Giese & Partner

CZECH REPUBLIC & SLOVAKIA

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Great Success at the European Court of Human Rights!

by Ondřej Rathouský

Our firm achieved a notable success when the European Court of Human Rights (ECHR) upheld a complaint against the Czech Republic that we filed on behalf of our prominent Client in one of its restitution cases.

The ECHR found that there had been a violation of the Client's right to a fair trial under the Convention for the Protection of Human Rights (the Convention). This was caused by the Fourth Chamber of the Czech Constitutional Court. In its decision on the Client's constitutional complaint, it failed to take into account the opinion of other chambers of Constitutional Court expressed in previous rulings.

The ECHR emphasized its long-standing view that the Convention does not require Member States to remedy any injustices that occurred before ratification, i.e. injustices caused by the confiscation of property by former undemocratic regimes. However, if states decide to adopt legislation to compensate victims of past injustices, such legislation must be implemented clearly and consistently to avoid legal uncertainty and ambiguity.

The development of case law is not in itself contrary to the proper administration of justice. Even differences in case law may arise within the same lower court. However, the role of the highest judicial authority is to resolve such conflicts and not to create them. As a result, if a different decision-making practice develops within the highest judicial authority in the country, that court itself becomes a source of legal uncertainty. This undermines the principle of legal certainty and reduces public confidence in the judicial system.

According to the ECHR, the Fourth Chamber of the Constitutional Court erred when it failed to reflect the previous case law of the First and Second Chambers, which we had expressly pointed out in our constitutional complaint. It did so without any explanation of its reasons for such an omission. The ECHR emphasized that, when a court deviates from previous case law, it requires detailed justification of such decision.

The error of the Fourth Chamber was all the more serious because Section 23 of the Constitutional Court Act establishes a mechanism for ensuring consistency in decision-making practice. This allows a Chamber that arrives at a legal opinion that deviates from opinions expressed in earlier rulings of the Constitutional Court, to submit the matter for consideration by the Plenary Session of the Constitutional Court. However, the Fourth Chamber decided not to use this mechanism, even though it must have been aware that the First and Second Chambers had previously expressed a different legal opinion on the legal issue in question.

In view of the above, the ECHR concluded that

- by failing to take into account the earlier established case law of the First and Second Chambers on the legal issue in question, which had also been applied by the Constitutional Court in later similar cases, and
- by failing to properly justify in its decision why it was deviating from the previous case law of the First and Second Chambers, and
- by failing to use the mechanism of referring the matter to the plenary session of the Constitutional Court pursuant to Section 23 of the Constitutional Court Act,
- the Fourth Chamber violated the principle of legal certainty and our client's right to a fair trial.

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Czech Legal News

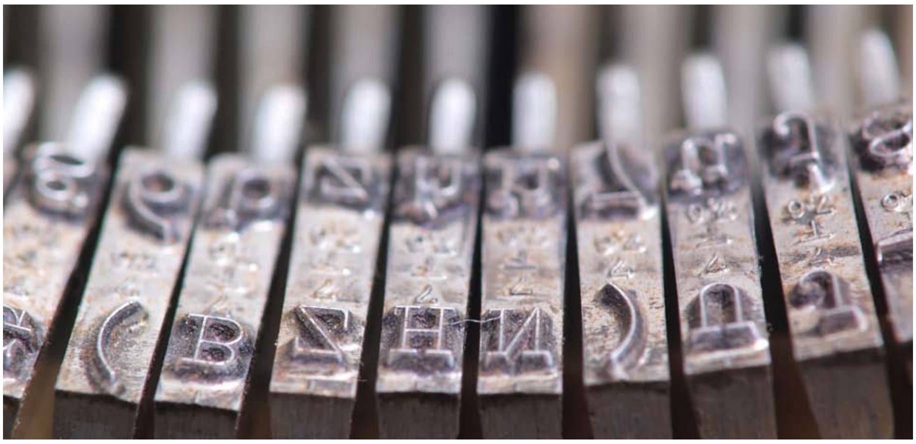
Amend and Record

Updating Registered Mortgages Now Possible

by Jitka Sytařová and Karolína Szturc

The Czech Office for Surveying and Cadastre (ČÚZK), the central authority overseeing cadastral offices, has recently issued an important interpretation that significantly affects the registration of mortgages in the Czech real estate register.

