

# PETERKA PARTNERS

YOUR CEE LAW FIRM

## NEWSLETTER 2/2023

Czech Republic

Slovakia

Ukraine

Bulgaria

Poland

Romania

Hungary

Croatia

# PETERKA & PARTNERS **NEWS**



## **PETERKA & PARTNERS team of lawyers attending the IBA Annual Conference**

We cordially invite you to meet our team at the IBA Annual Conference taking place on 29 October - 3 November 2023 in Paris, France.

Our law firm will be represented by the team of our exceptional lawyers and experts from many jurisdictions: **Pavla Kopečková Přikrylová, Ján Makara, Jiří Černý, Ondřej Dušek, Cosmina Aron, Adéla Krbcová, Csehó András, Sławomir Patkowski, Halyna Melnyk** and **Marcin Kryszko** who look forward to reconnecting or meeting new colleagues and friends.

To arrange meetings with our team please contact Ilona Tkachenko (tkachenko@peterkapartners.ua).

**PETERKA PARTNERS**

YOUR CEE LAW FIRM



International Bar Association  
the global voice of the legal profession

Meet our lawyers at

## **IBA Annual Conference**

29th October - 3rd November 2023  
Paris







## An amazing team-building experience!

After a couple of years, we could finally all meet in person, and spend some quality time together in the beautiful surroundings of Hotel Haffner in Sopot City, Poland.

Recent years were very important for the PETERKA & PARTNERS as we celebrated the 20th anniversary of the Group back in 2020 and “round” anniversaries of six offices.

During the Gala Dinner, **Dorota Ploskowicz** and **Agnieszka Siwińska** who manage our Warsaw office, talked of times filled with challenges and its recent growth. **Sławomir Patkowski**, Partner and Deputy Director for Poland helps them with such great development of our Polish office.

Thanks to all of our PETERKA & PARTNERS colleagues for such a great time spent together in Sopot, Poland.

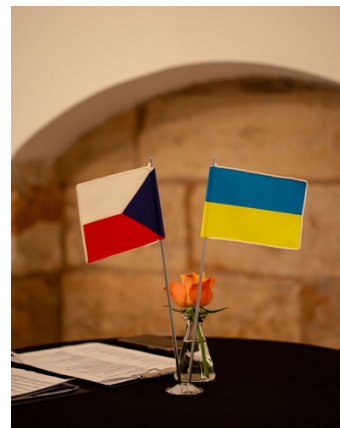
You can see the pictures and more information [here](#).



# PETERKA & PARTNERS *NEWS*

## Wines of Ukraine

On September 14, we had the pleasure to be an exclusive Partner of the event "Wines of Ukraine" organized by the Ukrainian Embassy in the Czech Republic. The event brought together representatives of the Association of Ukrainian Wine Producers, potential Czech partners along with the Czech government officials; ambassadors accredited in the Czech Republic and representatives of Czech business circles and trade networks.



At the opening, Mr. **Vitalij Usatyj**, Chargé d'affaires a.i. greeted the guests and thanked Czech partners for their consistent and extensive support of Ukraine and Mr. **Ondřej Peterka** stressed out the importance of supporting Ukrainian exporters in promoting their domestic products to foreign markets, aimed at contributing to their integration into the European business community. We are glad that our continuous support to Ukrainian companies helps establishing mutually beneficial partnerships between the business circles of Ukraine and the Czech Republic.





# PETERKA & PARTNERS *NEWS*

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## Founder and Managing Partner in the media

Our Founder and Managing Partner, **Ondřej Peterka** had the pleasure to discuss recent developments and the future plans of PETERKA PARTNERS group with Mr. **Jan Januš** in the June edition of the magazine Lawyers and Business. You can read the article in Czech [here](#) or in English [here](#).



In the summer, **Ondřej Peterka** was also a guest of the Best Lawyers podcast. In a very open and interesting interview for the Best Lawyers summer podcast series on INFO.CZ, Ondrej Peterka talked about what does entering a foreign market entail, the differences between operating on the EU versus non-EU markets and many more.

