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Fact Sheet: Anti-Bribery Regulations - Czech Republic (2013, January)

<p>1. What types of bribery & corruption offences exist under domestic law?</p>	<p>There are two branches in the Czech law which regulate bribery and corruption – the Commercial Code in the field of unfair competition and the Penal Code in the field of corruption.</p> <p>Bribery is regulated in the <u>Commercial Code</u>, section 49 as conduct by which a competitor offers, promises or renders benefits, to a person who is a member of another competitor's statutory body to gain advantage by means of unfair conduct for him/herself or another competitor to the detriment of other competitors, or an unjustified competitive advantage, or indirectly demands or solicits or accepts any kind of benefit for the same purpose.</p> <p>Bribery and corruption are regulated in the <u>Penal Code</u>, section 331 – 333 as accepting bribes (331), bribery (332) and indirect corruption (333). A bribe is defined in the Penal Code, section 334, subsec. 1 as an unauthorised advantage of direct asset enrichment or other benefits that the bribed person is to receive or with their consent give to another person and to which they are otherwise not entitled.</p>
<p>2. Do such offences concern only payments or gifts to officials or also to other persons (please describe)?</p>	<p>Bribery regulated in the Commercial Code concerns payments or other advantage for/from competitors. Competitors are natural or legal person or their association, which join the economic competition.</p> <p>Bribery and corruption regulated in the Penal Code concerns bribes for/from a person in connection with the procurement of goods of general interest or for/from another person in connection with an enterprise of their own or another person.</p> <p>In common, offences of bribery and corruption concerns wider range of persons than officials.</p>
<p>3. Who (including what entities) can be held liable for such offences?</p>	<p>Individuals as well as legal entities can be held liable for bribery described in the Commercial Code and in the Penal Code. Act on Criminal Liability of Legal Entities covers also the bribery and corruption regulated in the Penal Code.</p>
<p>4. Is prosecution possible for any offences committed outside the jurisdiction?</p>	<p>Yes, but under special conditions.</p> <p>In case of unfair competition, an individual or a legal entity can be sued at the Czech court, in the district of which the act establishing the right to indemnity occurred.</p> <p>In case of bribery and corruption the criminal offence shall be deemed committed in the territory of the Czech Republic,</p> <p>a) if the offender committed the act here, either entirely or in part, even though the violation or endangering of the interest</p>



	<p>protected by the criminal law occurred or was supposed to occur, either entirely or in part, abroad, or</p> <p>b) if the offender violated or endangered an interest protected by criminal law or if such a consequence was supposed to ensue here, if only to a certain extent, even though they committed the conduct abroad.</p> <p>In these cases the individual or legal entity can be sued at the Czech court.</p>
5. Are there any special rules concerning gifts and corporate hospitality?	<p>According to Act of Income Tax, section 15, the value of gifts donated to municipalities, regions, government branches, legal entities as well as legal entities that organise public collections are tax-deductible.</p> <p>There are no special rules concerning corporate hospitality in the Czech law.</p>
6. What procedures or policies should be implemented by individuals and/or corporations? How can such persons mitigate their potential exposure?	<p>There should be a compliance program and intern standards and guidelines according to the individual risks in the company/by the individual and according to the individual job position. The position of compliance manager or compliance ombudsman in the company can be helpful to mitigate the risks.</p>
7. What kind of penalties are provided for bribery and/or similar offences?	<p>There are different penalties in consideration of the type of offence such as monetary penalty, disqualification and prison sentence up to twelve years.</p>
8. Are there any other relevant requirements/provisions?	No

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