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A State at Odds Who Gets to Represent the Czech Republic at NATO?

by Marie Zámečnicková

A DISPUTE ABOUT ONE SUMMIT
— AND MUCH MORE

A constitutional dispute is currently unfolding in the Czech Republic over a seemingly simple question: who should represent the country at the upcoming NATO summit? President Petr Pavel insists that, as head of state, he should attend. The Government, led by Prime Minister Andrej Babiš, disagrees, arguing that the summit concerns defense policy and state commitments—areas for which the cabinet bears political responsibility. The disagreement has escalated to the point where the President has openly considered taking the matter to the Constitutional Court.

For regular readers of our previous newsletter — where we analyzed the President's refusal to appoint Filip Turek as minister — this development will not come as a surprise. As we argued there, the dispute over a single ministerial nomination was never just about one name. It exposed a deeper constitutional fault line between the President and the new Government. The current NATO

conflict is, in many ways, a direct continuation of that earlier clash.

FROM MINISTERIAL APPOINTMENT TO INSTITUTIONAL CONFRONTATION

The turning point came in January 2026, when President Pavel refused to appoint Filip Turek despite his nomination by the Prime Minister. In his reasoning, the President explicitly referred to concerns about Turek's long-term public conduct and its compatibility with constitutional values. Legally, that decision already raised a sensitive question under Article 68(2) of the Constitution, which provides that the President appoints ministers "on the proposal of the Prime Minister". Whether the President may refuse such a proposal - and under what circumstances - remains one of the most contested issues in Czech constitutional law.

Politically, however, the consequences were immediate. Rather than de-escalating, the

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Motoristé party chose confrontation. Its leader, Foreign Minister Petr Macinka, made it clear that the dispute would not end with the rejected nomination, framing the situation as a long-term conflict and explicitly signaling that relations with the President would escalate into what he himself called an

“extreme case of cohabitation”. Against that background, the NATO summit dispute is no longer an isolated incident. It is widely understood as an extension of that earlier conflict—from the level of ministerial appointments to the broader question of how the Czech Republic is represented abroad.

WHERE THE LEGAL CONFLICT LIES

At first glance, the Constitution seems to offer a straightforward answer. Article 63(1)(a) provides that the President “represents the state externally”, while Article 67(1) defines the Government as the “supreme body of executive power”. The difficulty is that these provisions operate in parallel rather than in hierarchy. Article 63(3) further provides that presidential acts in this area are subject to countersignature, meaning that the Government bears political responsibility for them. At the same time, Article 68 confirms that the Government is accountable to Parliament and is the central actor of executive policy. The legal dispute therefore turns on a narrow but difficult question: does the President’s power to represent the state entail a right to participate in events such as the NATO summit, or is the exercise of that power ultimately dependent on Government consent? The Constitution does not provide a clear-cut answer. Instead, it presumes coordination — a presumption that is now failing in practice.

TWO LEGITIMATE INTERPRETATIONS

This is precisely why both sides can rely on serious constitutional arguments. The President is on firm ground when invoking Article 63. The external representation of the state is an explicit constitutional function, and it is difficult to reduce it to a purely symbolic role. Constitutional practice supports this view: Czech presidents have traditionally attended NATO summits, and the current President has done so as well. The Government, however, is equally justified in pointing to the parliamentary nature of the system. It bears full political responsibility for defense policy, NATO commitments and public spending. It is accountable to Parliament and controls the instruments of executive



governance. From that perspective, it is logical to argue that representation must follow responsibility. At the same time, the practical aspect speaks for the Government. It is the Ministry of Foreign Affairs that finalizes the attendance list for the NATO summit, and it has already announced that the President is not included in the official delegation. The conflict is therefore not about a clear violation of the Constitution. It is about the boundary between two roles that the Constitution deliberately leaves overlapping.

A SYSTEM UNDER INCREASING STRAIN

This is where the broader significance of the dispute becomes evident. Since the introduction of direct presidential elections, the Czech President has gained strong democratic legitimacy without a corresponding expansion of formal powers. This creates an inherent tension. As long as political actors respect unwritten limits and seek compromise, the system functions smoothly. But once those constraints weaken, the system begins to generate conflict. That is precisely what we are now seeing. First, the refusal to appoint a minister tested the limits of Article 68. Now, the NATO dispute tests the outer boundaries of Article 63. These are not isolated incidents, but part of a broader

pattern of increasingly confrontational institutional behavior.

