

H&P

magazine

II/2020

“
HOW TO BE
A LEADER IN TIMES
OF BOTH CRISIS
AND PROSPERITY
”



Strategic thinking | Individual approach
Excellent legal team | Long-term partnership

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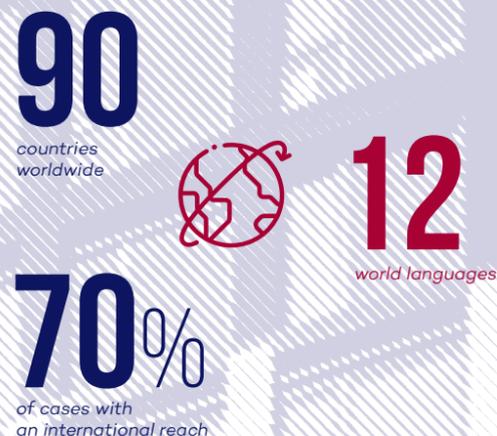
OUR TEAM



OUR CLIENTS



INTERNATIONAL APPROACH



FOREWORD

Dear Clients and Business Friends,

The last few months have been a huge test for all of us. The coronavirus pandemic has and will continue to have unprecedented consequences in modern history. But as Albert Einstein, perhaps the most famous scientist of all time, said: "In the middle of difficulty lies opportunity". We, at HAVEL & PARTNERS, approach the current crisis in the same way as well.

When I say "we", I mean all our more than 240 lawyers and tax advisors, as well as almost three hundred other colleagues who are involved in client care and running the firm. All of them, with maximum commitment and loyalty, have been able to cope with the unfavourable circumstances that the Covid-19 pandemic brings about and turned them into a challenge. Thanks to this approach, our corporate culture, enormous efforts and, last but not least, our top legal and tax expertise, we are able to respond flexibly to all changes in the society, market needs, and our clients' requirements.

The fact that we manage to do it is also evidenced by the awards we have received this year: four awards and the absolute victory in the Law Firm of the Year competition in the Czech Republic, which is organized under the auspices of the Czech Bar Association and the Ministry of Justice of the Czech Republic, three awards and the historical success of our firm in the same competition in Slovakia, as well as winning the most popular law firm among clients category in both countries, we also won the most prestigious global award, Chambers Europe Awards, for the best law firm on the Czech market. In addition to this, we were ranked the most sought-after employer and the most prestigious brand in the field of legal services. This is HAVEL & PARTNERS' score for 2020. At this point, I would like to thank all our clients and business partners for entrusting us with both their business and purely private matters, inspiring and motivating us to constantly move forward.

Because in our view, the legal profession is not only about law, but also about communication, supporting awareness and sharing useful know-how, we bring you the

second issue of our H&P Magazine. You will find a number of thematic articles, interviews and analyses related to current societal topics, as well as interesting tips and presentations of some of our practice areas and our other activities.

For example, we will share with you some proven tips on how to be a leader in both times of crisis and prosperity. Our real estate team experts summarize for you under what circumstances it is now appropriate to invest in real estate. Our financing, banking and restructuring team members have focused on addressing the consequences of the covid crisis in companies. They explain how setting rules for preventive restructuring will simplify and speed up the recovery of businesses in difficulties.

However, the coronavirus and its consequences are far from the only topic in this issue. We will also acquaint you in detail with one of the most trusted and most used digital identification methods today – bank identity, as our firm has been involved in its implementation in the Czech environment. In the article on telemedicine, we will look into the possible near future of the Czech healthcare system and clearly guide you through the fundamental changes that the major amendment to the Business Corporations Act brings to the lives of companies. Colleagues from our Slovak office have prepared a very current topic concerning awarding public contracts for legal services. We will also share with you a diverse range of transactions that we have recently helped to conclude for our clients, as well as tips on what management books you should definitely not miss.

I wish you not only useful and inspiring reading, but above all good health and a great deal of optimism.

On behalf of the entire firm,

→ **HAVEL & PARTNERS is the absolute winner of the Law Firm of the Year award in the Czech Republic, confirming the most successful year in its history**

The law firm HAVEL & PARTNERS has followed up on its success in the Chambers Europe Awards 2020, the most prestigious global award for the best law firm on the Czech market, and also became the absolute winner of the Law Firm of 2020 in the Czech Republic. This year, the law firm won the main prize for the best Czech law firm and the award for the best client services. At the same time, it won in two sector categories – Mergers and Acquisitions and Competition Law. These are its best results so far. HAVEL & PARTNERS also accomplished such results in the Law Firm of the Year award in Slovakia where it received three awards, including the one for the most popular law firm among clients.

“This is above all recognition of the top expertise, loyalty and utmost commitment of all our colleagues and their ability to cope with all the adverse circumstances that Covid-19 brought about. Therefore, they deserve great appreciation. I would also like to thank our clients for placing their trust in us when they approach us with their business as well as purely private matters and inspire us to keep moving forward,” commented Jaroslav Havel, the managing partner of the law firm on its success in the Law Firm of the Year awards.

→ **HAVEL & PARTNERS records mid-year services high**

Despite the Covid-19 crisis, the law firm achieved outstanding economic results in the first half-year of 2020. In the first six months, the firm’s turnover from net legal services marked an 11.5% increase year-on-year. The revenues from net legal services totalled CZK 388 million in the first half of 2020, while the group’s total sales amounted to approximately CZK 500 million.

HAVEL & PARTNERS thus followed up on the remarkable economic results from the previous year when its revenues rose by more than 11% year-on-year, and the sales of the entire group exceeded the CZK 1 billion threshold for the first time. *“The economic results of the law firm marking once again over 11% growth indicate that we have managed to keep the positive trend of two-digit growth from last year. However, we are expecting a slowdown in the second half of the year as a result of the impacts of the Covid-19 pandemic. Nonetheless, even our pessimistic estimates count on a slight increase in turnover and profit for the entire year 2020,”* said Jaroslav Havel, the law firm’s managing partner.



→ **In response to the impacts of the economic crisis, HAVEL & PARTNERS forms a unique team focused on financing, restructuring and insolvency**

The current drop in the Czech economy resulted in the financial problems many companies are now facing. Our law firm has responded to this situation by merging the banking and finance team with the team specialised in insolvency and restructuring. This is the largest professional team of lawyers with experience in these fields ready to assist clients in financial difficulties and offer them the most comprehensive legal advice on the Czech and Slovak markets.

“Our aim is to have a single closely cooperating team able to address in a comprehensive manner all financing stages from the actual drawing of a loan, addressing issues regarding its repayment, potential debt restructuring, to insolvency,” said Jan Topinka, a partner in the law firm, who is one of the managers of this special team. A number of leading foreign law firms have in fact a similar setting.

For more information on our specialised team, go to page 28.



BANKING AND TECHNOLOGY

BANK IDENTITY AS A NEW DIMENSION OF TRUST AND COMMERCE IN THE ELECTRONIC WORLD

All our lives we have been asked from time to time to present our ID card, passport or other proof of identity. Therefore, it is hard for us to imagine that soon this will no longer be required. But it’s time for this to change. A whole new world of remote identification is emerging that will be automatic, free of charge and instantly available to more than one half of all Czech citizens. Let us welcome bank identity, one of the most trustworthy and widely used digital identification methods today.

BANK IDENTITY IS EXPECTED TO BE DEPLOYED IN THE FIRST HALF OF 2021. ITS APPROPRIATE AND TIMELY USE MAY GIVE YOU AN ADVANTAGE OVER YOUR COMPETITORS.

Remote identity authentication used diffidently so far

We got used to trusting our banks and thanks to the permanent development of electronic services and exponentially growing number of possibilities for their application, we commonly procure our matters online. But we still have not gotten used to the idea that we can completely, reliably, electronically authenticate our identity at any time, remotely, without encountering other persons and without any waiting.

Under the Czech legal regulation of electronic identification there has been a state-run electronic identification means – **an electronic ID card** – available for more than two years now. From the legal point of view, an electronic identity offers a higher level of guarantee than bank identity, however, on the other hand it is necessary to make some efforts and invest some money – to purchase an electronic ID card reader for instance.

Moreover, the possibilities for using an electronic ID are unfortunately very limited. The state is not the best promoter or trader. This type of identity works only for persons who must verify identity under law (such as obligated entities under the AML legislation) or as a part of the exercise of official tasks (so called competencies). This is another reason why **the current electronic identities have been used hesitantly and infrequently in practice so far.**

Identify, authenticate, sign, and check

But now a revolution in electronic identity checking will come to fore with **bank identity**. Thanks to bank identity it will be possible to electronically authenticate the identity of individuals (or select information about them) with the use of secured access codes for internet banking. All that without the need to remember any new passwords or to have a special reader. Clients will continue using only what they are familiar with very well – internet banking log-in via a computer or mobile phone. Nothing else. In addition, the user will not pay anything for such authentication.

In this connection, Czech legal regulations use the term **electronic identification means** – a simple alternative to physical identity documents for individuals’ digital acts in the online world. Thus, these include acts in the public as well as the private sector. But bank identity will not only be about authenticating and transferring client data with the client’s consent. It will also offer users a simple and comfortable

log-in with a single digital identity for dozens of user accounts across the Internet (called single sign-on) or simple subsequent payment authorisation. Therefore, it will not be necessary to remember different log-in methods for e-shops and digital services or to fill in complicated forms. Bank identity may thus bring up to 5.5 million potential users to the public and private sector whose identity will be easily authenticable at a distance.

BANKID



Signing with the use of bank identity

Bank identity is at the same time an electronic signature method. It has already proven to work well in Nordic countries. In Norway, electronic identification and the related signing with a bank identity is used by nearly 90% of the working age population and even by up to 97% of the working population aged 20 to 54 years. The first Czech banks have already informed us that with the use of bank identity they will enable signing electronic documents in a trustworthy environment. For example, Komerční banka already launched its service MůjPodpis (MySignature) several months ago.

In addition, bank identity will also involve a control aspect – anyone will be able to check where and for what purpose their bank identity was used.

Banks enjoy trust

Inspired particularly by Nordic countries, bank identities are a well-tested and functional concept – banks own the basic infrastructure and have their clients, at the same time they are the only institutions on the market to have already authenticated the majority of individuals and transferred their identity via bank identity to the digital

world. Apart from that, **studies show that consumers prefer banks to government, retail or social platforms as providers of digital identity** because they trust them, Czech consumers are no exception.

Thus, the introduction of bank identity in the Czech Republic was inspired by the banking sector already in 2017. However, Czech laws did not permit banks to provide electronic identification back then. The Czech Banking Association, as the representative of Czech and international banks, approached the subject from the legislative point of view. With the help of the ICT Union, attorneys from HAVEL & PARTNERS and ROWAN LEGAL and a group of active PMs from the public administration committee drafted Act no. 49/2020 Sb. Although this piece of legislation constitutes an amendment to the Banking Act, the AML Act and other laws, the most apt name for it is the Act on Bank Identity, unofficially abbreviated as the **BankID**.

This act will enter into effect on 1 January 2021. It broadens the existing group of activities that banks are authorised to carry out by the provision of electronic identification and authentication, services creating trust and other related services. It will also enable banks (and insurance companies) to access the basic registers and other public administration information systems and to check whether their clients’ data are up to date.