Until now, the established practice of cadastral offices was rather restrictive. If the secured debt under a mortgage changed – for instance, through an amendment to a loan agreement that increased the loan amount or extended the loan maturity – it was not possible to register such changes by way of an amendment to the existing mortgage agreement. Instead, a new mortgage agreement had to be concluded and registered. This new registration would usually appear in the real estate register as a second-ranking mortgage or, alternatively, would replace the original mortgage by securing the entire loan amount including all future receivables.



Both approaches were procedurally burdensome and carried certain legal risks.

This situation has now improved. The ČÚZK has newly clarified that it is possible to register amendments to existing mortgages in the real estate register. This means that creditors and debtors can directly modify an existing mortgage agreement to reflect changes such as loan increases or extended maturity dates, without the need to register a second-ranking mortgage or to replace the existing one. Similarly, it will be possible to register the prolongation of related restrictions, such as a transfer and encumbrance prohibition.

This approach is more consistent with commercial practice and significantly reduces uncertainty for both lenders and borrowers. For banks, foreign investors and developers, this change offers new flexibility and efficiency in financing real estate projects. Our team has extensive experience in structuring mortgage security, negotiating loan documentation and ensuring successful registrations in the Czech Real Estate Register. We would be pleased to assist you in taking full advantage of this new practice.

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Court Clarifies Transfer Pricing Cost Requirements

by Radek Werich

The Czech Supreme Administrative Court has issued an important transfer pricing ruling that sends a clear message to multinational corporations operating in the Czech Republic: companies cannot selectively exclude material costs from their transfer pricing calculations, even in contract manufacturing arrangements.

The decision concerns a subsidiary of Taiwanese technology giant Inventec Corp. It confirms that Czech tax authorities can challenge transfer pricing arrangements where companies fail to include all relevant costs in their profit margin calculations.

THE INVENTEC CASE: CONTRACT MANUFACTURING UNDER SCRUTINY

Inventec CZ operated as a contract manufacturer producing server enclosures for Hewlett-Packard. The Czech subsidiary purchased materials worth 19.5 billion CZK annually from its Taiwanese parent company and assembled them into finished products. However, when calculating its profit margins, the company applied markups only to direct manufacturing costs - primarily wages - while excluding the substantial material costs from its pricing base.

The Czech tax authorities argued this approach artificially reduced the subsidiary's profitability compared to other manufacturers. Material costs represented approximately 87% of the company's total expenses, making their exclusion from transfer pricing calculations particularly significant. The Financial Administration initially assessed additional taxes of 101 million CZK plus 19 million CZK in penalties.

Following appeals, the tax assessment was reduced to 22.6 million CZK plus 3.3 million CZK in penalties. However, the Supreme Administrative Court upheld the core principle that material costs cannot be entirely excluded from transfer pricing analysis, even in arrangements resembling toll manufacturing.

COURT'S KEY FINDINGS ON COST BASE METHODOLOGY

The court examined whether to apply the Return on Total Costs (ROTC) method, which includes material costs, or the Return on Value Added Costs (ROVAC) method, which excludes them. Inventec argued for ROVAC, claiming it operated essentially as a toll manufacturer with minimal value addition and risk exposure.

Importantly, the court recognized that risk allocation between related parties matters for transfer pricing purposes. The tax authorities adjusted their assessment to reflect that Inventec bore only 24.62% of material-related functions and risks, with the remaining 75.38% attributable to the parent company. This proportional approach demonstrates a sophisticated risk analysis in Czech transfer pricing enforcement.