You can listen to the podcast in Czech language [here](#).

# PETERKA & PARTNERS **NEWS**



## The highly anticipated IFLR1000 ranking of this year

In the world of M&A, we have six of our offices earning well-deserved achievements for their outstanding work. This is especially a big milestone for us because this year marks the first time our Ukrainian office has made its entry into the M&A ranking, solidifying our position as a leading force in the region.

Jan Makara, partner for the Slovak office, is continuously recognized as highly regarded lawyer in the M&A and Real estate acquisitions practice areas for Real estate industry sector.

Besides M&A, four of our offices received recognition in the field of banking and finance, showcasing our multifaceted capabilities in this complex domain.

Furthermore, our Czech office has been acknowledged for its expertise in restructuring and insolvency, reaffirming our commitment to delivering top-tier solutions in challenging times.

Finally, our Bulgarian office has reconfirmed its position in Project Development, highlighting our continuous efforts to drive innovation and progress in the industry.

IFLR1000

PETERKA PARTNERS

YOUR CEE LAW FIRM

### IFLR1000 2023 RANKING

#### M&A

Czech Republic

Slovakia

Bulgaria

Poland

Romania

**NEW!**  
Ukraine

#### Banking and Finance

Czech Republic

Slovakia

Bulgaria

**NEW!**  
Ukraine

#### Restructuring and Insolvency

Czech Republic

#### Project Development

Bulgaria



# PETERKA & PARTNERS *NEWS*



## ITR World Tax Leaders 2024

This ranking brings together over 5,500 leading lawyers, consultants, advisors, and economists from all corners of the world. It is an honour to see our dedicated professionals standing among this elite group, showcasing their expertise and commitment to delivering top-tier solutions for our clients.

This year's results is also another milestone for us as the Ukrainian office has been ranked for the first time. We are incredibly proud of this achievement and thank the entire Ukrainian team for their excellent and hard work.

Our ranked lawyers are Halyna Melnyk and Tetiana Bagmet from Ukrainian office, Andrea Farinic Stefancikova and Lenka Paluchova from Slovak office and Pavla Kopeckova Prikrylova and Rostislav Frelich from Czech office.



The screenshot shows the ITR World Tax Leaders 2024 award page for Peterka Partners. The page features the ITR World Tax logo on the left and the Peterka Partners logo on the right, with the tagline "YOUR CEE LAW FIRM". The main heading is "ITR World Tax Leaders 2024". Below this, six lawyers are listed with their names, titles, and headshots:

Name	Title
Rostislav Frelich	Tax Advisor
Halyna Melnyk	Tax Advisor
Lenka Paluchová	Tax Advisor
Tetiana Bagmet	Senior Associate
Pavla Kopečková Příkrylová	Partner
Andrea Farinič Štefančíková	Senior Associate

# LEGAL NEWS



## BULGARIA

### New type of company introduced in Bulgaria

A new type of company, with variable capital, can be seen as the middle ground between a limited liability company and a joint stock company. It is designed for startup projects and it allows for good flexibility in various aspects, including transfer of shares. Once certain thresholds (in terms of number of employees, revenues and assets value) are surpassed, this type of company must be converted into another type.

### Changes in insolvency and stabilization proceedings

The changes aim to ensure faster and more efficient proceedings. Time limits are shortened, standardized templates are introduced for various steps within the proceedings, and periods for submission of claims for invalidation of a debtor's actions are extended. As regards the stabilization procedure, a number of rules have been revised in view of providing more flexibility and efficiency.

### Amending draft law to Labour Code

Bulgarian labour legislation is soon to be amended in order to introduce updates in respect to remote working. The draft amendments include the designation of a specific place from which the remote work is performed, requirements for the systems used for assigning and reporting of the performed work, as well as some sort of right of employees to disconnect after working hours.