If banks or branches of international banks decide to provide these services, they must enable, free of charge, electronic authentication of their clients’ identity also for the use of online services to state, municipal and regional authorities. In exchange, banks will be able to provide these services to the rest of the public sector and to commercial companies, weather directly or via the new company Bankovní identita a.s., a joint venture of the three largest banks on the Czech market – Česká spořitelna, Československá obchodní banka and Komerční banka. The price for the use of electronic identification, authentication or signing services will not be paid by the end user but by the service provider (retailer), who uses the service to identify their clients. A similar set-up for payment cards has been in place for many years.

Bank identity as a business opportunity

Providers of e-commerce and services will be willing to invest in bank identity only if they can see benefits for their

businesses. Participating banks, and the fact that identification by means of bank identity will also be sufficient to comply with the mandatory AML identification standard for the use of government and public sector on-line services, make bank identity trustworthy. Therefore, we can see the potential for its use primarily in the financial sector as a single means for on-line identification and payments. In Norway, bank identity is used in more than ¾ of all transactions in the **financial sector**. Thanks to the use of bank identity, the average time required for processing a mortgage application was reduced from 16 days to several hours.

Bank identity will also become important for **e-commerce** in relation to a part of post-paid services such as fuel cards, energy or telecommunications. The use of bank identity can thus also be interesting for mobile operators or distribution companies.

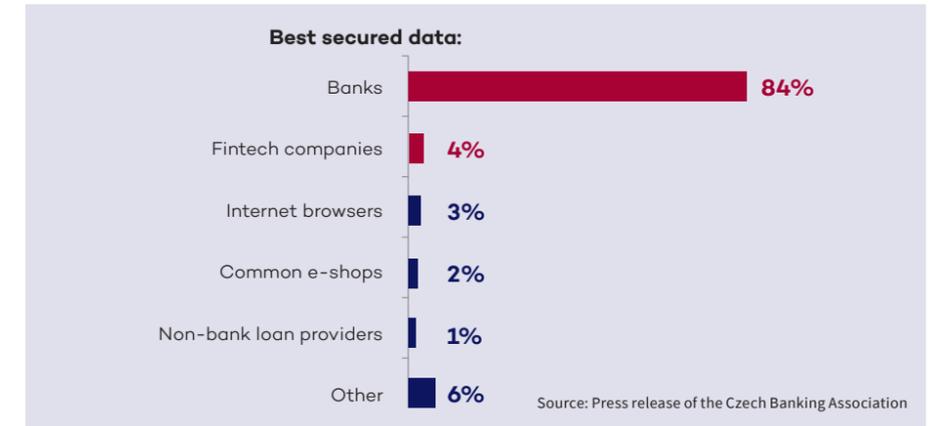
Bank identity will also be very useful for **eGovernment** services – typical examples include access to secured registers, portals or files, electronic elections, communication with tax authorities, on-line incorporation of a new firm and further applications during the gradual digitalisation of government services thanks to the implementation of the Act on the Right to Digital Services (no. 12/2020 Sb.).

Another domain for the application of bank identity is **employment** – in particular in the digitalisation of payroll and tax procedures and to facilitate the recruitment of new employees at larger companies.

Technological partners (ICT suppliers) capable of suitably connecting the bank’s electronic identification with their own services who will simply include the price for the use of bank identity in the price of the service will assume a key position. Naturally, banks cannot appropriately help their clients integrate the solutions in preparation (as they possess only limited technical knowledge), cannot provide technical support for these solutions and often identify use cases in which bank identity can be used outside the banking sector. Thus, in the distribution model of services relating to bank identity,



How do Czechs rate data security?



THE ACT ON BANK IDENTITY BROADENS THE GROUP OF ACTIVITIES THAT BANKS ARE AUTHORISED TO CARRY OUT BY THE PROVISION OF ELECTRONIC IDENTIFICATION AND AUTHENTICATION, AND SERVICES CREATING TRUST AND OTHER RELATED SERVICES.

banks must count on their technological partners – typically in commerce, electronic signatures, document keeping, log-in and identity management.

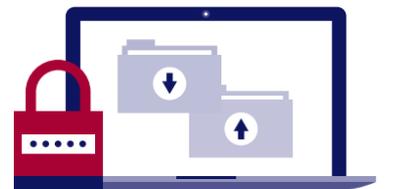
Visit a bank once in a lifetime – to setup a banking identity

In the Czech Republic this will be the uniform, and by far most frequent, solution for digital identity authentication, taking the way in which society works to a whole new level. In Norway they say with exaggeration that a bank needs to be visited only once in a lifetime – just to set

up a bank identity. All the rest can be done afterwards with its help, whether in the private or public sector.

It is expected that bank identity will be launched in the first half of next year. Its appropriate and timely use will undoubtedly be a competitive advantage. The bank identity may lead to increased efficiencies of processes for all participants – simple, comfortable and gratuitous use of a single means of identification and payment for individuals, a competitive advantage and interesting savings for service providers in comparison with their own identification solutions, the possibility for banks to get closer to their clients and to provide them with more comprehensive services, and a brand new gratuitous channel with millions of verified users for the digital services of the state, municipalities and regions.

Our digitalisation legal team, whose members co-authored the Bank Identity Act and participated in the development of this solution from the very beginning, will be happy to help you assess the details of bank identity and implement bank identity means.



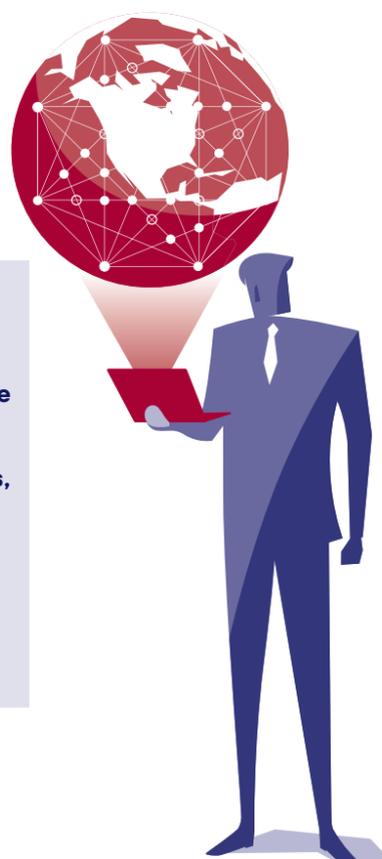
Robert Nešpůrek | Partner
František Korbek | Partner
Dalibor Kovář | Managing Associate

TECHNOLOGY LAW SERVICES

Technology law is one of the most significant areas HAVEL & PARTNERS specialises in. Our team comprises over 30 lawyers, making it the largest team on the Czech and Slovak markets in this field of law. Our clients include the largest IT and telecommunication companies, financial institutions, retail chains and media companies but also public administration authorities and prospective start-ups.

Thanks to efficient specialisation and profiling across all fields of technology, we are able to provide professional advice in the following areas:

- ✓ Software development, implementation and support agreements (SLA)
- ✓ Licensing and ensuring rights to the software for its authors, rights holders and investors
- ✓ IT (including domain) litigation before courts, out-of-court settlement of disputes
- ✓ Fields of the future: e-banking, m-banking, crowd funding, technologies in financial services (FinTech), digitalisation of legal processes, etc.



ROBERT NEŠPŮREK | PARTNER



JAN DIBLÍK | PARTNER



ŠTĚPÁN ŠTARHA | PARTNER



FRANTIŠEK KORBĚL | PARTNER



PETR KADLEC | PARTNER

The **Bank Identity Act** enables banks to provide **electronic identification**, authentication, and trust services. This should make it possible to use bank identity to log in to use public digital services, to enter into and sign energy supply agreements online or to authenticate one's identity with an on-line betting office. The professionals from the **IT law team at HAVEL & PARTNERS** took part as advisors in drafting the act, which will enable bank identity to be used widely in the Czech Republic.

Our law firm took part in drafting the Bank Identity Act.

REAL ESTATE

HOW TO APPROACH INVESTMENT IN REAL ESTATE DURING THE TIME OF CRISIS?



Over the last ten years, increasing numbers of people have acquired real estate as a form of investment. As a matter of fact, immovables are a reasonable asset to invest in to protect one's property from devaluation by inflation. This remains true now, at the time of economic crisis caused by the coronavirus pandemic; however, thorough consideration should be given to what type of immovable property to invest your money in. Our real estate market experts explain which properties continue to provide a suitable investment opportunity for protecting one's wealth.

ATTRACTIVE INCOME CAN BE GENERATED NOT ONLY FROM RESIDENTIAL PROPERTIES, BUT ALSO FROM LOGISTICS-RELATED IMMOVABLES AND INVESTMENTS IN REAL ESTATE FUNDS.

Mortgages are breaking the record

Interest in immovables designated for housing has been confirmed by the amount of loans provided. The mortgage market is breaking historic records. In September 2020, banks provided mortgages worth more than CZK 22 billion, which is CZK 7 billion more than in September 2019. The number of provided mortgages keeps growing too – in September, there were 1,000 more than in August. Overall, Czechs contracted housing mortgages worth CZK 172 billion during the first nine months of 2020, more than for the same period in the record-breaking years 2016 and 2017, when the amount of mortgages sold eventually reached CZK 226 billion for the whole year.

This shows that Czechs are not afraid of investing in housing properties even in uncertain times. This is also due to the fact that the prices of mortgages keep going down, with interest rates around 2%. Other factors encouraging investment in housing are that the Czech National Bank has alleviated lending rules, and that the real estate acquisition tax has been abolished.

Residential housing

Despite the first and second waves of the coronavirus crisis, demand for high-quality residential housing remains stable in the Czech Republic. This is particularly true in Prague, where demand still exceeds supply. In autumn of 2020, the average price per m² remains above CZK 100,000, e.g. 9% more than last year. We also expect that the prices of residential properties in Prague will keep growing.

Outside of Prague, the prices have not been increasing so fast, but still the real estate bubble has not popped as a result of the pandemic, and prices remain stable, particularly for high-quality properties. Thus, flats can provide an ideal opportunity for private and corporate investors alike to invest their money and secure stable revenues regardless of the currently unfavourable economic situation.

Rental housing market

On the other hand, the coronavirus has strongly affected the rental housing

market. The most dramatic decline in rent has taken place in Prague – by up to 20%. The market has been flooded by thousands of empty flats that had been offered by the owners for short-term rentals via Airbnb; this, of course, has pushed rents down in general.

We nonetheless believe that this is just a temporary phenomenon. Because increasing numbers of people will not be able to buy their own homes due to the crisis, it is reasonable to expect growing demand for medium-priced rental housing in the following months, at or around CZK 25,000 per month. Indeed, some large developers have responded to this projection and are designing residential projects for long-term rentals.

Logistics and industrial parks

The logistics segment has been consistently growing in the Czech Republic over recent years. This year is no exception. Due to the pandemic, resellers have been quick to leave brick and mortar shops, moving to the online environment. In March, for example, the e-commerce segment grew by 40%, while similar developments can be expected with the second wave of the pandemic. Based on recent estimates, the turnovers of Czech e-shops even could exceed CZK 200 billion. These fast-growing businesses are naturally interested in whole logistic parks.

