

## NEWS FROM THE CZECH LEGISLATION

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### Amendment of the Insolvency Act introduces clearance of business debts

Debt clearance is one of the ways of resolving a debtor's insolvency, which can take one of two forms. The first involves the one-off settlement of the debtor's debts by realising the debtor's assets and dividing the proceeds between creditors, which is in essence similar to bankruptcy.

You may find more info [here](#)

## EU LAW NEWS

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### Compulsory third party insurance also covers non-material damage

On 24 October 2013, the Court of Justice of the European Union issued a judgement in case no. C-22/12, Katarína Haasová versus Rastislav Petrik and Blanka Holingová, on the question of whether the payment of compensation for non-material damage caused by the death of a loved one in the use of a motor vehicle, is covered by the offender's compulsory third party insurance.

You may find more info [here](#)

## CZ CASE LAW UPDATE

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### Good news for company statutory bodies: the duty to act with due and reasonable care does not mean liability for the result

Once again, the Supreme Court of the Czech Republic recently ruled on the issue of the duty to act with due and reasonable care. Its conclusions on this matter are more important today than ever before, with the approaching entry of the New Civil Code (Act No. 89/2012 Coll., hereinafter "NCC") into force. Under Section 159 of the NCC, the duty to act with due and reasonable care will not only fall to the company's statutory bodies, but to all members of elected bodies. Liability will also be more stringent.

If a member of an elected body does not compensate the legal entity for damages caused by a breach of his/her duty to act with due and reasonable care, then he/she will be liable to the creditor of the legal entity for its debt to the extent of these damages (Section 159 (3) NCC).

You may find more info [here](#)

## THE NEW CIVIL CODE REVIEW

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### Limited liability companies under new legislation

Limited liability companies (hereinafter "LLC") are the most widely used form of business company in the Czech Republic. They are particularly popular with small and medium-sized businesses. This relatively well known legislation in the business community will undergo a series of changes of varying degrees of significance when Act No. 89/2012 Coll., the New Civil Code (hereinafter "NCC") and Act No. 90/2012 Coll., on business corporations (Business Corporations Act, hereinafter "BCA") come into effect.

You may find more info [here](#)

## CONTACT

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