### Amending draft law to Investment Promotion Act

The draft amendments aim at protecting the Bulgarian and EU economies from corrosive capital, i.e., investments that could potentially harm national security or public order. Investments in vital sectors would be subject to screening performed by a newly established interdepartmental council. Direct foreign investment in certain sectors exceeding EUR 1 000 000 would be carried out only if permitted by this council.

### Registered Pledges Register is now digital

The Registered Pledges Register is already integrated in the Registry Agency ecosystem together with the Commercial Register, the Property Register, and others. Registered users will have access to the file of the pledger, including to the documents uploaded therein. This means the acts subject to announcement in the register are now public and the personal data contained in them needs to be erased.

## CROATIA

### Conversion of share capital in Croatian companies

On 1 January 2023, the euro became the official currency in the Republic of Croatia. Due to the introduction of the new currency, a company's share capital and nominal values of shares need to be converted from Croatian kuna to euros. All existing joint-stock companies must adjust their share capital with euros by 1 January 2024; and limited liability companies by 1 January 2026. Companies will have to adjust their share capital even before the expiration of the legal deadline if they plan to conduct certain corporate changes in the court registry.

### Sunday retail work ban

On 1 July 2023, the new provisions of the Commerce Act entered into force, prohibiting retail businesses to be open on Sundays and public holidays with two exceptions, namely, the prohibition is not applicable to retail venues that are part of, or are located within, transportation facilities, gas stations, hospitals, hotels, etc., and retailers may independently designate sixteen Sundays per year as working days.



# LEGAL NEWS



## **Scope of Restructuring Opportunities within Croatian Bankruptcy Procedures**

Due to Amendments to the Bankruptcy Act, debtors in Croatia now have the opportunity to use a wider range of means for recovery from financial distress within formal bankruptcy procedures. The main aim of the amendments was the harmonization of Croatian insolvency procedures with EU directives, mainly with respect to the preventive restructuring framework, the efficiency of the procedures, and the discharge of debt.

## **Obligatory e-communication**

The Croatian Litigation Act once again broadened the scope of those obliged to use e-communication in official court proceedings and provided stricter consequences for non-compliance. The list of those obliged now includes all legal entities, natural persons conducting business activities, liquidators, attorneys, state attorneys, notaries public, etc. Delivery of the official pleadings to those who are non-compliant via regular mail will be limited only to the first pleading. Due to the above-described amendments to the Croatian Litigation Act, all companies which have not yet performed registration in the e-communication system should do so as soon as possible.

## **CZECH REPUBLIC**

### **Amendment to Labour Code**

An amendment to the Labour Code bringing important changes, for example, to the conditions for teleworking, the employer's obligations towards employees working based on an agreement outside an employment relationship, e-signing and e-delivery, and the employer's information duty towards an employee, continuous rest (uninterrupted daily and weekly rest), will become effective on 1 October 2023 (with certain exceptions). A special newsletter covering this topic has already been circulated to our clients.

## **Health insurance for non-EU citizens**

Foreigners from non-EU countries with issued long-term residence/visas exceeding 90 days are obliged to take out comprehensive health insurance. Since 2021, such foreigners could take out compulsory health insurance exclusively with the Insurance company VZP (in Czech Pojišťovna VZP). Newly, foreigners from non-EU countries granted long-term residence/visas in the Czech Republic will be entitled to take out compulsory health insurance with any insurance company that offers this product.

## **Prolongation of temporary protection**

Generally, temporary protection allows Ukrainian refugees to access public health insurance, education, and the labour market. It is being proposed that those still interested in staying in the Czech Republic for temporary protection may do so (the prolongation should be until 15 March 2024).

## **Czech National Bank opinion regarding access to payment accounts by external payroll accountants**

Should the activity of an external payroll accountant for an employer involve the maintenance of funds for salaries and related deductions in the payroll accountant's payment account, although opened by the payroll accountant with a financial institution for each employer separately, from which salary payments and deductions are made, such activity requires a permit to provide payment services, namely to make a transfer of funds from the payment account under Section 3(1)(c) or (d) of Act No. 370/2017 Coll., on payment, as amended or to transfer funds under Section 3(1)(f) thereof. If the payroll accountant has dispositive authority over an account in the employer's name and made payments on behalf of the employer from that account, this would not be a payment service as the employer's funds are not entrusted to the payroll accountant to carry out payment transactions, and the activity would not fulfil the characteristics of a payment service.