Hence, logistic facilities and industrial parks are extraordinarily attractive for investors as a result of the pandemic shock. At HAVEL & PARTNERS, we advise clients what to invest in, including specialised real estate investment funds, which are becoming more and more popular with investors.

Investments in funds

Real estate funds, or real estate investment funds, besides offering investment opportunities in the amount of millions of Czech crowns, currently make it possible to invest thousands, or merely hundreds of crowns in immovable properties. It is nonetheless advisable to find out what type of property the fund invests in – residential or office space; this has an impact on the return on investment, and potential risks.

In addition to traditional real estate funds, real estate investment start-ups have been recently emerging. The latter primarily target young investors. Thus, some companies now enable small investors to participate in providing loans to developers for the construction of real estate projects (crowdfunding), or companies that use the deposited money to buy flats and subsequently pay out shares in rental revenues to investors.

Office space

Prudence is currently recommended when investing in real estate in the office space market, which is about to undergo certain changes in connection with the present situation. This is why many investors are now waiting. The office space vacancy rate has been around 5% for several years and is expected to somewhat increase after the pandemic. Therefore, numerous companies are very pragmatically contemplating reducing the size of the office space they are using under lease or subletting those parts they will be unable to fully use.

Consequently, we are now engaging in complex negotiations to **agree on new lease terms and conditions** for existing office spaces. These renegotiations relate to both the leased floorage and the rent. Despite the anticipated changes, we nonetheless believe that the construction of new office buildings will continue at a similar pace.

Retail

The retail market has been severely affected by the coronavirus wave. The transition of customers from brick and mortar shops to virtual e-shops has gained strong dynamics and this trend may further develop with the second wave of the coronavirus pandemic. In this context, it is reasonable to expect that new retail space will not be added at a fast pace, but instead that **some shopping malls will be consolidated and possibly sold**. Of key importance here will be the customers' satisfaction with the brands and stores the shopping malls will be able to offer, as well as the quality of the blend of goods and services offered. ■

REAL ESTATE AND CONSTRUCTION SERVICES

HAVEL & PARTNERS' experienced team for real estate, construction and environment law consists of more than 30 lawyers, including 7 partners, and is thus one of the largest specialised real estate law advisory teams. In the area of legal and tax services provided in relation to real estate, we have a substantial share of the Czech legal market; we have been involved in the major projects of recent years.

International rating publications rank us as the leading law firm for construction and real estate law transactions completed in the Czech Republic. In 2018, we were awarded Best Law Firm for Real Estate and Construction in the CEE Region by Acquisition International magazine.

Our legal services in the area of real estate law and construction law include in particular:

- ✓ legal due diligence of real estate
- ✓ purchase and sale of real estate and lease of residential, office, wholesale, retail and industrial premises
- ✓ complex sale transactions and real estate leasebacks
- ✓ advising on greenfield and brownfield projects, including turnkey projects
- ✓ advising on the development and regeneration of industrial real estate (brownfield investments)
- ✓ investment projects and their financing
- ✓ zoning regulation
- ✓ addressing problematic issues arising in construction



JAROSLAV HAVEL | MANAGING PARTNER



VÁCLAV AUDES | PARTNER



LUKÁŠ SYROVÝ | PARTNER



JOSEF HLAVIČKA | PARTNER



FRANTIŠEK KORBEL | PARTNER



JOSEF ADAM | COUNSEL



Václav Audes | Partner
Lukáš Syrový | Partner

HOW TO BE A LEADER IN TIMES OF BOTH CRISIS AND PROSPERITY

HAVEL & PARTNERS has for 10 years been the largest and, according to the Law Firm of the Year competition, also the most successful Czech-Slovak law firm on the market. It has also received awards for an exceptional brand, economic stability and is the most sought-after employer in the industry. In 2019, the revenues of the entire HAVEL & PARTNERS group reached billions of crowns, and according to the semi-annual economic results, the firm is growing in double digits in 2020. How did the firm gain and maintain its leading position in the legal services market? Here are some of the best practices it follows.

→ Help

We cannot provide our legal services without it. Being a leader in any field means accepting this role, including responsibility to society and those who do not have it easy in life.

We have our own foundation, dozens of non-profit organisations and projects to which we provide legal services, financial assistance, or have included among our suppliers. When the crisis came, we helped them with the same commitment as that to our clients. We did not wait for them to contact us, but we asked them how we could help. We have also doubled our financial assistance and the number of pro bono hours. In recent months, however, it has not been easy for anyone, so we have made our know-how publicly available, set up a comprehensive information service for the public, and provided our legal advice free of charge in a number of online counselling centres, as well as other assistance.

→ Build teams by business sectors

Providing top-level legal and tax services requires not only excellent knowledge of regulations and the ability to apply them, but also broader knowledge of the relevant business sector of your clients.

Thanks to our size, we were able to create a law firm management system not only according to legal specialisations, but also according to business sectors in which we are constantly monitoring their specifics, development and trends, personnel and transactions. This organizational set-up aims at the most efficient provision of legal services, where complex projects are managed by senior lawyers having extensive practical experience with the support from specialists in the relevant legal fields. We have again seen how important it is to know your client's business very well during the Covid-19 pandemic, when we were able to help our clients, in the context of knowledge of their industry, basically immediately.

→ Be prepared

More than ever, recent months have confirmed the importance of being prepared and adapting to changes as quickly and best as possible, even to sudden and unpredictable ones. If you succeed, you will have an advantage.

Based on macroeconomic data and historical experience, we were expecting a crisis with a major impact on the economy for a long time, and as early as in the course of 2018 we began to prepare for it. We focused on increasing work efficiency, supplementing our portfolio of services and technologies, and, last but not least, on consistent financial management and the creation of reserves. We worked to accelerate cash flow, increased the share of services for clients in anticyclical fields, and the overall efficiency and performance per lawyer. Even though the crisis hit us in a completely different form than we expected, we had something to build on and we were able to respond almost immediately.

→ Be positive

Take all situations and circumstances – even negative ones – as a challenge and an opportunity to be better.

A positive “mindset” is not only helpful inside the company but also an extremely important part of finding the best solutions for our clients.

→ Be as close to the client as possible

An individual approach to the client, understanding his/her needs, building mutual trust and long-term, strategic partnership. In our view, this represents the legal profession.

Technology will make it much easier for you, but the legal profession, as we perceive it, will always be primarily about people. Both about talented lawyers on the one hand and their professional, personal client approach, which cannot be replaced with any technologies, as well as about satisfied clients. Our base of more than 2,000 clients, which is the most stable on the market, is the best proof that we are doing it well.

→ Develop comprehensive personalities with a managerial approach

You will be able to understand how the client thinks and what his/her expectations are if you are able to look at the matter from his/her managerial and business perspective.

We make sure that our lawyers are constantly educating themselves not only in law and individual fields of business, but also in areas such as business, management, marketing and finance. With this knowledge, they better understand not only the functioning of our firm, but also our clients' needs. At the same time, such knowledge opens the door for them to elite managers and business owners, with whom our lawyers can more easily establish long-term cooperation. Thanks to this comprehensive managerial approach, we can also connect our clients and business partners with each other, we help them with new business opportunities and their financing, with contacts abroad or personnel.

→ Keep up with technological developments

Even in the initially conservative law profession, you will not survive if you do not constantly keep pace with technological progress. Among other things, the use of technology will give you more space to employ “human capacity”, especially for complex cases and building relationships with clients.

Here, too, we learn from the best, whether it is our internal systems, client file management, CRM, software for administrative and simple legal tasks, or means of distance communication. We have a long-term digital strategy; we focus on online marketing and data mining. Thanks to our robust technological background, in times of the state of emergency, about 500 of our colleagues were able to move from day to day to the home office and provide services with the same speed and value, including online training and workshops. We even virtually “went for one beer” together.

→ Learn from the best

If you come across a proven trend, innovation or business model and conclude that it could work in your conditions, incorporate it into your practice.

In the global context, we are still a relatively small firm. We have no ambition to invent something from scratch. We make a great effort to monitor foreign trends, analyse data, perform syntheses and select what could work. Moreover, and this may distinguish us most from our competitors, we are not afraid to also seek inspiration in other fields, such as large consulting firms, private banks or technology companies. We also learn from many of our clients.

The article was published in E15 as part of the Legal Disruptors project.



OVERVIEW OF SELECTED TRANSACTIONS INVOLVING HAVEL & PARTNERS CONSULTANCY SERVICES

15 years
700 transactions
27 EUR billion

Over the past 15 years our law firm has been involved in the completion of 700 transactions in, but not only in, the area of mergers, acquisitions, divestitures, and restructurings. The aggregate value of those transactions exceeded CZK 700 billion. Below please find an overview of the most important transactions for the recent period.



→ MOUFLECO HOLDINGS LIMITED

Advising Moufleco on their exit from TEDOM, a Czech engineering company

The legal team of HAVEL & PARTNERS advised a foreign shareholder, Moufleco Holdings Limited, on the corporate settlement among former shareholders and top managers of TEDOM, a major Czech engineering company.

The transaction entailed the sale of a 45% stake held by Moufleco in TEDOM, a manufacturer of gas-fired cogeneration boilers, i.e. units for the cogeneration of electricity and heat. The shares were acquired by the ČEZ group. Our firm's comprehensive legal advice included structuring the transaction, which comprised the shareholder's exit from the company and settlement of legal relations.

The HAVEL & PARTNERS legal team advising the client on this transaction comprised Václav Audes (Partner), Silvie Király (Managing Associate), Kateřina Surková (Senior Associate), and Josef Bouchal (Junior Associate).



← PLANET A

Sale of Planet A, provider of internet connections

The HAVEL & PARTNERS team, led by Václav Audes (Partner), provided legal advice to Planet A on the sale of 100% shares to T-Mobile Czech Republic.

Planet A is a major internet provider in Prague and Central Bohemia, and the operator of Kuki on-line TV. In October 2019, Planet A became a subsidiary of T-Mobile. By virtue of this acquisition, the Czech Republic's largest mobile operator has further strengthened its position as the market leader.

The sale was effected through a public tender.

→ 2 JCP

Comprehensive legal advice on the acquisition of a supplier of gas turbine components

HAVEL & PARTNERS provided comprehensive legal advice to 2 JCP in connection with a major acquisition in the engineering industry. A 70% interest in 2 JCP was acquired by JET 2, an investment fund within the Jet Investment group owned by Igor Fait, a financier based in Brno, Czech Republic.

The team providing legal advice to 2 JCP included senior members of the M&A team- Jan Koval (Partner), Robert Porubský (Managing Associate), and Ivo Skolil (Associate).

2 JCP provides filtration and noise control solutions to leading manufacturers of gas turbines. The company, with more than 300 employees, has a manufacturing plant at Račice, Czech Republic, and two representation offices in the U.S. and the United Kingdom. By means of this acquisition, Jet Investment sought to further strengthen 2 JCP's position in the gas energy market. The parties chose not to disclose the value of the transaction.