IMPLICATIONS FOR BUSINESS OPERATIONS

The court emphasized an important distinction in transfer pricing enforcement that affects how multinational corporations can legitimately structure their operations. The court acknowledged that companies within a corporate group can rightfully benefit from specialized roles, market synergies, and economies of scale that differentiate their financial parameters from independent businesses.

The court recognized that it is "entirely permissible" for a group member performing specialized functions for the entire group or benefiting from collective market strength, reputation, or other group synergies to achieve different profit margins and pricing terms than non-group entities. Such arrangements reflect legitimate business efficiencies and rational economic behavior. Even complex commercial structures involving multiple independent parties can create specialized roles and functional divisions.

However, the court stressed that the critical test under the arm's length principle is whether the overall economic arrangement would be acceptable to an independent entity. Group structures violate transfer pricing rules only when they artificially reduce profits for the specific purpose of tax avoidance, rather than creating genuine economic value. The court noted that transfer pricing legislation aims to prevent unlawful tax reduction, not legitimate business synergies that produce economic savings.

In the Inventec case, the court concluded that the Czech subsidiary's pricing arrangement constituted "artificial" profit reduction that an independent manufacturer would never accept. An independent entity in Inventec's position would demand higher profitability and would factor material ownership responsibilities into its profit calculations, regardless of limited risk exposure. This finding underscores that while group synergies are permissible, they cannot override fundamental economic principles that govern arm's length.

PRACTICAL STEPS FOR COMPLIANCE

Companies should review their transfer pricing documentation to ensure cost base methodologies align with actual business arrangements. Where subsidiaries formally own materials or inventory, transfer pricing studies must analyze and compensate for associated functions and risks, even if limited.

Documentation should clearly demonstrate how intragroup arrangements compare to those between independent parties. The court emphasized that Czech transfer pricing rules aim to prevent artificial profit shifting while allowing legitimate business efficiencies. Companies claiming minimal value addition must provide substantial evidence supporting their position through detailed functional and risk analysis.

This decision strengthens the Czech Republic's transfer pricing enforcement framework and demonstrates courts' willingness to support tax authorities when they apply OECD principles appropriately. For multinational corporations, it underscores the need for robust documentation supporting transfer pricing positions, particularly in arrangements involving significant material flows or contract manufacturing.

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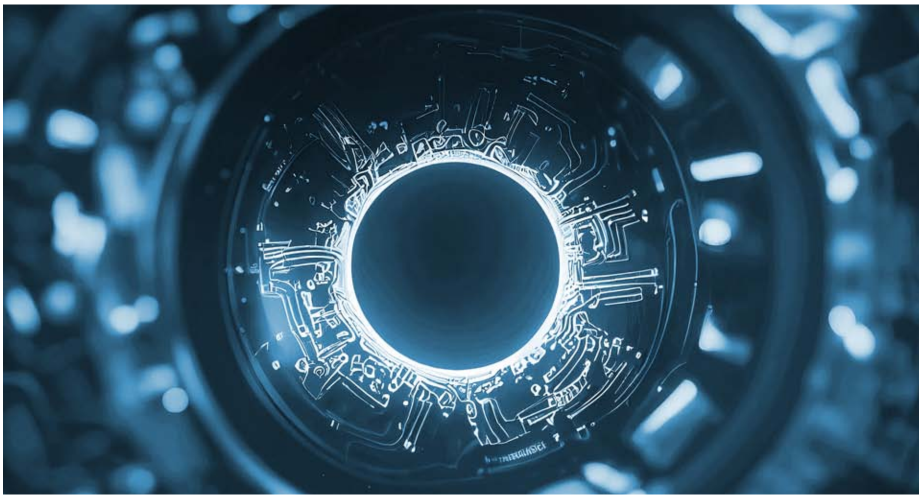
Employee Management and AI

by Dagmar Junková



Digital transformation and the rise of modern technologies are fundamentally reshaping the workplace. Artificial intelligence, process automation, and digital tools are no longer just supportive means; they have become integral to how companies recruit, evaluate, and manage employees. While these innovations bring clear operational benefits, they also introduce new legal and compliance challenges that managers and HR professionals must address.