# LEGAL NEWS

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## **Corporate Sustainability Reporting Directive**

According to current assumptions, the Corporate Sustainability Reporting Directive (“CSRD”) on non-financial reporting will come into force in 2024, but the date of the first report will vary depending on the type of company. This will affect more than a thousand companies in the Czech Republic, especially those with 250 or more employees, which will be obliged to report under the directive.

On 31 July 2023, the European Commission published the final version of the set of binding rules for non-financial reporting, the European Sustainability Reporting Standards (ESRS). These standards specify the content and structure of the sustainability disclosures that affected companies will be required to report under the Corporate Sustainability Reporting Directive (CSRD).

## **HUNGARY**

### **Newly introduced EPR system in Hungary**

Government Decree 80/2023 (III.14.) introduced the extended producer responsibility system in Hungary from 1 July 2023 in order to meet EU waste collection targets. Producers (first domestic distributors) of circular products can choose between collective and individual performance.

### **New Whistleblowing regime in Hungary**

The Hungarian Whistleblowing Act entered into force on 24 July 2023 for companies with more than 250 employees, and companies/service providers subject to the Anti-Money Laundering Act regardless of the number of employees. The new Act also applies to companies with 50-249 employees but they shall set up their internal whistleblowing systems only from 17 December 2023 (if they are not subject to the AML Act).

## **New legislation coming on employment of foreign employees in Hungary**

With the aim of reducing workforce shortages, new legislation on the employment of foreign employees shall introduce a definition of “guest workers” (e.g., third-country nationals from countries outside the EEA and from non-neighbouring countries) and special provisions for their employment in Hungary, and establish a special guest worker residence permit as well.

## **ROMANIA**

### **Updates with respect to insolvency procedures**

For procedures started before 17 July 2022, when the debtor requests the extension of the preventive agreement, the creditors who voted against such extension have the right to submit a request for initiating the insolvency procedure or to start enforcement procedures against the debtor.

### **New profession – professional cultural worker**

The professional cultural worker has been recently legally defined as a person who obtains at least 50% of their income from assignment of copyright or related rights, expressly regulated independent activities, or individual fixed-term employment contracts for cultural/cultural-related activities.

### **Changes with respect to whistleblower report**

Reports that do not include the name, surname, contact details or signature of a whistleblower, shall be examined and resolved to the extent that they contain indications of violations of the law, regardless of whether the indications are substantiated or not.



# LEGAL NEWS

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## **Instructions on individualization of penalties for unfair competition offences**

Depending on the gravity of the infringement, offences are divided into three categories: minor, medium, and major, implying fines between approximately EUR 10-100,000 for legal entities. Based on the duration of the infringement, additional amounts may be imposed on the legal entity in default.

## **Updates with respect to authorization of construction works**

The right to build is granted even in the absence of approved urban planning documents for construction works of electricity and hydrogen production and storage capacities from renewable sources located in the urban and rural areas of localities.

## **POLAND**

### **New obligations for companies starting in December 2023 – electronic delivery**

On 10 December 2023, the digital exchange of registered letters will be implemented. A company registered after 10 December 2023 will have to have set up an e-delivery mailbox when registering in a registry court. Companies registered before that date must register e-delivery mailboxes by 10 March 2024.

### **"Constitution of the Internet" or the Digital Services Act (DSA)**

As of 25 August 2023, the European Commission may now enforce new rules governing digital services. The Digital Services Act regulates the responsibility of technology companies for content published on online platforms and guarantees the protection of users from abuse, such as improper data processing.