↑ GENESIS CAPITAL GROWTH

Advising on the acquisition of a company providing healthcare-at-home services

The M&A team of HAVEL & PARTNERS, led by Václav Audes (Partner), working closely with the Banking & Finance team led by Filip Čabart (Partner) and the Life Sciences practice group represented by Veronika Filipová (Senior Associate), delivered comprehensive legal advice to the Genesis Capital Growth fund on its acquisition of 100% shares in Home Care Promedica.

Home Care Promedica (HCP), with a team of its own qualified nurses, provides specialised care to patients in their homes. The company was acquired by the new CEO, Mr Ondřej Jež, jointly with Genesis Capital Growth, a growth capital fund focusing on investments in fast-growing small and medium-sized enterprises in Central Europe.

The parties chose not to disclose the value of the transaction.

→

MTX GROUP

HAVEL & PARTNERS advised on the acquisition of a share in Strojmetal

The HAVEL & PARTNERS team, led by Václav Audes (Partner), provided legal advice to Mr Petr Otava's holding company MTX Group on the acquisition of 45% shares in the Strojmetal group. The major Czech industrial holding MTX Group thus acquired full control over a corporate group manufacturing suspension parts for global brands such as Mercedes, BMW, Ferrari, and Rolls-Royce.

The acquisition of the share in the Strojmetal group by MTX was a solution of disagreements between MTX and the other shareholder, which resulted in the other shareholder's exit. The execution of the agreement effectively settled all disputes between the parties.

The parties chose not to disclose the value of the transaction.

↓ WÜSTENROT & WÜRTTENBERGISCHE AG

Advising on one of the largest transactions in the Czech mortgage market

The HAVEL & PARTNERS team, led by Jan Koval (Partner), represented Wüstenrot & Württembergische AG on the sale of Wüstenrot – stavební spořitelna and Wüstenrot hypoteční banka to MONETA Money Bank.

MONETA acquired 100% shares in Wüstenrot – stavební spořitelna and 100% shares in Wüstenrot hypoteční banka for a purchase price exceeding EUR 180 million, i.e. more than CZK 4.5 billion. The sale of the two companies was one of the largest transactions on the mortgage market in the Czech Republic in 2019.

The services delivered by HAVEL & PARTNERS entailed comprehensive advice to WW, including assistance in organising the tender procedure. The transaction was subject to the consent of regulatory authorities – the Czech National Bank and the Czech Office for the Protection of Competition.



→ GUIDEVISION

Sale of the Czech company GuideVision to the Indian IT company Infosys

HAVEL & PARTNERS, the largest Czech-Slovak law firm, provided comprehensive legal and tax advice to the Prague-based company GuideVision, provider of consultations, implementations, training and support to the customers of ServiceNow, one of the most successful cloud platforms. GuideVision was acquired by Infosys Limited, an Indian company with over 242,000 employees and one of the largest IT companies worldwide.

The M&A legal team, led by Jan Koval (Partner), comprised Veronika Filipová (Senior Associate) and Ivo Skolil (Associate); employment-related matters were handled by Vojtěch Katzer (Senior Associate); and Josef Žaloudek (Counsel) supervised the tax aspects of the transaction.

The value of the transaction was EUR 30 million.



↑ IMECON CONTAINERS

Advice to a manufacturer of accommodation, storage and technology containers

HAVEL & PARTNERS professionals from the dedicated M&A team delivered comprehensive legal advice to IMECON Containers, member of the Oriens IM Hungary Group, in connection with the acquisition of PEGAS CONTAINER and Sharkmetal from a private owner.

The transaction resulted in the concentration of the two target companies within the portfolio held by Oriens, one of the largest manufacturers of containers in the Czech Republic and neighbouring countries.

The specialised team, which provided comprehensive advice on all aspects of the transactions, was led by the firm's partner, Václav Audes. The transaction, worth nearly 29 million euros, comprised two complex stages of external financing.



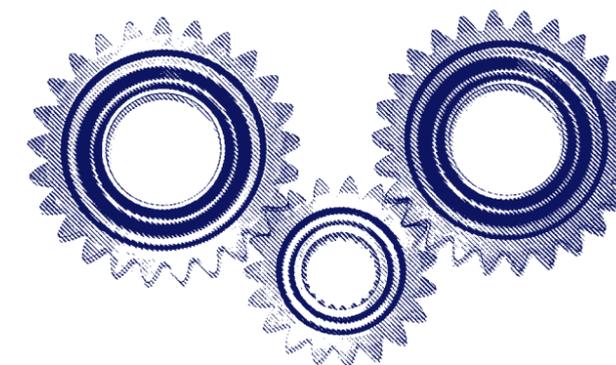
→ SLOVAK TELEKOM

HAVEL & PARTNERS advised on the sale of Zoznam

The M&A team of HAVEL & PARTNERS added another transaction to its portfolio of successfully closed deals in the IT & Telecommunications sector in Slovakia. Dedicated M&A specialists provided comprehensive legal advice to Slovakia's largest telecommunications operator, Slovak Telekom, a member of the Deutsche Telekom (T-Mobile) group, on the sale of Zoznam.

Zoznam is a major Slovak provider of online content, operator of the zoznam.sk portal and Topky.sk news server. The company was sold to incumbent managers of Zoznam.

The transaction was handled by the Bratislava office of HAVEL & PARTNERS, primarily Ondřej Majer (Partner) and Ivana Gajdošová (Associate).



↑ ŽELEZIARNE PODBREZOVÁ

Capital investment of Železiarne Podbrezová in TOM-FERR

The HAVEL & PARTNERS dedicated M&A team provided comprehensive legal advice to Železiarne Podbrezová, a major Slovak engineering company, on its capital investment in Hungary's TOM-FERR. The advice also related to concluding an investment agreement.

Železiarne Podbrezová, a company with a 180-years tradition, is a major European manufacturer of steel and seamless steel tubes, selling its products in 50 countries around the globe. The privately owned Hungarian company TOM-FERR, based in Budapest, is the largest supplier of steel tubes in Hungary.

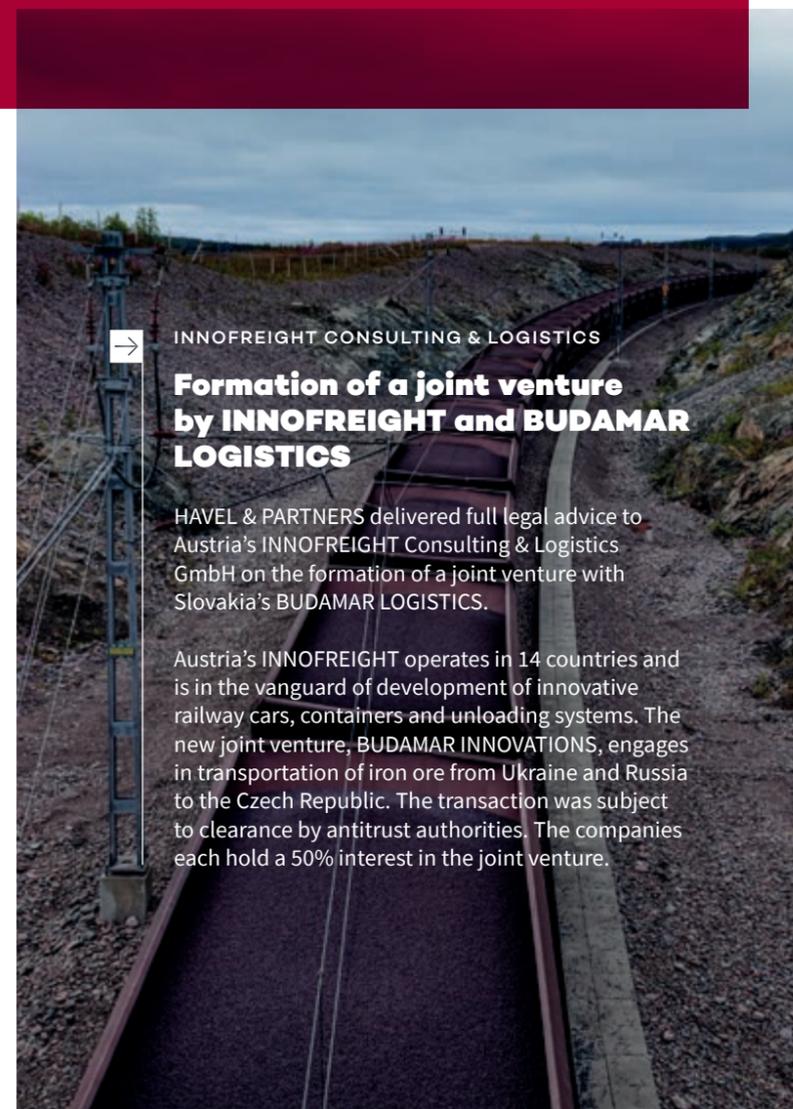
The transaction had a strong international element.

→ INNOFREIGHT CONSULTING & LOGISTICS

Formation of a joint venture by INNOFREIGHT and BUDAMAR LOGISTICS

HAVEL & PARTNERS delivered full legal advice to Austria's INNOFREIGHT Consulting & Logistics GmbH on the formation of a joint venture with Slovakia's BUDAMAR LOGISTICS.

Austria's INNOFREIGHT operates in 14 countries and is in the vanguard of development of innovative railway cars, containers and unloading systems. The new joint venture, BUDAMAR INNOVATIONS, engages in transportation of iron ore from Ukraine and Russia to the Czech Republic. The transaction was subject to clearance by antitrust authorities. The companies each hold a 50% interest in the joint venture.



→ EATSTER

Representing a mobile app start-up on the entry of investors into the company

HAVEL & PARTNERS lawyers represented Eatster, a Slovak start-up, in the course of negotiations regarding the entry of investors into this dynamically growing company which developed a mobile application for online meal ordering in Slovakia.

Upon a venture capital investment by Vision Ventures into Eatster, the legal team provided comprehensive legal advice including the drafting of contractual documentation and the closing of the transaction. The Vision Ventures group manages a venture capital fund, Vision Ventures Growth I, making investments in excellent companies with international ambitions.

INTRODUCTION OF THE SLOVAK OFFICE OF HAVEL & PARTNERS

The Slovak office of HAVEL & PARTNERS has been operating in Bratislava for over ten years. Currently, it is one of the six offices forming an integrated unit of the HAVEL & PARTNERS law firm and the main contact point not only for Slovak clients but also for Czech and foreign clients doing business in Slovakia.

Key contacts:

Jaroslav Havel,
Ondřej Majer,
Robert Neruda,
Štěpán Štarha

Zuckermandel Centre
Žižkova 7803/9
811 02 Bratislava



In 2016, 2017, 2019 and 2020, the Bratislava office was included in the prestigious ranking of the ten largest law firms in Slovakia, which is compiled annually by The Slovak Spectator in cooperation with SME daily and FinStat.

2008

Bratislava office established in 2008

30

30 experienced Slovak lawyers



Main contact point for Slovak clients as well as for Czech and foreign clients doing business in Slovakia and for Slovak clients doing business in the Czech Republic

300

Over 300 long-term clients



Best Client Services award and first place in the categories Mergers and Acquisitions and Energy and Energy Projects for 2020 in the prestigious Law Firm of the Year competition, six-time holder of the global M&A Today Awards for Mergers and Acquisitions for 2013–2018



PROCUREMENT OF QUALITY LEGAL SERVICES BY THE STATE – SCIENCE FICTION OR REALITY?