AI ACT AND EMPLOYEE PROTECTION

The European Union has adopted the **Artificial Intelligence Act (AI Act)**, which sets strict rules for the use of AI in employment-related processes. Employers who rely on AI for recruitment, performance evaluation, or monitoring will face new obligations to ensure that AI use is:

- **Transparent and understandable** – employees must know when AI is used and for what purpose,
- **Subject to human oversight** – decisions affecting employees cannot be fully automated without human review,
- **Fair and safe** – systems must be designed to avoid discrimination, biased outcomes, or misuse.

For companies, this means reviewing how AI systems are implemented and ensuring clear internal policies that guarantee compliance with the upcoming regulation.

GDPR: DATA PROTECTION IN THE DIGITAL WORKPLACE

In addition to the AI Act, **GDPR** continues to play a crucial role in defining how employers may collect and process employee data. With the growing use of digital tools, the following points are particularly important:

- during **recruitment**, candidates must be clearly informed about how their data will be used,
- in **performance evaluation and monitoring**, data processing must be proportionate, relevant, and transparent,
- **automated decisions** cannot be the sole basis for hiring or employee assessment.

Employers must therefore ensure that all AI and digital systems are set up in a way that fully respects employees' privacy rights.

LABOR LAW AND THE DIGITAL REALITY

Rules on home office and employee monitoring are not new; they have long been addressed under labor law. What changes in the digital era is the way these rules are applied in practice.

Modern tools now allow much more detailed oversight of employees' work, which raises both opportunities and risks. Employers need to:

- clearly define rules for remote work and employee availability,
- ensure that monitoring practices remain proportionate and transparent,
- take responsibility for **cybersecurity**, as the protection of sensitive employee and company data is a legal obligation as well as a business necessity.

WHEN WILL THE NEW OBLIGATIONS APPLY?

- The AI Act will become effective 20 days after publication in the EU Official Journal, but obligations for companies will only apply after a transition period (typically 1–2 years, depending on the type of AI system).
- GDPR has been fully binding since 2018, and all data processing – including through AI tools – must already comply.
- Labor law obligations apply immediately, and digitalization only increases the importance of their proper implementation.

WHAT EMPLOYERS SHOULD DO NOW

- Review your company's use of AI and digital tools.
- Establish internal policies that ensure fair and transparent use of these technologies.
- Prioritize cybersecurity and safeguard employee data.
- Prepare early for AI Act obligations and stay up to date with legal developments.

CONCLUSION

AI and digital technologies are transforming how companies manage their workforce. They bring efficiency and new opportunities, but also new legal responsibilities. By setting clear rules and processes now, employers can embrace innovation while ensuring compliance, employee trust, and legal certainty.

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Open Path to Redress
A Landmark Decision for Foreign Heirs

by Jana Kostěncová

Recently, the Supreme Court addressed a key question: what protection does a legitimate heir have against an illegitimate heir? The decision has extraordinary significance – particularly for foreign heirs, who often do not even know that they own property or hold inheritance rights in the Czech Republic.

WHY IS THE DECISION SO IMPORTANT?

The Czech Civil Code of 2014 abolished the traditional action for recovery of inheritance (so-called hereditas petitio). This raises the question of how a rightful heir could defend themselve if the court in probate proceedings failed to acknowledge their inheritance. The Supreme Court has now confirmed that **a legitimate heir enjoys the same protection as an owner.**

This means that an heir whose rights were not recognized in the probate proceedings may at any time turn to the court and claim the inheritance – even against the person to whom the inheritance was already confirmed by the court.

