

PETERKA PARTNERS

THE CEE LAW FIRM

New obligation - registration in the Register of Public Sector Partners (“RPSP”)

In December of last year, an amendment to Act No. 215/2021 Coll. on the Support for Short-Time Work (“Kurzarbeit”) was adopted, by which Act No. 5/2004 Coll. on the Employment Services was also amended. The amendment, in addition to postponing the effectiveness of Kurzarbeit to 1 March 2022, introduces also an **obligation for employers receiving a financial contribution from the state to support the maintenance of employment within “First Aid” projects to register in the RPSP.**

The RPSP is a special register that contains data on **public sector partners**, i.e., natural persons and legal entities receiving monetary benefits or property from public sector entities (state, self-government and others) in the amounts above the statutory limit. In general, any persons receiving payments in an amount exceeding EUR 100,000 in the case of one-off payment or in a total amount exceeding EUR 250,000 EUR in the case of more partial or recurring payments are required to register in the RPSP.

However, employers receiving a state contribution to support the maintenance of employment were relieved and the obligation to register in the RPSP did not apply to them until 31 December 2021, because such obligation was considered fulfilled by the end of 2021 on the basis of a legal exemption. The amendment does not prolong this exemption any longer.

Therefore, those employers asking for a financial contribution for January and February 2022 or separately for these months, have an obligation to register in the RPSP if the amount of provided financial contribution exceeds:

- **EUR 100,000 in the case of a one-off contribution to be paid for January and/or February 2022, or**
- **EUR 250,000 in total in the case of more contributions to be paid for January and February 2022.**

For employers receiving a financial contribution within “First Aid” Projects for an eligible period lasting until 31 December 2021, the obligation to register in the RPSP is considered fulfilled.

The obligation to be registered in the RPSP has to be fulfilled at the moment of filing a request for a contribution. Therefore, we recommend that our clients, which assume the provision of contribution for January and/or February 2022 in the amounts over the above-mentioned limits, ensure the registration in the RPSP as soon as possible.

As of 1 March 2022, when the Act on Kurzarbeit comes into effect, the financial contribution to support the maintenance of employment will be replaced by support for short-time work. **The obligation to be registered in the RPSP will also apply to those employers asking for support for short-time work, if the amount of such support exceeds the above limits.**

If the employer does not fulfil the obligation to register in the RPSP according to the above, financial contributions to support the maintenance of employment or support for short-time work will not be paid to such employer.

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Registration in the RPSP

The public sector partner cannot register in the RPSP by itself, such registration can be ensured only by an authorized person. The activity of the authorized person can be performed only by, **for example, an attorney, a bank, a notary, an auditor or tax advisor.** The role of the authorized person is namely to identify and verify the identification of the ultimate beneficial owner of the public sector partner. Documents required by law (e.g., verification documents) are part of the RPSP as well, while they are publicly available therein.

The registration in the RPSP is subject to continuous updating of the ultimate beneficial owner and its data (within 60 days of any change) and subject to periodical verifications at least twice a year.

The public sector partner and authorized person are both liable for the accuracy of data registered with the RPSP, for identification of the UBO and for verification of its identification.

Should the application for registration in the RPSP include false or incomplete information about the ultimate beneficial owner, or other obligations are not fulfilled, the following sanctions may apply:

- a fine to the public sector partner in the amount of the economic benefit earned by the public sector partner; if the economic benefit cannot be ascertained, a fine of up to EUR 1,000,000 may be imposed,
- a fine to the person who is a statutory body or any member of a statutory body of a public sector partner up to EUR 100,000,
- deletion from the RPSP – if the public sector partner is deleted from the RPSP, the public sector partner cannot be entered into the RPSP for a subsequent 2 years,
- if the public sector partner is deleted from the RPSP, its statutory bodies cannot hold a position in a statutory body, supervisory body or a proxy of a Slovak business company for a period of 3 years,
- the right of the contractual party, with which the public sector partner is in contractual relationship, to withdraw from the contract,
- criminal liability – intentional disclosure of false data on the ultimate beneficial owner may also give rise to the criminal liability of a public sector partner and of the authorized person.

The PETERKA & PARTNERS law firm provides authorized person services. We are at your full disposal for complex legal assistance related to registration in the RPSP.

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This summary is for informational purposes only and may not be considered a legal opinion or advice on how to proceed in a particular case. The summary reflects the status as of 18 February 2022.