

As of 9 January, new provisions related to the commercial guarantee in contracts for providing digital content/services have entered into force, regulating aspects such as liability, burden of proof, and technical aspects influencing the guarantee.

State Aid scheme for high efficiency cogeneration

On 14 February, 2022, a State Aid scheme for supporting investments in high efficiency cogeneration has been introduced. The scheme supports micro, small and medium-sized, and large enterprises with non-reimbursable funds up to a maximum of EUR 15 million/project and a total estimated budget of EUR 60.98 million.

Amendments related to employment health and safety procedures

A government decision of 7 March introduces the possibility of using an electronic signature for health and safety training. Moreover, the procedure for investigating work incidents involving Romanian citizens, that happened outside the borders of the country, is subject to simplification.

Facilities for employment of Ukrainian citizens

As of 8 March, Ukrainian citizens not requesting a form of protection can be hired without the need to obtain a long-stay visa for work purposes. In addition, the employer does not need to obtain an employment endorsement when hiring a Ukrainian citizen.

HUNGARY

Consumer protection regime to be further beefed up

In line with EU Directive 2019/2161, several Hungarian consumer protection laws will be amended effective from 28 May 2022. These changes include, e.g., the expansion of unfair trade practices, indications of the prices and quality of products, and warranty claims.

New rules on price promotions

From 28 May 2022, in the case of notification of a price reduction, the previous price applied by the company for a specified period prior to the price reduction shall be indicated. The previous price shall be the lowest price charged by the undertaking during a period which may not be less than 30 days before the price reduction is applied.

Selling Covid tests at retail

The sale of rapid Covid tests at the retail level has been authorized, and businesses without a pharmacy licence under the Pharmaceutical Distribution Act can now sell them. The government decree will remain in force until the state of emergency is over.



TAX NEWS

CZECH REPUBLIC

Tax deductibility of donations in relation to Ukraine

Tax support for taxpayers' charitable activities has been extended in terms of conditions, recipients and donors. Both individuals and legal entities are entitled to deduct the value of donations related to Ukraine in total up to 30% from the tax base in the 2022 tax period.

Road tax partially abolished

An amendment to the road tax act abolishes the road tax for cars and buses. Also, the tax liability for trucks has been reduced. The changes apply effective from 1 January 2022, although the act enters into force, presumably, in May or June 2022.

Tax support for electromobility

An amendment to the Income Tax Act includes some measures to support electromobility: 1% of the purchase price of a company car used for private purposes is added to the tax base of an employee on a monthly basis. Low emission vehicles are newly subject to a reduced rate of 0.5% of the purchase price. In addition, wall boxes and other equipment for charging electric vehicles will fall into the second depreciation group, i.e., the costs may be treated as tax deductible within 5 years instead of the current 10 years.

Excise duty on fuel reduced

An amendment to the excise duties act temporarily reduces tax by CZK 1.5 (approximately 0.06 EUR) per litre on diesel oil and petrol. This measure is intended to reduce the prices of fuel. The tax reduction is effective from 1 June 2022 to 30 September 2022.

SLOVAKIA

Business guides dedicated for Ukrainian companies and entrepreneurs

As the part of the PETERKA & PARTNERS Ukrainian desk's activities, our international team led by Lenka Paluchová, Galyna Melnyk and Taras Utiralov prepared a series of business guides dedicated for Ukrainian companies and entrepreneurs interested in doing business in the countries where we have our offices.

These guides consists of comprehensive overview of unified basic corporate and tax information for the respective jurisdictions.

The team is currently preparing another series of guides **HANDBOOK ON INCOME TAXATION** for Ukrainian residing and doing business in CEE countries, so stay tuned for the upcoming news!



UKRAINE

New tax reform during period of martial law

On 17 March 2022, Law No. 2120-IX dated 15 March 2022 entered into force. Among others, this Law introduces complex amendments for the administration of VAT, corporate profit tax, tax on personal income, military tax, land tax and environmental tax.

Improvement of tax legislation

On 5 April 2022, Law No. 2142-IX entered into force. Among others, this Law extended the term for filing tax reporting to six months after the termination of martial law and introduced excise tax and VAT exemptions on the import of vehicles.

New Rules for “Diia City” residents

On 31 March 2022, Order No. 99 entered into force. This order approved the form of the application for taxation as “Diia City” residents (special tax regime for IT industry) and the procedure for filing and consideration of such an application.

BULGARIA

Amendments regarding taxation of hybrid entities

New conditions have been introduced in the Corporate Income Tax Act under which a hybrid entity registered or established in Bulgaria, which is not a collective investment scheme and is not a taxable person, will be regarded as a legal entity for corporate taxation purposes.

Tax treatment of leaseback transaction

New rules have been introduced concerning the tax treatment of the results of the sale of fixed assets followed by a leaseback transaction regarded as an operational lease as per International Accounting Standards, and of the assets subject to such transactions.

Lower tax rate on expenses in kind

As of 1 January 2022, a tax rate of 3% applies to expenses in kind related to assets provided for personal use and/or related to the use of personnel by employees and other persons providing labour to the taxable person.