STRONG POSITION OF THE RIGHTFUL HEIR

- Inheritance rights do not become time-barred – nor does the right to claim assets or monetary compensation.
- A legitimate heir may enforce their rights even after many years, for example if they only later discover that they were entitled to inherit property in the Czech Republic.
- The claim applies not only against the "illegitimate" heir but also against anyone who unlawfully retains assets from the estate.

PRACTICAL SIGNIFICANCE FOR FOREIGN HEIRS

Foreign heirs often find themselves in situations where:

- they are unaware that they acquired inheritance rights in the Czech Republic (for example, after a relative they have not been in touch with for years),
- they discover the existence of property only after a considerable delay,
- or they learn of the estate only when the inheritance proceedings in the Czech Republic have already been completed and confirmed in favor of another person.

Thanks to the Supreme Court's interpretation, such legitimate heirs now have an **open path to redress**. The decision confirming inheritance is not "final" in the sense of closing the door forever – the rightful heir may still seek protection afterwards.

RESTRICTIONS AND LIMITATIONS

Of course, there are limitations. The claims of a legitimate heir may fail if the property has been acquired by usucaption (prescription), or if it was transferred to a third party who purchased it in good faith from the illegitimate heir. Yet this is a natural element of legal certainty. For most practical situations – particularly in relation to real estate or bank accounts – the ruling provides significant room for heirs to enforce their rights retrospectively.

CONCLUSION

The Supreme Court's decision sends a clear message: **inheritance rights have the force of ownership rights** and can be enforced even after a long lapse of time. For foreign heirs, who may be unaware of assets in the Czech Republic, this is a major benefit. It means that even years later, they can still claim their inheritance share – either by obtaining the property itself or at least by receiving appropriate financial compensation.

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New Czech Cybersecurity Act
Are you Concerned?

by Andrea Lančová

The new **Cybersecurity Act** replaces the previous framework with a service-based scope ("regulated services") and brings thousands of additional entities into regulation. Most in-scope entities must notify their regulated services via the NÚKIB Portal.

WHO IS IN SCOPE

Scope is no longer based on entity labels alone. An entity is in scope if it provides a regulated service in sectors defined by law (e.g., energy, finance, healthcare, transport, digital infrastructure, public administration) and meets the relevant size or significance thresholds. The specific list of regulated services and regime thresholds will be set by NÚKIB decrees.

TWO REGIMES OF OBLIGATIONS (HIGHER VS. LOWER REGIME)

The Act introduces **two regimes of obligations** aligned to the criticality and risk of the regulated service: **a higher and a lower regime**. Detailed security measures will be specified in implementing decrees and guidance, but expect obligations across at least these areas:

- Risk management and asset scope (define the in-scope assets and processes and key dependencies)
- Business continuity and incident response (plans, testing, exercises)
- Supplier/third-party security (onboarding,

contractual controls, monitoring)
- Access control and identity management
- Training and awareness for relevant staff and management
- Monitoring, logging and detection proportional to risk
- Documentation and governance (roles, accountability, board reporting)
- Contact points and cooperation with NÚKIB/CERT (keeping contacts up to date)
- Incident reporting: timely notifications via the NÚKIB Portal (and/or CERT).

KEY DATES AND DEADLINES

- **1 November 2025** – the new Cybersecurity Act becomes effective. In-scope entities have **60 days to notify their regulated services**
- **Implementation window** – after registration, companies generally have up to one year to implement required measures

PENALTIES AND GOVERNANCE

For serious breaches, authorities may impose penalties of up to CZK 250 million or to 2% of worldwide turnover, whichever is higher. The new Act also strengthens **board-level accountability** for cyber-risk governance.