## **Changes for entrepreneurs employing foreigners**

From 1 August 2023, the extended periods for authorization, validity of documents and extended deadlines for foreigners to perform certain activities will expire. Employers employing foreigners have to make sure they keep documentation proving the legal residence of, and the right to perform work by, the foreign employees.

## **UKRAINE**

### **New procedure for providing explanations regarding UBO(s)**

Order of the Ministry of Justice No. 2211/5 (in force as of 17 July 2023) approved the procedure for companies to provide explanations/documents to confirm the information on their UBO(s) and ownership structure should the possible unreliability of such data in the state register be detected.

### **New procedure for operation of separate divisions of foreign legal entities introduced**

Law of Ukraine No. 3257-IX (in effect as of 3 September 2024, except for specific provisions) introduced a new procedure for the registration, operation and termination of separate subdivisions of a legal entity incorporated under the legislation of a foreign state.

### **Obligatory registration in Unified Judicial System**

On 21 July 2023, Law of Ukraine No. 3200-IX came into effect. According to this law, from 20 February 2024, legal entities are required to register “electronic cabinets” in the Unified Judicial System, which ensures the exchange of documents.

# LEGAL NEWS

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## **State Register of Sanctions to be launched in Ukraine**

On 29 July 2023, Law of Ukraine No. 3223-IX came into effect. The law introduces the creation of a State Register of Sanctions that will be the only official and centralized source of information about sanctions applied by Ukraine.

## **Ukraine combats illegal hiring of foreigners**

On 20 August 2023, Law of Ukraine No. 3196-IX came into effect. This law increases the fine for hiring foreigners without a work permit. From now on, a fine should be imposed in the amount of approximately EUR 130 to EUR 175.

## **SLOVAKIA**

### **Reform of judicial map of Slovak Republic**

As of 1 June 2023, the names, seats, districts and agendas of some courts have been changed. Companies and organizational units based in the Bratislava and Košice districts must update their registration data in company documents and means of communication due to changes in the courts maintaining commercial registers.

### **Transformation of companies and new Insolvency Register**

A new act, the Act on Transformations of Companies and Cooperatives (Act no. 309/2023 Coll.), has been passed, introducing clearer regulation of domestic and foreign company transformations. The act will replace all of the relevant provisions of the Commercial Code concerning mergers, amalgamations, divisions and changes in the legal form of companies with proposed effect from 1 March 2024. In addition, this act also amends the Bankruptcy and Restructuring Act which introduces a new Insolvency Register, unifying pre-insolvency, liquidation and insolvency proceedings. The register should start recording data from 1 January 2025 and it will replace the Bankruptcy Register and publication in the Commercial Journal.

### **Amendment to Whistleblower Protection Act**

Private companies with business activities including the provision of financial services, transport safety services or environmental services are obliged to implement an internal reporting system and those with such system must always designate an internally responsible person. This came into effect 1 September 2023.

### **Revocation of Extraordinary Situation declared in relation to COVID-19**

As of 15 September 2023, the Extraordinary Situation declared in March 2020 in connection with COVID-19 has been terminated. The recall of the Extraordinary Situation results in the termination of a number of exemptions that simplified some processes during COVID-19. This has a major impact in particular on the employment of third-country nationals, labour law, business, social affairs, among other areas.”

### **Product safety for consumers**

From 1 August 2023, the safety of certain consumer non-food products is no longer covered by the Consumer Protection Act but by a new law published under no. 281/2023 Coll. Changes were made in relation to the sale of non-food goods with a minimum shelf life, informing consumers about an unsafe product, return of an unsafe product, etc.





## BULGARIA

### Additional obligation to report

As from 1 July 2023, legal entities have an additional obligation to report cash and receivables from owners who are natural persons, employees, accountable persons, and persons hired under management and control agreements, if at the end of the calendar quarter the overall sum of cash and such receivables exceeds BGN 50 000 (approximately EUR 25 000).

### Electronic food vouchers

Effective from 1 January 2024, employers may provide food vouchers to their employees also in electronic form. It is planned that at a certain stage hard copy vouchers will be eliminated.