Currently, one topic discussed in Slovakia is the efficiency of the procurement of legal services by the State. We have learned from the media about budget savings associated with the termination of unfavourable contracts, and at first glance it seems that only the lowest price offered by a legal service provider is the right evaluation criterion. However, when a person has a serious health problem, he/she is usually not looking for the doctor who will perform the cheapest operation, but the one who will do it best. We will explain why the same should apply when selecting legal services.

DID YOU KNOW THAT THE EU OUTSOURCES LEGAL SERVICES WITH A WEIGHT OF ONLY 30% PRICE AND 70% QUALITY? IN SLOVAKIA, IT IS THE OPPOSITE.

Is the lowest price the only right evaluation criterion?

The Slovak Prime Minister has himself criticized in the media the use of external law firms by the State due to allegedly overpriced prices. At the same time, he has announced a plan to establish a “state law firm with the best lawyers”, which should represent state authorities in possible disputes. It is certainly true that the lowest price criterion is appropriate for supplies of generically and qualitatively interchangeable goods, in which a comparable quality of performance from individual suppliers (e.g. utilities, food, etc.) can be expected when specifying corresponding parameters. However, the question is whether it is also possible to procure in this way legal or consultancy services that the public sector procures from its external advisors, as their complexity goes beyond the normal agenda of in-house specialists.

If a client from the private sector decides on the selection of professional advisers, he/she is interested not only in the price of the services offered, but also in the method they are provided, the advisor’s references, the team composition, and the advisor’s specific knowledge and expertise. The client’s interest is primarily to achieve a 100% result in terms of the scope and quality of the service, while excluding or minimizing any future risks. This is clearly true of matters of great importance to the contracting authority, in which any possibility of failure must be minimized or ruled out (disputes over extremely high amounts and values or highly specialised activities). If the output of the ordered service is to be a professional legal assessment or recommendation in such a fundamental matter, it is quite clear what the difference is between the assessment or recommendation prepared by an average expert compared to that of a respected specialist.

The paradox of the lowest hourly rate

In the end, paradoxically, the lowest hourly rate does not even have to mean the lowest total price that the client will pay for the service provided. If a lawyer is not a specialist in a specific legal area, then

due to limited experience in dealing with a given type of cases, he/she is usually less efficient and the work itself will take more time compared to a specialist. Therefore, the client can subsequently pay the same or even higher price for the legal service provided than in the case of another provider which, although it originally offered a higher hourly rate, will spend significantly less time addressing the matter. Therefore, in our opinion, it is not right to organise a tender for professional legal (or, in general, also consulting) services exclusively with a single criterion that is the lowest price.

Combination of evaluation criteria

The level of the price of professional services depends to a large extent on the costs of professionals working for a respective firm; the better employees such a firm hires, the higher the costs of their remuneration, which is also reflected in the price of the service. Therefore, it is desirable to select a legal counsel using a combination of a wider range of criteria, where the assessment of the quality of the service offered has much greater weight.

Only this solution will lead to the selection of the most cost-efficient solution. At the same time, such a solution will make it possible to eliminate the risk of selecting an insufficiently qualified or technically, economically, personally or otherwise equipped counsel for a given public contract.

Public contracts on the principle of the prevailing qualitative criteria (over the lowest price) are also awarded by European institutions, including the European Commission. The EU awards public contracts for legal services with a weight of only 30% price and 70% quality – in the Slovak Republic it is the opposite, while mostly 70–80% of the evaluation is the price and the maximum (if at all) remaining 30–20% is the quality.

Focus on the outcome of the service provided over the price

The client needs a lawyer who will win the dispute at the end of the day, save costs or otherwise help him/her effectively

THE LOWEST HOURLY RATE DOES NOT EVEN HAVE TO MEAN THE LOWEST TOTAL PRICE THAT THE CLIENT WILL PAY FOR THE SERVICE PROVIDED.

when he/she has problems. If a person has a serious health problem, he/she is usually not looking for the doctor who will perform the cheapest operation, but the one who will do it best. Similarly, a prudent businessman primarily approaches experienced and capable professionals to ensure success in his/her matter and not to risk losses or reputational risks.

Top lawyers have a quality education and spend a lot of time on demanding transactions and cases. At the same time, the experience, knowledge and references of top lawyers are the “variable” that will help the client achieve a 100% result in terms of the scope and quality of the service, as well as time efficiency of its provision, while minimizing any future risks.

Unfortunately, a brilliant brain is not a measurable value that you simply put in the tender documentation. However, in law practice, it is the most important factor, together with loyalty to the client, encyclopaedic knowledge of the law, and the willingness to work hard, especially in cases where lawyers work for the State or the public sector.

The most successful year in the history of HAVEL & PARTNERS Thank you!

2020



ABSOLUTE WINNER OF THE LAW FIRM OF THE YEAR COMPETITION AND THE BEST CLIENT SERVICES IN THE CZECH REPUBLIC AND SLOVAKIA



THE BEST LAW FIRM IN THE CZECH REPUBLIC



Štěpán Štarha | Partner
Ján Kapec | Senior Associate

“WE GOT READY FOR THE CRISIS SUFFICIENTLY IN ADVANCE. WHEN IT HIT, WE HAD SOMETHING TO BUILD UPON AND THEREFORE WE COULD IMMEDIATELY FOCUS OUR ATTENTION ON OUR CLIENTS.”

JAROSLAV HAVEL:
WE EVEN GROW IN TIMES OF TROUBLE

He has been building his team for private and often also the wealthiest clients for twelve years already. For quite some time now, this no longer means merely legal or tax advice. Instead, he links business people with one another, handles their private investment matters, helps them with their private issues and now also with the impacts of the pandemic. “We got ready for the crisis sufficiently in advance. When it hit, we had something to build upon and therefore we could immediately focus our attention on our clients,” said Jaroslav Havel, the managing partner at HAVEL & PARTNERS attorneys-at-law, for which 2020 is the most successful year in its history.

Recently, you have labelled 2020 the most successful year in the history of your law firm but it is also the year of the global pandemic and a big global crisis. Are these two things somehow interconnected?

This year is exceptionally good for us in terms of economic results, newly recruited colleagues and awards. We won the Chambers Europe Awards, the most prestigious global award for the best law firm on the Czech market and we became the absolute winner, well ahead of the other competitors, of the Law Firm of the Year in the Czech Republic. We marked the same historic victory in Slovakia. The sales generated by HAVEL & PARTNERS in the first half of the year were up by 11% year-on-year. Although we are expecting a certain slowdown in connection with the impacts of the pandemic, even our pessimistic scenario expects a growth of annual turnover and profit in 2020 by approximately 10%.

Needless to say, these achievements are linked to our company’s continuous growth, the form of management that is absolutely unique on the law firm market, continuous improvement and expansion of our services, building long-term strategic relationships with our clients and other competitive advantages. It has therefore been an unrelenting process of growth in terms of turnover, staff and the quality and range of our services from the very establishment of our company in 2001 until now. However, if we had not succeeded in this challenging year and during the crisis, this year’s results would certainly not have been at their historical best.

What do you think contributed the most to your success during the global crisis?



SINCE OUR FOUNDING IN 2001, WE HAVE BEEN GROWING EVERY YEAR IN TERMS OF TURNOVER, PERSONNEL AND THE QUALITY AND SCOPE OF OUR SERVICES.

Being the biggest law firm in Central Europe, we think it is absolutely crucial to be fully prepared to address emergency situations and be ready to react to changes in society as quickly and as well as we can. We had been expecting a crisis with a major impact on the economy for a long time, and we started preparing for it about two years ago, be it in terms of our services, diligent financial management or the creation of a sufficient financial reserve. We have also significantly increased the proportion of services for clients from anti-cyclical fields and the overall efficiency and output per lawyer. We focused on digitisation of our services, including marketing. Even though the crisis eventually hit in a completely different form than we had expected, we were able to quickly respond to it. That enabled us to promptly turn our attention to our clients and provide them with

maximum support from the very first day. Our achievements this year confirm that we have managed this well. This makes us even more grateful for our success in such hard times. On the other hand, for our clients, this is a confirmation that they are cooperating with the best law firm on the market that is a leader not only in times of prosperity but also in times of crisis, capable of efficiently assisting our clients with the reverberations of the crisis.

Were you also able to cope well with the economic crisis in the 2008–2012 period?

At that period, our company made a great leap. We won over hundreds of new clients, new lawyers from our competitors joined our firm and we became the largest Czech-Slovak law firm in terms of the number of lawyers and clients. Those were very tough times, though. The firm’s management carried out a complete restructuring of the corporate business model in only six months. The company turned from a high-margin transaction law firm with two main specialisations focused primarily on international clients and the international market to a comprehensive company with a diversified offer of services for clients operating mainly in the Czech Republic and Slovakia, including solutions in public tender regulations, litigations and insolvencies.

In the early stages of the crisis, we recorded greater demand for legal and tax services linked to the administration and protection of private and family property. That is why in 2008 we formed, as the first law firm on the market, a specialised team for private clientele, which we gradually expanded with other experts from among our colleagues to be able to provide our prominent clients with a truly comprehensive portfolio of legal and tax services.

What extra skills must an attorney taking care of a billionaire have?

We have an approximately 25-member team of very experienced lawyers and 12 other tax experts in our firm taking care of private clientele. This is the biggest advisory group with this specialisation in Central Europe. The team is headed by four partners including myself, who have already made significant achievements in their career and have excellent business and management expertise. This ensures the utmost professionalism and also continuity of the relationship with the client who requires a trustworthy mature person that they can respect as their partner.



How many Czech and Slovak billionaires are there now?

There are about 550 to 700 CZK billionaires in the Czech Republic and Slovakia at the moment. For some years, their number has been continuously rising, particularly in connection with the rise in the size and the value of their companies and also in connection with the appreciation of the investors' property, particularly in real estate, shares or other investments of large financial groups. The current situation triggered by the Covid-19 pandemic has slowed down the growth in their number, although the actual impact on long-term valuation of property owned by Czech and Slovak billionaires is yet to be seen next year.

How many of the total number of billionaires are among your clients?

About one third of them, i.e. about 200 entrepreneurs and their families, are using our comprehensive services either directly or via their companies, and their number has been growing.

What is your competitive advantage with regard to the Czech and Slovak clientele?

Our clients appreciate confidentiality, speed and innovation along with fully-fledged engagement of the law firm's partners in clients' private matters, broad business insight, expertise and potential of the team members but also

our own experience that we are ready to share with our clients. Who else would you want to be advised by than those who have built a respectful company on the market similar to yours, who must conservatively manage and invest your incomes and secure a corresponding level of protection from negative impacts of unexpected events, family storms or crises? What is also important is that the key partners are about the same age as these clients due to the expected truly intergenerational and very long-term provision of services.

What are the most frequent issues both Czech and Slovak billionaires are facing?

Our prominent clients address a whole range of business-related but also purely private issues. We most often help them

plan how to administer and protect their private and business property in the long run, we advise them on foreign investments, exports and tax planning. Billionaires who are now at the peak of their productive age and at the steering wheels of very successful companies are often dealing with succession issues.