WHAT THIS MEANS FOR BUSINESSES

A practical approach to the new regulation includes:

- **Scope assessment** – compare current activities to the (upcoming) list of **regulated services** and determine whether you fall under the higher or lower regime
- **Notification preparation** – compile service descriptions, contacts, and incident channels for submission within the 60-day deadline
- **Implementation planning** – prepare a 12-month roadmap covering policies, risk assessments, supplier controls, training, and incident playbooks
- **Governance alignment** – assign executive accountability and update contracts and procurement to reflect security and incident-sharing obligations

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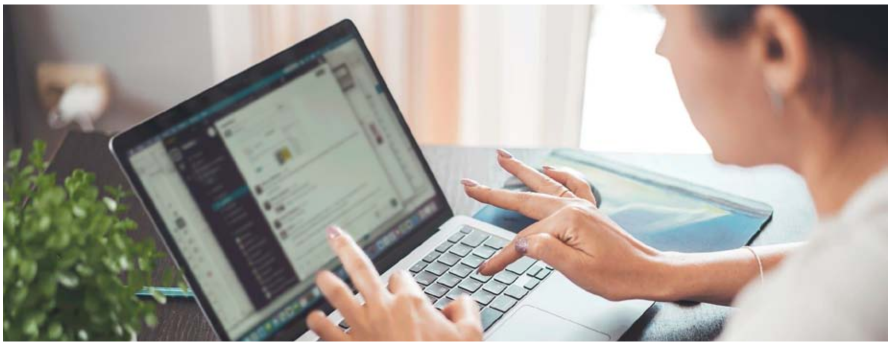

Fight Unfair Competition

‘Blow the Whistle’ with the New Reporting Tool

by Jan Valíček

The Czech Office for the Protection of Competition (Úřad pro ochranu hospodářské soutěže – ÚOHS) has officially launched its own anonymous reporting (whistleblowing) channel for suspected breaches of competition law.

The new tool allows the general public, company employees or any concerned individuals to raise the respective alerts confidentially, or even anonymously if preferred, about cartel agreements, abuse of dominant position, or other unfair trade practices.

This whistleblowing channel is accessible via a web interface from the official website of the ÚOHS (https://uohs.integrityline.com/?lang=en) and is designed to ensure strong confidentiality. A person making a disclosure can choose to remain anonymous or to provide contact information to allow follow-up questions. Once a report is submitted, the system creates a secure mailbox: the whistleblower creates a password and receives a randomly generated case reference number. Only this number plus the password grants access to view any responses of the authority. The confidentiality of communication is maintained throughout, and submissions are handled with maximum discretion. Similar to the reporting channels in larger companies in the private sector, this system is not intended for deliberately false accusations. Such misconduct may be punished.

In addition, reports may also be submitted via the so called external channel provided by the Ministry of Justice under the Whistleblower Protection Act. However, the ÚOHS expects that this separate direct channel will lead to earlier initiation of the related administrative proceedings, shorter investigation timelines, more effective detection and imposition of sanctions for secret cartels, abuses of dominant position or other distortions of fair competition.

There are also certain tools operated on the European Union level for the submissions in the fields of antitrust regulation, covering also mergers and state aid issues. However, we consider it very important to have and maintain similar tools at the national level, which is closer to the citizens of a country and easier for them to understand.

The questions is whether the unveiling of ÚOHS’s anonymous whistleblowing tool indeed marks a significant milestone for transparency and competition enforcement in the Czech Republic. If managed well, it could help uncover hidden unlawful practices and strengthen market fairness. The final effect will depend on its real-world application: how many people will use it, how seriously tips will be provided and followed up, and whether the tool strengthens trust in ÚOHS’s ability to protect fair markets.

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Czech National Bank

Streamlining Regulations for Financial Institutions

by Radek Werich

A decree by the Czech National Bank (CNB) removes national rules that exceed EU standards, known as goldplating, thereby reducing administrative burdens on financial institutions without compromising oversight.

KEY CHANGES FOR BANKS AND FOREIGN BRANCHES

For Czech banks and branches of foreign banks, the decree abolishes mandatory reports on credit concentration and profit distribution, allowing the CNB to source this data independently from other submissions. It also eliminates additional national requirements for risk management, asset valuation, and information disclosure, relying instead on EU regulations and standards like IFRS 9. These adjustments can lower operational costs for banks, potentially leading to more efficient lending processes and customized financial products for business clients.