BEYOND ANKARA: A CONSTITUTIONAL SYSTEM UNDER STRESS

The Czech constitutional system is not breaking down. But it is clearly being challenged more directly — and more aggressively — than in the past. What was once managed through political coordination is now being pushed into open conflict. Disputes that would previously have been resolved behind closed doors are turning into public, and potentially judicial, confrontations. The question raised by the NATO summit is therefore not just who will travel to Ankara. It is whether the Czech constitutional framework — built on a combination of written rules and unwritten conventions — can continue to function in an environment where those conventions are increasingly disregarded. And that, more than the outcome of any single dispute, will shape how resilient the system proves to be in the years ahead.

For additional information contact Marie Zámečnicková at: zamecnikova@giese.cz



Czech Legal News

Bank Guarantees and Subrogation Recourse

A Turning Point in Czech Case Law

by Jitka Sytařová

A bank guarantee is traditionally understood as an abstract security instrument. By issuing a bank guarantee, the bank assumes a legally autonomous obligation that is, as a rule, fully independent of the existence or validity of the underlying secured debt, unless the wording of the guarantee instrument expressly provides otherwise. This independence is precisely what makes bank guarantees attractive in financing and commercial transactions.

For many years, Czech legal practice took a restrictive view of the guarantor's position after payment. Once a bank paid under a guarantee, it was generally understood to acquire only a simple recourse claim against its client – a claim separate from the original creditor's rights and detached from any collateral securing the underlying debt. Especially in insolvency, this often left the guarantor bank in the position of an unsecured creditor unless it had negotiated its own separate security.

A recent landmark decision of the Czech Supreme Court¹ has now fundamentally revised this understanding.

SIMPLE RECOURSE VS. STATUTORY SUBROGATION

Under the traditional approach, payment under a guarantee led to a simple recourse claim reflecting only the guarantor's right to recover what it had paid. This claim arose solely from the internal relationship between the guarantor and the debtor and did not place the guarantor in the creditor's position. Crucially, it did not carry over any associated security or priority.

Statutory subrogation works differently. Where a party satisfies another person's actual debt, it may step into the creditor's shoes. This means not only acquiring the

claim itself, but also assuming the creditor's secured position, including its ranking and collateral.

THE SUPREME COURT'S CLARIFICATION

The Supreme Court confirmed that a guarantor always acquires a simple recourse claim after payment under a guarantee. However, it added a crucial qualification: where the guarantor proves that its payment actually discharged the debtor's real obligation toward the creditor, statutory subrogation may apply. In that case, the guarantor may assert the same position as the original creditor, including security and ranking.

In insolvency, this clarification may be decisive: a guarantor who would otherwise rank as an unsecured creditor may effectively become a secured creditor, with all the economic consequences that this entails.

BEYOND BANKS: FINANCIAL GUARANTEES IN LOAN FINANCING

An important aspect of this decision may not be equally positive for everyone in all circumstances.

A bank guarantee is only one form of a broader category of financial guarantees. The Supreme Court's conclusions therefore extend beyond bank guarantees and apply to financial guarantees in general. Such financial guarantees are commonly used in bank loan financing as one element of the overall security package. In addition to pledges over real estate, shares or receivables, financing banks frequently require financial guarantees issued by holding or parent companies, such as debt service guarantees or cost overrun guarantees.

If such a financial guarantee is called and the guarantor discharges the borrower's actual debt owed to the financing bank, the same mechanism applies. The guarantor – often a holding company – may step into the lender's position, including its rights under the loan documentation and its security package. The holding company may thus unexpectedly find itself standing alongside the financing bank as a creditor under the loan, benefiting from the same collateral and ranking.

WHY THIS MATTERS

The decision makes clear that this outcome is not merely theoretical. Bank financings that use financial guarantees as part of the security package must take this effect into account from the outset. While statutory subrogation cannot be excluded by contract, its consequences must be properly managed in the financing documentation. This includes careful coordination within intercreditor arrangements, tailored security provisions or other mechanisms governing ranking, enforcement and internal allocation of recoveries once a guarantee is called.

CONCLUSION

Where a bank acts as the issuer of a guarantee, the ruling may have a positive impact. Especially in insolvency, statutory subrogation can significantly strengthen the bank's position, potentially allowing it to move from an unsecured to a secured creditor by stepping into the original lender's rights, including its collateral and ranking.

Where a bank acts as the financing bank, however, the use of financial guarantees as part of the security package may have adverse effects. If a guarantee is called and the guarantor discharges the borrower's actual debt, the guarantor may enter the creditor structure alongside the bank with equivalent rights. Unless this scenario is anticipated and properly addressed in the financing documentation, the financing bank's position may be unintentionally diluted.