### New rules on declaring of goods with high fiscal risk

As of 1 October 2023, preliminary declarations of data regarding transport of goods with a high fiscal risk prior to the entry of the vehicle onto the territory of Bulgaria will become mandatory, and receipt of the goods must be confirmed by the day following the day of arrival under amended rules.

### Time-barring of interest on public debts

The interest on public debts becomes time-barred with the expiry of the terms set out for the principal i.e., 5 or 10 years, depending on certain conditions, as from the 1 January of the year following the year in which the debt has occurred.

## HUNGARY

### Registration of foreign financial and investment service providers

Government Decree 197/2022 (VI.4.) expands the scope of financial and investment service providers who shall pay the financial transaction tax in Hungary from 1 August 2023. From such date, providers having residency or a seat abroad or providing cross-border services are also obliged to pay the transaction tax.

### New tax on some types of savings and investments

The Hungarian government is introducing a 13% social contribution on interest earned on some forms of savings and investments after 1 July. There are only two exceptions, which are the following: interest income from real estate funds and government securities.

### US-Hungarian double taxation agreement applicable until end of 2023

The Hungarian Tax Authority announced that the provisions of the US-Hungarian double taxation agreement on tax assessment can still be applied until 31 December 2023. There is no change in the tax treatment of income generated until the end of this year.





## CZECH REPUBLIC

### Tax consolidation package

The main changes in taxation include:

Increase of the corporate income tax rate from the current 19% to 21% for tax periods beginning on or after 1 January 2024. The limitation of CZK 2 million (approximately 80 thousand EUR) for the cost of cars for business purposes, i.e., tax depreciation in excess of this limit will be non-deductible. Limitations to certain non-monetary employee benefits (meal vouchers, cultural events, sports events, etc.). Abolishing of exemptions of some allowances and personal deductions and credits, for instance, limitations to the spousal discount, abolishing the student tax credit, and abolishing the discount for placing a child in a pre-school.

### Increase of excise duties on tobacco and alcohol, gambling taxes, and real estate tax.

The current two reduced VAT rates of 10% and 15% will merge into one reduced rate of 12%. The tax progression (23% tax rate) threshold will be lowered from four times to three times the average monthly salary. Restrictions to the exempt income from sale of securities (currently a 3-year test) and shares (5-year test) to CZK 40 million (approximately EUR 1.6 million) per year.



## ROMANIA

### New VAT exemption benefits for specific domains

According to the latest amendments to the Fiscal Code, new VAT exemptions are provided for the construction and modernization services of hospital units within the public state network, the supply of medical equipment, and the supply of orthopedic products.

### Updates with respect to income tax payment exemptions in software development field

For software development, the income tax payment exemption is applicable for employees working in the following areas: information & communication technology, AI, emerging digital technologies, administration, electronic tax administration, databases, e-government services, and digital transformation.

### Property tax exemption

No property tax will be due for new or refurbished residential buildings for which the owners carry out works to improve energy performance, or install photovoltaic electricity systems or certified ecological systems for collecting and treating waste water from their own consumption.

### Income of digital nomads is tax-free in Romania

The income of digital nomads who either work for, or own, a foreign company providing services using information & communication technology will not pay income tax in Romania if such person is present in Romania for a maximum of 183 days during any 12 consecutive months within a calendar year.



## POLAND

### Groundbreaking Judgment on Polish Real Estate Tax

On 4 July 2023, the Polish Constitutional Tribunal issued a judgment in which it found the legal definition of the structure for the purposes of Polish Real Estate Tax to be unconstitutional. Moreover, the Tribunal stated that the relevant tax provisions will cease to apply within 18 months from the date of publishing the judgment in the Journal of Laws.

Therefore, it is expected that starting from 1 January 2025, a brand-new regime of RET on structures in Poland will come into force. So far, no draft legislation has been proposed by Polish lawmakers.