Regulations regarding VAT Union and non-Union schemes and distance sales of goods

Multiple amendments have been introduced to the VAT Act regarding the taxation of distance sales of goods imported from third countries or territories, Union and non-Union schemes, and concerning among others the occurrence of a tax event, place of transaction, tax credit right, registration, and deregistration.

VAT treatment of sales through online platforms

New regulations have been introduced to the VAT Act regarding supplies where the recipient is a taxable person who manages an electronic interface (such as online platforms) whereby the supply between the main supplier and such recipient is regarded as a taxable supply with a zero rate.

ROMANIA

Reporting of information regarding market place transactions

As of 3 February, economic operators managing market places are now obliged to report information on the relevant transactions to fiscal bodies. In this way, the fiscal bodies will identify much more easily the economic operators not declaring their fiscal obligations.

Companies declared temporarily inactive are no longer obliged to submit fiscal declarations for period of inactivity

As of 3 February, entities registered in the trade registry as temporarily inactive will not have to submit fiscal declarations for the period of inactivity, starting the 1st of the month following their registration as such.

Communication with fiscal bodies exclusively on Virtual Private Space

As of 1 March, it has become mandatory for every taxpayer to have an account in the Virtual Private Space in order to communicate with the fiscal bodies. Hence, printed documents shall no longer be accepted by the fiscal authorities.

Non-payment of taxes/contributions shall be a criminal violation

As of 1 March, withholding/collecting and non-payment of taxes and/or contributions provided in the Law for the Prevention and Combat of Tax Evasion (e.g., salary taxes), within 60 days of the legal deadline, shall be punished with imprisonment between 1– 5 years/fine.

HUNGARY

NAV publishes 2022 audit plan

The Hungarian Tax Authority (NAV) has published its newest audit plan, with business activities such as online sales, construction, and the food industry in focus. The NAV puts greater emphasis on the use of data from online invoice reporting and from the international exchange of information.

Controlling major taxpayers

The NAV risk analysis of data received from international information exchange (country-by-country reports (CbCR), cross-border tax arrangements) will be more focused on the control of cross-border transactions in 2022.

Tax exemption on e-motorcycles

More than 100 purely electric motorcycles have already received the green number plate for tax exemption. Environmentally-friendly motorcycles are exempt from registration tax, motor vehicle tax and transfer tax.

New special crypto income rules

From 2022, income from cryptoassets (such as bitcoin trading or mining) can be declared as separate taxable income for the first time as an individual under new special crypto income rules. There will be no tax liability until the cryptoassets are withdrawn from the crypto world, i.e., only the conversion of fiat into foreign currency will be taxable.

CONTACT

PETERKA & PARTNERS is an independent full-service law firm with a special commitment to the region of Central and Eastern Europe. The only truly Central Eastern European law firm that has built its own strong regional presence in key markets, PETERKA & PARTNERS offers a pan-regional legal and tax competency and dynamic alternative to the top law firms, both international and purely local, on these markets.

Operating fully-owned offices across the region, in the Czech Republic, Slovakia, Poland, Hungary, Romania, Bulgaria, Belarus and Ukraine, PETERKA & PARTNERS is organized and acts as “one firm” and leverages its unique integrated infrastructure, legal excellence, industry insight and deep local expertise to deliver complex legal solutions with exceptional commercial value to its clients.

For further information on any of the issues discussed in this edition of the Newsletter, or if you should have any other enquiries, please contact us through the contacts listed below or visit our website at www.peterkapartners.com.

GLOBAL CONTACT

Ondrej Peterka, Managing Partner, peterka@peterkapartners.cz

CZECH REPUBLIC

Karlovo namesti 671/24
CZ – 110 00 Prague 1
+420 225 396 300
krbcova@peterkapartners.cz
urbancova@peterkapartners.cz

BULGARIA

96, Georgi S. Rakovski
BG – 1000 Sofia
+359 2 984 11 70
peev@peterkapartners.bg

POLAND

Śniadeckich 10
PL – 00-656 Warsaw
+48 22 696 72 01
ploskowicz@peterkapartners.pl
siwinska@peterkapartners.pl

SLOVAKIA

Namestie Mateja Korvina 1
SK – 811 07 Bratislava
+421 544 18 700
lesko@peterkapartners.sk

HUNGARY

Vörösmarty tér 4
HU – 1051 Budapest
+36 1 235 10 90
cseho@peterkapartners.hu

BELARUS

Pobeditely Avenue 103, suite 1303,
BY – 220020 Minsk
+375 17 236 47 11
rakovskij@peterkapartners.by
gievaya@peterkapartners.ru

UKRAINE

40/85 Saksahanskoho St.
UA – 01033 Kyiv
+380 44 581 11 20
utiralov@peterkapartners.ua

ROMANIA

33 Aviatorilor Blvd, 1st District
RO – 011853 Bucharest
+40 21 310 48 82
aron@peterkapartners.ro