For additional information contact
Jitka Sytařová at:
sytaarova@giese.cz



¹ File no. 29 NSČR 62/2023, dated 30 July 2025



When Walking Away from a Deal Can Cost Money

by Radek Werich

Negotiations are meant to leave room for a “no deal” outcome, and Czech law respects that freedom. At the same time, the law protects justified expectations created late in negotiations: if talks reach a stage where signing appears highly likely and one side then ends negotiations without a fair reason, compensation for wasted costs may follow.

THE BASIC PRINCIPLE

Pre contractual liability is best understood as a late stage fairness rule rather than a penalty for changing one’s mind. Where a reasonable expectation of signing has been created, an abrupt and unjustified exit can trigger a duty to reimburse the other side’s proven reliance costs (often professional fees such as legal, financial, or advisory expenses).

DECISION OF SUPREME COURT

A Supreme Court decision¹ addressed a common transaction pattern: negotiations were conducted for a share transfer where an investor was intended to be the formal buyer, while another participant expected to receive part of the shares afterwards.

When the seller ended late stage negotiations without a fair reason, the non buyer participant sought reimbursement of its advisory costs.

The Supreme Court’s key conclusion was clear: only the intended contracting party (the would be signatory) is actively entitled to claim damages under the pre contractual liability rule.

Even substantial involvement in

negotiations, influence on contract terms, or an expected economic benefit from the deal does not automatically create standing for third parties.

PRACTICAL IMPLICATIONS FOR TRANSACTIONS

- Entity alignment matters: in multi party structures (SPVs, investors, founders, group entities), the cost recovery “seat” generally belongs to the entity expected to sign the final contract.
- Expectation management matters: language and conduct suggesting that signing is virtually certain can increase risk if the process later stops without a defensible reason.
- Exit discipline matters: where withdrawal is necessary, recording objective reasons (e.g., due diligence findings, financing failure, regulatory obstacles) helps demonstrate a “fair reason” for ending talks.

BOTTOM LINE

Czech pre contractual liability does not make failed negotiations “illegal.”

It targets unfair late stage withdrawal and the Supreme Court has reinforced that claims generally belong to the intended contracting parties, not everyone participating around the transaction.

For additional information contact Radek Werich at: werich@giese.cz



Attorney May Be a Witness to a Will

by Jaroslava Novotná

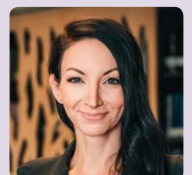
A recent Czech Supreme Court ruling has provided clarity on succession matters concerning allographic wills which are wills in general prepared by a third party and then signed by a testator and confirmed in the presence of witnesses.

In case 24 Cdo 3041/2025 (issued on March 18, 2026), the Supreme Court found that an attorney acting for a client who shall become an heir based on such an allographic will, is not automatically disqualified from serving as a witness. The Czech Civil Code expressly defines which persons are disqualified from acting as witnesses and the lower courts in the respective case erred by extending that category by analogy to include an heir’s attorney.

The Supreme Court emphasised that an attorney does not in any respect meet the criteria of personal or economic integration into the client’s sphere. Although an attorney is required to protect the client’s interests, the attorney remains bound by independent professional responsibility and statutory confidentiality obligations and is not subject to the kind of “internal” loyalty to the client that is typical for employees. Therefore, there is no reason to automatically deny an attorney to witness an allographic will.

From a practical perspective, the ruling offers useful guidance for the preparation and execution of wills and supports greater certainty where allographic wills are put in place.

For additional information contact Jaroslava Novotná at: jnovotna@giese.cz



¹ 25 Cdo 1085/2025

Handwritten Will

New Supreme Court Decision

by Jana Kostěncová

The Czech Supreme Court has recently issued an important decision that has a significant impact on wills and inheritance matters. The ruling mainly concerns situations where a handwritten will exists and one of the heirs challenges its authenticity.

Although this may appear to be a purely legal issue at first glance, the practical consequences can be highly relevant for anyone wishing to avoid future disputes among heirs.

WHAT WAS THE CASE ABOUT?

In the particular case, the deceased had prepared a handwritten will. One of the heirs, however, claimed that the will was not authentic. The court therefore had to determine who bears the burden of proving the authenticity of the will.

Until now, courts often assumed that the person challenging the will had to prove that it was invalid. The Supreme Court has now clarified that the situation is different.

WHAT DID THE SUPREME COURT DECIDE?

According to the Supreme Court, the person relying on the handwritten will and claiming inheritance rights under it must

primarily prove that the will is authentic. In other words: **if someone claims inheritance rights based on a privately handwritten will and another heir disputes its authenticity, the beneficiary under the will may be required to prove that the will was genuinely written and signed by the deceased.**

In practice, this may involve:

- handwriting expert opinions,
- examination of signatures,
- assessment of the deceased's medical condition,
- or evidence regarding the circumstances under which the will was prepared.