What are your plans for the future?

We want to remain a dynamic, smart and innovative firm that not only learns from the best and most experienced firms in the world but also a firm that sets trends. We want to keep enhancing and innovating our services and provide high added value to our clients, to be a truly long-term strategic partner.



This interview was published in E15 Premium – Elita byznysu (Business Elite) publication supported by HAVEL & PARTNERS on an annual basis. The law firm, however, does not take part in the compilation of the rating of the 100 wealthiest Czechs and Slovaks or their property assessment that is part of this publication. Nonetheless, by supporting this project, we would like to give credit to Czech and Slovak entrepreneurs, a number of whom are also among our clients, who have been building free enterprise over the past thirty years.

PRIVATE CLIENTS SERVICES

Unique in its focus and formed in 2008, HAVEL & PARTNERS' Private Clients Practice Group is comprised of senior lawyers and tax experts who provide individuals and families with comprehensive advice on consistent protection, efficient management and long-term possession and transfer of private and business wealth.

At the core of our advisory services is mainly efficient property protection and risk management by means of **family office** structures, comprehensive succession planning and personal or family tax planning. These services naturally comprise structuring private transactions from the legal and tax perspectives, services relating to family law and representation in disputes, arbitration and other types of proceedings (criminal, administrative, proceedings before tax administration authorities).

Our Private Clients Practice Group is comprised of 25 experts under the management of four of the firm's partners. We are ready to advise our clients on legal and tax matters mainly in the following areas:

- ✓ private wealth protection
- ✓ family office set-up and management
- ✓ private holdings
- ✓ trusts and family foundations
- ✓ transfer of foreign holding structures back to the Czech Republic
- ✓ law of inheritance and family law
- ✓ separation of personal and business assets
- ✓ private investment
- ✓ investments in art, foreign real estate or means of transport
- ✓ defensive advice on tax law
- ✓ comprehensive preparation of tax returns for individuals and corporate entities
- ✓ representation in tax audits



JAROSLAV HAVEL | MANAGING PARTNER



DAVID NEVEŠLÝ | PARTNER



VLADEK KRÁČEK | PARTNER



DAVID KRCH | TAX PARTNER



MAREK LOŠAN | PARTNER



PREVENTIVE RESTRUCTURING DURING THE CORONAVIRUS CRISIS

HAVEL & PARTNERS' FINANCING, RESTRUCTURING AND INSOLVENCY TEAM IS ONE OF THE LARGEST IN THE CZECH REPUBLIC AND SLOVAKIA. IT OFFERS COMPREHENSIVE ADVICE ON ALL PHASES OF FINANCING.

Due to the Covid-19 disease pandemic, the timely implementation of the European Directive on Preventive Restructuring Frameworks into Czech legislation is gaining in importance. The new legislation will set comprehensive rules for so-called 'preventive restructuring'. This should simplify and speed up restructuring of businesses in difficulties.

Czech law does not yet have a functional instrument that would regulate out-of-court negotiations of various groups of creditors with the debtor. This means uncertainty in negotiations on the out-of-court restructuring of a company. Due to the different interests of individual creditors, an agreement often fails, which results in insolvency, even in cases where it was still possible to keep the business alive through timely restructuring.

The Directive's implementation should make it much easier to reach an agreement between creditors and implement restructuring. Member States have to implement the main part of the Directive into their national laws by 17 July 2021. This deadline can be extended by a maximum of one year. The aim of preventive restructuring is to prevent insolvency and maintain the company's operations as a going concern. The restructuring of the business will not require the consent of all creditors, or even of all groups of creditors.

Preventive restructuring

The preventive restructuring can be implemented through various measures – in particular postponement of payment of debts or their haircut, operational changes (lay-off, termination of a part of business operations, changes in the management), but also through sale of assets or changes at the shareholder level (including capitalisation of receivables or entry of an investor). Such measures are then contained within the so-called 'restructuring plan', which is the result of the company's negotiations with its creditors.

Restructuring plan

The restructuring plan is a key document in the preventive restructuring process. In addition to the specific proposed measures, it must also include an overview of the company's assets and liabilities and an overview of creditors divided into groups, which consist of creditors with the same economic interests (separate groups shall be formed for trade creditors, financial institutions, and the company's shareholders). However, there should always be at least a separate group of secured creditors and of unsecured creditors.

The creditors then approve the restructuring plan. In the simplest variant, the

plan is adopted if all creditors approve, in which case it does not have to be confirmed by a court.

Confirmation of the plan by court

However, the plan has to be submitted for confirmation by court if: (i) it reduces creditors' claims or postpones their maturity and the affected creditors disagree, (ii) the plan provides for new financing (see below), or (iii) the plan proposes the dismissal of more than 25% of the company's employees. The court will confirm the plan if it has been adopted by all groups (i.e. a majority of voters in each group according to the value of their receivables), if it treats creditors in individual groups equally and satisfies the 'best-interest-of-creditors' test. The 'best-interest-of-creditors' test simply means that

THE DIRECTIVE WILL ALSO ALLOW THE COURT TO CONFIRM A RESTRUCTURING PLAN EVEN WITHOUT APPROVAL FROM ALL GROUPS OF CREDITORS.

creditors which disagree with the plan will still be in a better position than if the company's assets were sold in insolvency proceedings. However, the Directive also allows the court to confirm a restructuring plan even without approval from all groups; it will be thus possible to apply a cram-down to the dissenting group of creditors, the so-called 'cross-class cram down'.

Creditor protection in the preventive restructuring process

Moreover, negotiations on the restructuring plan and the subsequent successful implementation of preventive restructuring shall be facilitated by rules that will grant the company protection from its creditors. For example, the Directive introduces the so-called 'debtor in possession' rule – the current management can therefore continue

to manage the day-to-day operations. The Directive also allows for a **stay of enforcement of claims of creditors**, either in a limited form covering individual creditors or a certain category of creditors, or in a general form, i.e. covering all the company's creditors (such protection is similar to a moratorium under the Czech Insolvency Act). However, protection from creditors in this form will need to be approved by the court. As a result of providing protection from creditors, the obligation to file an insolvency petition will also be postponed for the duration of this measure. The proposal for implementation in the Czech Republic envisages a maximum duration of the general moratorium of 3 months, with the possibility of extending it for another 3 months.

Financing of restructuring

The Directive also emphasizes the protection of financing granted in order to overcome financial difficulties and maintain the company's operations (interim financing), or to successfully implement the restructuring (new financing). At the same time, these new funds will be protected against challenge in eventual insolvency proceedings; i.e. in a situation where the restructuring is not successful. As part of granting such financing, adequate new collateral may also be established. Both new and interim financing should then take precedence over satisfaction of claims of other creditors in eventual insolvency proceedings.

Implementation into Czech legislation

Currently, the work on preparing a Preventive Restructuring Act is ongoing. The Directive allows Member States to choose, in certain aspects, from several options. There are continuing discussions on the procedural and tax aspects of preventive restructuring, the specific requirements for the majority of voters when adopting the plan, and also, for example, the role of restructuring advisers (independent experts) and restructuring administrators. If the Directive is implemented in time and the rules are set appropriately, the preventive restructuring may then become an effective tool for viable companies to prevent insolvency, and thus overcome a temporary crisis.

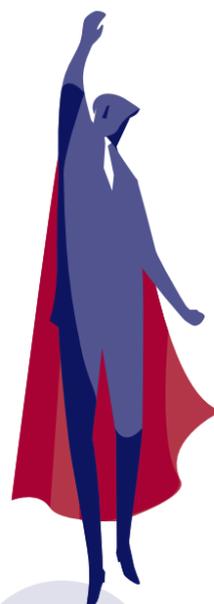


COMPREHENSIVE SUPPORT IN ALL STAGES OF FINANCING

In response to the present economic crisis we have consolidated our banking and finance practice group with the restructuring and insolvency practice group, under the motto “Financing from A to Z”. The result is the largest single and coordinated dedicated team of legal professionals, capable of comprehensively handling all stages of the financing process – from loan disbursement, to dealing with repayment issues, to debt restructuring where applicable, and ultimately to insolvency proceedings.

Within our large practice and thanks to our extensive network of contacts, we are capable of assisting creditors and debtors in finding solutions to difficulties. We provide legal and tax advice, and also assist our clients in finding and implementing alternative business solutions. Our clients include major local and foreign financial institutions, businesses and industrial corporations.

- ✓ team of 20 lawyers, including 5 partners
- ✓ we represent creditors and debtors alike
- ✓ we are in the regions (Prague, Brno, Bratislava, Pilsen, Olomouc and Ostrava)
- ✓ more than 80 financing transactions handled every year
- ✓ we perceive financing and restructuring in context and as a comprehensive discipline
- ✓ we choose solutions that are the most efficient to clients both commercially and in terms of risks
- ✓ we can handle complex insolvency-related disputes
- ✓ we can effectively enforce B2B / B2C claims



JAROSLAV HAVEL | MANAGING PARTNER



MAREK VOJÁČEK | PARTNER



DUŠAN SEDLÁČEK | PARTNER



JAN TOPINKA | PARTNER



FILIP ČABART | PARTNER



ONDŘEJ MAJER | PARTNER



HAVEL & PARTNERS
supports the
publication of
management
books

Our firm's value includes constant development and innovation. In addition, we want to inspire our clients as much as they inspire us. We therefore support the publication of the world's best books in the fields of economics, management and marketing. We choose successful international titles and bring them to the Czech market. Then we draw inspiration from them in managing our law firm, and we believe that in doing so we also contribute to educating Czech and Slovak businesspersons and cultivating the business environment.



To date, we have supported the publication of 13 books on management. The last addition is **Dare to Be Different and Grow Rich**. We will soon present to you another interesting management book that may help managers navigate the stormy waters of this difficult time – **Great by Choice**, a timeless bestseller in which the authors Jim Collins and Morten T. Hansen explain why some businesses remain successful in uncertain and turbulent times.

All successful people across different fields and industries have one thing in common – a unique way of thinking and attitude. The author analyses the careers and way of life of fifty successful personalities and describes how and why these people got to the top. How did the founders of Apple, Facebook and Ikea achieve the global success of their businesses? What is behind the unbelievable careers of Boris Becker, Garry Kasparov, or Madonna? The book explains how successful people transmute the hardest defeats into incredible victories. You will learn how to use these winners' strategies for your own success.

The advice and recommendations in this book, as well as in the previous publications, are beneficial in times of prosperity, and even more so in the present time of crisis.

Bestseller by the German entrepreneur, investor, real estate expert and management consultant, Rainer Zitelmann.

TELEMEDICINE – 21ST CENTURY HEALTHCARE

The coronavirus pandemic has stirred up debates about the need for healthcare in the Czech Republic to be modernised so that it can operate remotely without direct contact with the patient. Telemedicine, as the remote provision of healthcare is called, would reduce unnecessary travel to healthcare appointments or prolonged periods spent in waiting rooms. The concept of telemedicine is neither known to nor defined by Czech legislation yet. The first step for enshrining it in Czech law will be, to a certain extent, the amendment of the Health Services Act as well as the pending Healthcare Electronization Act.