### Draft Guidelines on Tax on Shifted Profits

The Polish Ministry of Finance has issued draft guidelines regarding the tax on regulations concerning tax on shifted profits. The document sheds light on: (i) the scope of the tax basis of the tax on shifted profits, (ii) the prerequisites for taxation on transferred income on the part of both foreign and domestic entities, and (ii) examples of ways to document the lack of meeting the conditions for taxation. The guidelines are relevant for Polish-based companies operating as multinational enterprises (MNEs).

### Slim VAT 3.0 legislation has come into force

Starting from 1 July 2023, Slim VAT 3.0 legislation has come into force. The changes concern inter alia: (i) increasing the turnover limit of a small taxpayer from €1.2 million to €2 million gross, (ii) simplifying the VAT pro-rata rules, (iii) reducing the rates of VAT sanctions and adapting them to the individual situation of the given taxpayer, and (iv) modification of VAT e-commerce settlement rules.

## UKRAINE

### War-related tax exemptions cancelled

On 1 August 2023, Law of Ukraine No. 3219-IX came into effect. This law introduces a gradual return to the “pre-war” rules for taxation, among which are a transition from the simplified taxation system (2%) to the previous one and the re-start of inspections of specific categories of taxpayers.

### Managers of companies with tax debts to be registered in special register

According to Order of the Ministry of Finance No. 290 (in effect as of 13 July 2023), a specially introduced register shall contain information about the managers of taxpayers, on whom a temporary restriction on the right to travel outside Ukraine shall be applied due to the presence of tax debt.

### New form for tax invoices, adjustment calculations and VAT tax returns

According to Order of the Ministry of Finance No. 256 (in force as of 1 August 2023), there is a new form to be filled in for tax invoices and adjustment calculations that VAT payers send for registration, and from 1 September 2023 – for VAT tax returns submitted for August 2023.

### Supreme Court on defining feature of business transactions

The Supreme Court, in its decision dated 20 July 2023 in case No. 280/2815/19, established that the defining feature of a business transaction is that it must entail real changes in the property status of the taxpayer. This conclusion affects various tax qualifications.





## SLOVAKIA

### New limits for cash payments

With effect from 1 July 2023, the limit for cash payments between entrepreneurs is increased to EUR 15,000 from the original EUR 5,000. The new measure unified these limits to the same amount (EUR 15,000) for both entrepreneurs and non-entrepreneurs.

### Cancellation of rules for controlled foreign companies (CFC)

CFC rules applicable to natural persons are cancelled by law with effect from 1 August 2023. The obligation to pay the tax resulting from the cancellation of these rules shall cease. If the payment of such tax has already taken place by 31 July 2023, this tax payment is considered as tax overpayment which is either transferred to the tax liability, or a refund can be requested.

### New exemption from social security rules for cross-border teleworkers

As of 1 July 2023, the Framework Agreement on the application of Article 16 (1) of Regulation (EC) No. 883/2004 in cases of habitual cross-border telework, allows cross-border teleworkers who perform less than 50% of their total working time with telework in their residence country and whose employer has its seat in a different state, to be covered by the social security system of the country where their employer is situated (a general rule states that when performing at least 25% of the work, the employee is insured in the state of his/her residence). An important condition for claiming this exemption is that the application must be made in the country where the employer is situated. This applies only to those Member States that have signed the Framework Agreement.

### Reduction of tax burden for natural persons

The amendment to the Income Tax Act, effective from 1 January 2024, introduces several changes aimed at reducing the tax burden on natural persons. The most important are:

- Taxation of income from the sale of virtual currency after one year from its acquisition at a special tax rate of 7%.
- Exemption of income from the sale of securities after three years from their acquisition (subject to certain exceptions) even if they are not admitted to the stock exchange/regulated market.
- Exemption of income from the transfer of a participation (share) in a limited liability company after the expiration of three years from its acquisition (subject to certain exceptions).



# 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 eight fully-owned offices across the region, in the Czech Republic, Slovakia, Poland, Hungary, Romania, Bulgaria, Ukraine and Croatia, 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](http://www.peterkapartners.com).

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