UPDATES IN COLLECTIVE INVESTMENT

In the area of collective investments, administrators of real estate funds are no longer required to submit separate notifications to the CNB detailing expert committee members' education and professional experience, as this information can be obtained from alternative sources. The decree also cancels the "Structure of Assets of a Managed Fund" report, since its data overlaps with other required statements and is not mandated by EU law. For businesses investing in such funds, this means fund managers can allocate more resources to portfolio optimization and performance tracking, rather than compliance paperwork.

SIMPLIFICATIONS FOR PENSION PRODUCT DISTRIBUTORS

Distributors of the Pan-European Personal Pension Product (PEPP) benefit from streamlined notifications for starting or ending distribution activities. Reports on contract volumes or investment amounts are eliminated, as they are not required under EU regulations. This change supports businesses offering employee pension schemes by reducing delays in provider operations and encouraging broader adoption of these products.

BROADER LICENSING ADJUSTMENTS

Across sectors including capital markets, insurance distribution, pension savings, consumer credits, and collective investments, the decree limits affidavits of legal capacity to cases where information cannot be verified from public registers. This applies to licensing and compliance procedures, minimizing redundant documentation during applications or audits.

OVERALL IMPACTS ON THE FINANCIAL MARKET

The decree eliminates 36 specific measures at the decree level, with the CNB proposing an additional 41 abolitions in collaboration with the Ministry of Finance for legislative changes. By addressing duplicative reporting - where the CNB no longer demands data it already holds from other sources - the reforms aim to cut time and costs associated with compliance.

For Czech businesses, this could translate into improved access to financial services, as providers gain flexibility to compete more effectively within the EU framework. The changes align national rules closely with EU norms, supporting market development without introducing new risks.

While the decree focuses on deregulation, businesses should monitor implementation, as full effects may vary by institution. For instance, banks must still adhere to core EU prudential requirements under updated directives. If your operations involve financial services, consulting with advisors on how these shifts apply to specific contracts or investments is advisable.

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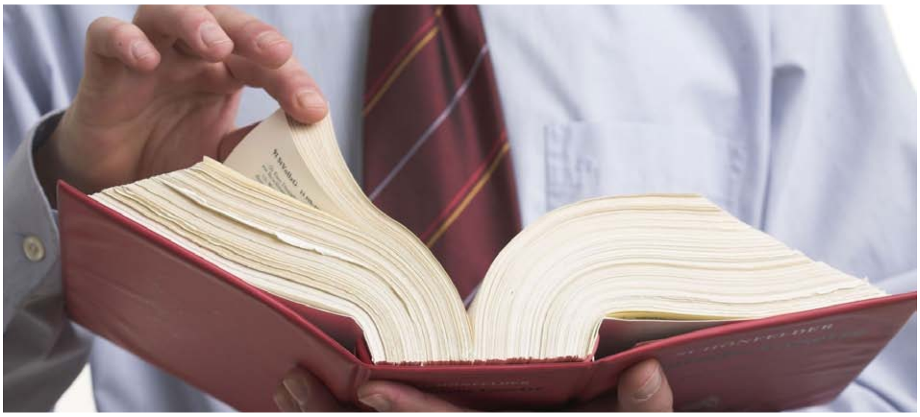
Will Construction Become Faster and More Efficient?

Slovakia's New Building Act

by Valter Pieger



LESS RED TAPE, MORE SPEED

Slovakia's long-awaited Building Act brings sweeping changes for both homeowners and real estate developers. The government promises less paperwork, more digital tools, and most importantly – faster building permits. The reform is being described as the biggest shake-up in construction law in decades, aiming to make Slovakia more attractive for investment and fairer for ordinary citizens who wish to build their homes.