**TELEMEDICINE COULD
MAKE HEALTHCARE
IN THE CZECH
REPUBLIC MUCH MORE
AFFORDABLE FOR
PATIENTS (NOT JUST
DURING A PANDEMIC).**

Telemedicine is based on modern technology that makes it possible to provide comprehensive care to patients from an initial consultation and diagnosis through monitoring and treatment to prescription and delivery of medicinal products or electronic issuance of a sick certificate. All by means of remote communication and data transmission. This can easily make quality and cost-effective healthcare services available to patients, regardless of where they are physically located. Thanks to the availability of such services, patients will not neglect their problems, thus avoiding hospitalisation and unnecessary visits to the emergency room. This could also result in significant savings.

Moreover, healthcare electronization will enable the collection of vast amounts of data that experts can analyse and use for research. Case modelling and the use of artificial intelligence can help detect diseases early, increasing the chances of patients' recovery.

Last but not least, telemedicine can make an important contribution to reducing the risk of coronavirus or other infections. Indeed, it would reduce the prolonged stays in waiting rooms, or unnecessary multiple healthcare appointments, before the patient can reach a specialist who could actually solve their problems.

Is remote provision of healthcare legal?

But the Czech legal system does not yet know and define the concept of telemedicine. The sector is thus covered by legislation from many sectors, which was developed long before telemedicine, and is therefore not very up-to-date. Under the legislation, a healthcare service provider is responsible for providing healthcare services to the patient *lege artis*, i.e. in line with current medical science. This is true even in the case of healthcare provided remotely by physicians. But discussions are held on whether they will meet this standard if they do not see the patient at all and do not physically check the patient.

In the meantime, services are being developed on the market that get ahead of such discussions and implement telemedicine practices outright. The most immediate chance to enshrine telemedicine in Czech

law is the Ministry of Health's amendment to the Healthcare Services Act, now being drafted by the Ministry of Health, which should allow the provision of consulting services or clinical pharmaceutical care at a distance.

Electronization of medical documentation

Some component concepts of telemedicine are already regulated by Czech law, and some are used in practice, including e-certificates and e-prescriptions. But other attempts in the field of healthcare Electronization continue to hit their limits. For example, under the Health Services Act and the Medical Documentation Order, it is now already possible for a health service provider to keep records exclusively electronically.

THE HEALTHCARE ELECTRONIZATION ACT IS INTENDED TO ENABLE SECURE DATA SHARING AMONG ALL HEALTHCARE ENTITIES.

However, electronic systems often fail to meet the requisite criteria, and practitioners still keep patient records in paper files. A patient's remote access to their medical records is not covered in detail under the current legislation either, therefore in practice doctors still issue paper extracts from electronically kept documents to patients. But the amendment to the Healthcare Services Act should also enable remote access to medical documentation; it will then be up to individual physicians to cope with the technology.

The European Union also plans that its citizens should have electronic access to medical documentation. But questions regarding patient identity verification and documentation security as well as communication with patients will need to be answered before its launch.

The act will enable secure data sharing

In addition to the Healthcare Services Act, the Healthcare Electronization Act could also solve some of the above-mentioned

problems in the future. It provides for a new patient identifier, which should replace birth numbers entirely. It also introduces a new integrated data interface to enable secure data sharing among all participants. The new system should also interlink the existing ones such as e-Certificates and drug records.

According to initial plans, the new interface was scheduled to be put into operation from 2022. But it is now already clear that the project will be delayed. In fact, the drafting of the law gets constantly protracted. According to former Health Minister Adam Vojtech, the Parliament was to decide on the bill by the end of this parliamentary term in autumn 2021. But given the recent developments regarding the position of the minister of health, the bill can be expected to undergo significant changes, which is why it is unclear when the law might actually come into force.

Furthermore, an important issue to keep in mind when modernizing the healthcare sector is trust. Doctors or patients will not feel safe if they do not trust the new healthcare system. It is therefore crucial that the new legal regulation convinces all parties that telemedicine is trustworthy. This is by far the most important factor for the remote provision of healthcare.

There is probably nothing that can stop the development of telemedicine now. If properly conceived and professionally executed, it poses another natural progression stage in the provision of services in general, specifically healthcare services in this case. As we have already indicated, its potential is enormous. Combined with the processing of so-called big data or artificial intelligence, or machine processing of selected input data, it is a powerful tool that has the potential to substantially increase the standard of living not only in developed countries, but perhaps even more so in developing countries.

We believe that the evolution of telemedicine is in its infancy, with its true potential to be still discovered. Let us hope that Czech users – patients as well as the developers and providers of telemedicine services – will not fall behind in seizing this potential.



Václav Audes | Partner
Jan Diblík | Partner
Kateřina Slavíková | Associate

GUIDE TO THE CORPORATE WORLD AFTER THE AMENDMENT TO THE COMPANIES ACT

THE AMENDMENT TO THE COMPANIES AND COOPERATIVES ACT COMES INTO EFFECT AS EARLY AS ON 1 JANUARY 2021, EXCEPT FOR THE CHANGES MADE TO THE BASIC REGISTERS ACT, WHICH ARE BINDING ON COMPANIES FROM 1 JULY 2021.

From 2021, the amendment to the Business Corporations Act will simplify the legal regulation of companies. However, for most companies, this will also mean a number of changes. In our brief Guide to the Corporate World, we present you what changes entrepreneurs can expect.



Restriction of ownership interest transferability

The amendment introduces the option to create a **right of pre-emption, a right to purchase back** and other similar rights. In a limited liability company (společnost s ručením omezeným), these rights may be associated with in rem effects similar to those of easements created in the case of real property.



Special types of ownership interests

The amendment lays down some special types of ownership interests or shares, namely ownership interests or **shares without voting rights** or **with the entitlement to appoint a member of an elected corporate body**.



Position of elected body members and other persons with a similar status

The amendment also changes rules for **entering into service agreements and for resignations**. It also extends liability for breaching due managerial care to persons acting as an elected body member even if they in fact do not hold such office (persons known as shadow directors such as managers, former members of the elected corporate body refusing to withdraw from their office and continuing to act on behalf of the company). Further notable changes were also made to the judicial removal of governing body members.



Distribution of profit and other equity

The new legal regulation expressly allows for distributing profit and other equity **in the course of the entire accounting period**. It also unifies and tightens the maximum limits for profits and other own resources to be distributed and paid out.



Joint-stock companies with one-tier structure

The amendment introduces fundamental changes to joint-stock companies with a one-tier governance structure. The only corporate body that will have to be established will be the **management board**, which combines the current powers of the management board and those of the statutory director. The office of the statutory director will cease to exist as of 1 January 2021.

Companies may adjust their memoranda and articles of association to the new legal regulation within one year of the amendment's date of effect. Some changes, however, will affect companies once the amendment has become effective. It is therefore more practical to modify the memoranda and articles of association as required by the amendment now, with a deferred date of effect. The HAVEL & PARTNERS team specialised in corporate law is prepared to help you get ready for these changes in a due and orderly manner.



Legal entity as an elected body member



The amendment introduces a duty for legal entities that are members of a company's elected body to designate a specific **natural person as its representative**; otherwise the legal entity may not be entered in the Commercial Register as a member of the elected corporate body. In addition, the legal entity ceases to be a member of that body if it fails to appoint a natural person to be its representative within 3 months of the establishment of such office or termination of the previous representative's office. The existing legal entities as elected body members must therefore designate their representatives by 1 April 2021.



Advisor attending a general meeting

Shareholders will be allowed to take their (one) **advisor** to the general meeting. Such advisor may be, for instance, an attorney-at-law who will help them assess matters on the general meeting agenda.



Changes to the concept of enterprise

The general meeting has so far had to approve any transfer of the enterprise or of a **substantial part of the enterprise** resulting in a change in the company's structure or purpose of business or activity. The case law has stipulated that a branch is deemed a substantial part of the enterprise. However, the amendment requires the general meeting's consent to the transfer of **any substantial part of assets and liabilities**. This applies not only to a branch but to any significant part of the company's property (buildings, shareholdings, intellectual property rights, etc.).

BRNO IS ONE OF THE EUROPEAN CITIES WITH THE LARGEST REAL ESTATE POTENTIAL

According to the participants of the Real Estate Forum conference, in comparison with other European cities, Brno also offers investors an exceptional opportunity for development. An example is the new modern city district, which is being built on a large area south of Brno's main railway station.

The so-called 'South Centre' or 'Trnitá' is a unique large area immediately adjacent to the historic centre of Brno, which has not developed for decades. "This is a potential that other cities can envy," stressed Michal Sedláček, director of the Office of the Architect of the City of Brno, in a discussion at the conference. "It is not a brownfield, it is an open area that has a river, a railway station, etc. No other city in Europe has it," he added.

According to the developers' plans, several mixed modern city blocks are to be built here. The new district of Trnitá will offer not only office space, but also housing for ten to fifteen thousand people. The area should be alive even after the end of working hours. Residents should have all the necessary facilities here – services, shops, parks and a wide range of leisure activities.

Covid-19 will change office space
However, the new development was

designed and planned even before the coronavirus, which has now fundamentally changed the reality on the market, especially in commercial and office space. Developers must therefore take this into account in respect of this developing site.

Lukáš Netolický of the real estate consulting firm Cushman & Wakefield pointed out at the forum that there has already been a slowdown in demand and activity on the



According to Prokop Svoboda, the owner of the real estate agency Svoboda & Williams, tenants of office space will now also dictate where the market will go. "We will move towards greater flexibility and other office models," he suggested in the discussion.

The international company HB Reavis, which plans to build a multi-purpose Nová Zvonařka project with more than 120,000 m² of floor space in the Trnitá area, therefore also wants to offer customers shared workspaces (co-working) or serviced offices in addition to classic office premises. "This is a direction that covid may have speeded up, but which we would anyway reach over time, because we see it in more developed markets," explained Štefan Stanko, HB Reavis Group's Managing Director for the Czech Republic.

Not every company will be able to afford long-term lease of large office space in times of crisis, Stanko warned. The ideal solution is therefore for companies to have a central administrative base and, in the case of future expansion, to rent serviced offices in the vicinity, which the company can flexibly reduce again in times of recession.

The airport as a gateway to the city

The fact that the city is an ideal transport and logistics hub can also help trigger the office space market in Brno. At the same time, it benefits from its strategic location, when it is not far from Vienna or Bratislava. Brno has the second busiest airport in the Czech Republic, which is also connected



The idea to organize a Real Estate Forum focused on selected real estate market trends, current and specific projects and real estate topics in Brno and the South Moravian region came out from the largest Czech-Slovak law firm HAVEL & PARTNERS. Thanks to the exceptional composition of partners and speakers, the Forum became the most prestigious real estate event in the region, and took place for the second year on 13 October 2020. Due to the epidemiological situation, the forum was held online. However, the online format of this undoubtedly important event also brings its benefits, which is openness to a wider audience.

to a logistics complex with an area of more than 110,000 m². As part of air cargo transport, more than five thousand tons of cargo are transported through Brno every year. This has already attracted significant acers of contemporary industry to the area near Brno Airport. The rental premises here are used, for example, by DHL, Coca-Cola or Zásilkovna, said Milan Kratina, co-founder and CEO of Accolade, which owns the multi-purpose complex and also operates Brno Airport.

This suitable connection between transport and logistics can thus be the driving force of the economy in the South Moravian region even during the corona crisis and can bring other companies here. "The airport is a gateway to the city and the region, there should be basic

connectivity there, because then the region grows and business grows," Kratina noted. This subsequently goes hand in hand with the development of the office space market, Netolický also confirmed. He gave Polish regional cities as an example, where after 2012, after the last economic crisis, the office space market grew dramatically thanks to the introduction of new airlines and the completion of the motorway network.

Connection to infrastructure enables development

In the experience of the clients of HAVEL & PARTNERS, transport accessibility is one of the key factors in the placement of new projects, pointed out Ludvík Juříčka, a partner of this largest Czech-Slovak law firm. Therefore, if a given locality does not have a good logistics connection, it significantly limits its development, which is also the case of the very interesting locality Nová Zbrojovka. However, the construction of the necessary infrastructure is often hampered by the biggest ailment of the Czech construction sector, which is long permitting procedures.

Therefore, what could help the further development of the real estate market in Brno and its surroundings in the future is the adoption of a new Building Act, which should significantly speed up the permitting of new construction, both residential and transport. Michal Sedláček and František Korběl, a partner of HAVEL & PARTNERS who participated in the creation of the new legislation, agreed on this. However, the new Building Act has yet to go through the legislative process, and it is therefore not clear when and in what form it will actually enter into force.



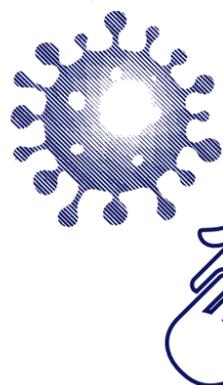
PRO BONO



HAVEL & PARTNERS has donated CZK 150 thousand to the Kampa Museum

"If culture survives, the nation will survive." This quote from the world-famous economist Jan Viktor Mládek, the husband of the prominent patron and art collector Meda Mládková, has gained a new dimension in recent months. Our firm has also supported the fields of culture and the arts, on which the pandemic is having a huge impact, and donated CZK 150 thousand to the Kampa Museum, where you can see works from Jan and Meda Mládek's collection of modern Central European art. The British newspaper The Guardian has included this gallery among the five most interesting smaller private institutions in Europe.

In addition to the pandemic, the Kampa Museum has to deal with the consequences of a fire that hit it in July 2020 and caused damage worth more than CZK 10 million.



Our further help in connection with the consequences of the Covid-19 pandemic

1 We help non-profit organisations to cope with the difficulties caused by the crisis and support their help to others – for example, as part of our pro bono advising, we helped them with donation agreements, threatened debts, we saved several sheltered workshops from shutdown, etc.

2 We share our know-how with you and provide a free of charge comprehensive online information service on the consequences of individual government measures.

3 We also financially support the Nadace Krása pomoci foundation's project "Virtual Reality to Retirement Homes". Currently, the most popular virtual activity among seniors is travel under the sea and among elephants.



Computers for children and seniors – join us!



The coronavirus crisis has entailed not only a technology boom, but also a huge lack of computer technology for people who now need it. That is why our firm has joined the donors of computers and related equipment. So far, we have distributed more than two dozen computers and we continue to do so!

We have sent eleven computers through the Nadace Krása pomoci foundation to retirement homes, where they are used primarily to keep seniors in contact with their loved ones and for other activities associated with overcoming difficult loneliness. Other computers are already in families working with the AutTalk endowment fund, which cares for autistic children and due to the pandemic is in a situation in which it cannot afford a computer to provide distance learning. For the same reasons, we have also distributed computer equipment to children's homes, which the public benefit organisation Dejme dětem šanci (Let's Give Children a Chance) helped us to choose.

If you have a working computer that you can give away, join us! In return, you will get an incredible amount of gratitude and great joy!

1,500
HOURS/MONTH

4 During the coronavirus crisis we are helping twofold: we have increased the amount of financial assistance, and of pro bono hours.

5 We assist professional associations with help to entrepreneurs affected by the pandemic, in cooperation with the Czech Chamber of Commerce we provide pro bono legal advice related to the crisis.

HAVEL & PARTNERS ACADEMY

OVERVIEW OF EDUCATIONAL SEMINARS

HAVEL & PARTNERS ACADEMY

We offer highly specialised educational events in current fields of law and management at the highest level, providing our clients (and other interested parties) with additional added value.



Current topics



Different perspectives



Modern training rooms



Wide range of services



Largest academic team of private law experts

We are online with you!

We broadcast all seminars live for you with maximum technical professionalism and user comfort. You can communicate with the speakers and get a video recording and a podcast.

WINTER SEMESTER 2020

27 November

Ten recommendations for successful migration to the cloud

A workshop for all managers and lawyers considering migrating to the cloud. The course will focus on appropriate recommendations, risk identification, and contractual and other legal steps that should be kept in mind for a successful migration.

4 December

Material publicity of the Real Estate Register

A thematic seminar focused on the issues surrounding the practical impacts of material publicity of the Real Estate Register from the ACADEMY's main expert in the Real Estate Register and rights in rem, and a co-creator of legal regulation in the Civil Code and the large commentary.

11 December

News in consumer protection in case law

A specialised course focused mainly on EU Court of Justice case law and other news in the ever-evolving field of consumer protection from the Academy's lecturer, co-creator of the legal regulation and co-author of the commentary.

SUMMER SEMESTER 2021

We are preparing the following seminars for you:

Current public procurement issues

Bank identity from a legal viewpoint

Compliance in corporations and business groups

Electronic acts, contracts and documents in legal practice

News in EU and Czech competition law

Revived GDPR or the development of interpretation over time

IT outsourcing – possibilities and pitfalls

Guide to the corporate world after the amendment to the Business Corporations Act

Artificial intelligence and machine learning – opportunities and risks

PEOPLE RESPECT ONLY REASONABLE LAWS

What should an ideal legal order look like? It should be a set of legal rules and principles that is logical, comprehensible and proportionate. Law needs to respond to the real problems of society and not create new ones. Only such law is accepted by society, only such law works. And does the reality reflect this?

Contemporary Czech law has too many rules that do not match up and in which it is difficult to orientate. The problem is excessive regulation and little effort to explain why a specific Act is necessary. There are simply too many rules, and no one keeps track of what is applicable.



The reason for this situation is not only the need to regulate life situations and actions that have not existed so far - such as the operation of autonomous vehicles, but also preferring case law (efforts to regulate each specific case) to general legislation. Fearing that the general rule should be left to the discretion of the courts, the legislator tries to think about and "regulate" all the situations that may happen.

Of course, something is always forgotten, some situations are insufficiently or incorrectly described, which in turn leads to the need for further amendments. One amendment is followed by another, a new Act is often amended before it enters into force. It is almost impossible to know which wording is valid. This closes the vicious circle of confusing Czech legislation.

There is a lot of regulation, without explaining why it is needed, what it will be used for and whether there is a less burdensome (non-legislative) way to achieve

PEOPLE WILL COMPLY WITH LAWS SPONTANEOUSLY IF THEY UNDERSTAND AND IDENTIFY WITH THEM. WHAT I DO NOT KNOW AND WHAT I DO NOT UNDERSTAND, I CANNOT CONSCIOUSLY OBSERVE.

the goal. The need for new legislation should be explained not only by lawmakers, but also by the authorities in charge of applying legal rules. The State and its bodies should try to translate complex legislation into simpler language, explain principles on specific life situations, publish manuals, use infographics, etc. Just do everything so that people understand the law.

People and corporations will spontaneously comply with any regulation, especially if they understand and identify with it. The more regulation, the more case law legislation, the less likely it is that individuals will become familiar with the rules and identify with them. If lawyers and judges find it difficult to orientate themselves in the sea

of legislation, it is unrealistic to expect this from citizens and business corporations. What I do not know and what I do not understand, I cannot consciously observe.

There is much regulation, it is complex, contradictory and sometimes even against common sense. Nevertheless, there are many individuals and companies that want to comply with their legal obligations and restrictions. The State should appreciate such an effort even if it fails. Unfortunately, this is not happening. Example? Many clients invest large sums in ensuring so-called legal compliance. And although criminal law views situations where the company does its utmost to comply with an obligation as a mitigating circumstance or even a circumstance ensuring impunity, in practice the conditions are set so strictly that this essentially precludes their practical application. A similar situation prevails in competition law. I consider this a missed opportunity to increase the general level of compliance with regulation.

I believe that the wider legal profession is also playing a significant role in the current bad situation. Attorneys-at-law, academics, lawyers working for professional, non-profit and other organizations whose status allows them should engage in a public debate, offer their experience, draw attention to the inappropriateness of regulation, demand explanations, and present alternatives. Law-making and regulation need to be the subject of greater public debate.

Let's change that.

Robert Neruda | Partner



AWARDS RECEIVED IN THE CZECH REPUBLIC AND SLOVAKIA

HAVEL & PARTNERS is the most successful law firm, providing the most comprehensive legal services in the Czech Republic and Slovakia, based on the total number of all nominations and awards in all years of the Law Firm of the Year competition.



The firm became the absolute winner of this competition four times in the last six years, receiving the main award **Domestic Law Firm of the Year in the Czech Republic** (2015, 2017, 2018, 2020) and ranking as one of the most recommended law firms in most categories of law. HAVEL & PARTNERS is also a four-time winner of the **Law Firm of the Year award for Best Client Services** (2015, 2016, 2019, 2020), and also received the same award in Slovakia in 2020.

HAVEL & PARTNERS was named the best law firm operating in the Czech Republic by the prestigious British rating agencies **Chambers and Partners** (2020) and **Who's Who Legal** (2018, 2019).

In the field of M&A, HAVEL & PARTNERS is the best law firm in the Czech Republic based on the annual **International Advisory Experts** awards (2018, 2019). As part of the **Law Firm of the Year** competition, it won this category both in the Czech Republic (2019, 2020) and in Slovakia (2020). In Slovakia, it also won the prestigious global **M&A Today Awards** (2013–2018) for Mergers & Acquisitions six times in a row, and repeatedly won first place in **the ranking by Lawyer International Legal 100** (2017, 2018).

Prestigious international rating agencies **EMIS DealWatch** and **Mergermarket** have ranked HAVEL & PARTNERS among the leading law firms by the number of transactions completed in the entire CEE region since 2010. Based on the number of completed transactions, HAVEL & PARTNERS is also the top law firm in the region of Eastern Europe according to the foreign ranking **Refinitiv** (2019). Based on the annual awards of **Acquisition International** magazine, HAVEL & PARTNERS has become the Law Firm of the Year 2019 in the M&A category in the Central European region.

The firm has also won a number of non-legal awards.



THE LARGEST CZECH-SLOVAK LAW FIRM WITH AN INTERNATIONAL APPROACH

90 **12**
countries worldwide world languages

We provide legal and tax advice in 12 world languages in more than 90 countries around the globe.



Our clients have access to international and local know-how and expertise through more than 30,000 lawyers in nearly 160 countries.

70%

Up to 70% of the transactions we deal with involve an international aspect.



We have the most comprehensive international support available to both Czech and Slovak law firms.