ONE PERMIT INSTEAD OF MANY

Until now, many construction projects required several separate approvals, often dragging out the process for months. The new law merges these procedures into a single building permit process. Even complex projects involving multiple building parts will now be handled together, saving time and cutting bureaucracy. For investors, this means less uncertainty and fewer delays; for families, it could mean their dream home gets approved in weeks instead of months.

SILENCE MEANS CONSENT

Perhaps the most eye-catching change is the introduction of "fictitious approval." Municipalities now have 30 days (or 60 for large projects) to issue their opinion. If they miss the deadline, their consent is automatically assumed – giving applicants certainty and preventing endless waiting. This rule is seen as a strong push for efficiency, forcing authorities to act quickly and eliminating the frequent "administrative silence" that has frustrated builders in the past.

NO MORE ENDLESS OBJECTIONS

Previously, anyone could repeatedly object to the same project, causing significant delays. Under the new law, stakeholders and affected residents can now comment only once. The aim is to streamline public input without paralyzing the process. Critics argue this might limit civic participation, but supporters say it strikes a fair balance between protecting public interests and preventing abuse of the system.

DIGITAL BY DEFAULT

All applications must now be submitted electronically, and project documents will be stored in a new national planning and construction database. This push for digitalization should bring greater transparency and efficiency for both officials and citizens. Applicants will be able to track the status of their cases online, reducing the need for in-person visits and phone calls to offices. Over time, the system is expected to create a comprehensive digital archive of construction projects across the country.

SMALL PROJECTS MADE SIMPLE

The Act also defines a new category of small structures – such as summer kitchens, garages, carports up to 50 m^2, swimming pools up to 25 m^2, or rooftop solar systems up to 100 kW. These will face a simplified approval process, making small-scale building much easier. For homeowners, this could mean less paperwork and faster realization of everyday projects, while businesses installing renewable energy systems see it as a positive step toward greener, more accessible solutions.

ZERO TOLERANCE FOR ILLEGAL STRUCTURES

A major shift concerns illegal construction. Buildings erected without a valid permit can no longer be legalized afterward. Instead, they must be removed. Liable is not only the builder but also contractors, site managers, and construction supervisors. This strict approach is designed to discourage "build first, legalize later" practices that have long plagued Slovak municipalities. Authorities believe it will also improve safety standards and urban planning in the long run.

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Watch out!

The New Insolvency Register Might Make You Lose Your Rights

by Renáta Konštiaková

Bankruptcy law comes with several fresh innovations aimed at streamlining the established procedures and reducing the administrative burdens. This is undoubtedly a step forward. However, these changes also have another side. The new and effective instruments increase the responsibility of the bankruptcy participants - including creditors - who are from now encouraged to proactively follow the course of the bankruptcy. Otherwise, they may lose their rights.

The amendment introduces an *Insolvency Register*. Its purpose is to unify and digitise the insolvency procedures by keeping all information in one place. Publication of information in the *Insolvency Register* replaces the direct delivery of certain resolutions and other important documents to those concerned by the bankruptcy proceedings. Therefore, regular monitoring of the *Insolvency Register* is becoming a necessity.

The *Insolvency Register* concerns also creditors who lodge their claims against a bankrupt debtor. The lodged claims, as well as all related information, are now registered in the *Insolvency Register*. What does this mean in practice? Let's give you an example: If a creditor's claim was denied, the insolvency trustee was originally required to inform the creditor by delivering a separate written notification. The moment of delivery was crucial for the creditor's right to assert the denied claim in court. This is now a thing of the past. Under the new rules, denial of claims shall only be published in the *Insolvency Register*. Therefore, failure to regularly monitor the *Insolvency Register* can result in creditors losing their rights.

The *Insolvency Register* aims to make the insolvency proceedings transparent. However, publishing information in this Register can have significant legal consequences. If your business partner is experiencing financial difficulties, monitoring of the *Insolvency Register* should become part of your daily business routine.

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