WHY IS THIS IMPORTANT?

This decision significantly increases the importance of notarised wills.

If a will is executed before a notary:

- its legal strength is considerably higher,
- the risk of disputes is substantially reduced,
- and challenging such a will is usually far more difficult.

Privately drafted handwritten wills may lead to more disputes and complications

in the future, particularly where family relationships are strained.

WHAT DO WE RECOMMEND TO OUR CLIENTS?

From a practical perspective, this decision further confirms that in cases involving substantial assets or more complex family situations, it is advisable to:

- address inheritance matters in advance,
- carefully consider the form of the will,
- and consider executing the will in the form of a notarial deed.

This is especially relevant for:

- second marriages,
- blended families,
- business owners,
- or situations where the testator wishes to distribute assets differently from the statutory inheritance rules.

Proper estate planning can help prevent lengthy and costly disputes between heirs in the future.

Should you wish to discuss your situation or review an existing will or other estate planning documents, we will be happy to assist you.



For additional information contact
Jana Kostěncová at:
kostencova@giese.cz



Covid May Be Over - Its Legal Consequences Are Not

by Ondřej Rathouský

In its recent judgment¹, the Czech Constitutional Court once again took a clear stand against excessive formalism in cases concerning compensation for damage caused by Covid 19 measures. The Court overturned decisions of all lower civil courts which had dismissed a business owner's claim for lost profits solely on procedural grounds, without examining

the substance of the case.

The claimant, a restaurant operator, sought compensation for losses incurred during the spring of 2021, when her business was forced to close under extraordinary public health measures. Those measures were later repeatedly annulled by administrative courts as unlawful. Despite this, the civil courts rejected the claim on the basis that the claimant had not formally challenged

¹ III. ÚS 2667/24 of 11 February 2026

each individual measure at the time, and therefore did not meet the procedural conditions for state liability.

The Constitutional Court rejected this approach as incompatible with the right to a fair trial. It emphasised that the right to compensation for unlawful state action cannot be effectively denied through rigid procedural requirements applied without regard to context. In particular, courts must consider whether there were objective and reasonable reasons why the affected party did not pursue procedural remedies at the relevant time.

The Court noted that during the pandemic, extraordinary measures were adopted, amended and revoked in rapid succession, often before any meaningful judicial review could realistically take

place. Requiring affected individuals to file numerous parallel legal actions in such circumstances may be detached from reality. Ignoring these factors and dismissing claims automatically constitutes impermissible formalism.

Crucially, the lower courts failed to address the claimant's arguments that there were special circumstances justifying her procedural inactivity. Instead of assessing those arguments, they relied on a purely mechanical interpretation of procedural rules. This omission alone was sufficient for the Constitutional Court to find a violation of the right to judicial protection.

The judgment is of considerable practical importance. It confirms that the legal consequences of Covid 19 measures remain very much alive and

that claims against the state cannot be dismissed automatically on procedural grounds. Courts are required to assess each case individually, taking into account the extraordinary context in which the damage allegedly arose.

For businesses affected by pandemic related restrictions, the message is clear: even years after the end of the pandemic, claims for compensation may still deserve substantive judicial consideration rather than summary rejection.

For additional information contact Ondřej Rathouský at: rathousky@giese.cz



Personal Liability of Managing Directors for Late Insolvency Filings

by Karolína Szturc

Managers often perceive insolvency as a problem of the company rather than a personal risk. Czech law, however, takes a stricter view. Among others, managing directors must monitor the company's financial situation and file for insolvency without undue delay once the company becomes insolvent. If they fail to do so, they may be personally liable to creditors. This was recently confirmed and further clarified by the Czech Supreme Court

A STRICTER VIEW ON INACTION

In practice, insolvency filings are often delayed due to hopes of recovery, ongoing negotiations or simple inertia. The Supreme Court made it clear that such inaction carries significant legal risk. The Supreme Court rejected the argument that managing directors can avoid liability simply because no insolvency proceedings were ever opened. It emphasised that the absence of insolvency proceedings may itself be the result of a breach of duty.

A key takeaway from the decision is that creditors may claim damages even if no insolvency proceedings took place at all. If proceedings were not initiated



because managing directors failed to file in time, this cannot benefit them. This significantly broadens potential exposure. Even companies that are dissolved through liquidation without entering formal insolvency proceedings may leave their former managing directors open to claims.

The Supreme Court thus followed its established case law, confirming it while applying it to a new real world scenario.

An open question left by the decision is how to determine the number of damages. Where the statutory formula based on the difference between the established and satisfied claim cannot be applied mechanically, the amount of damages will need to be assessed by other means.

WHAT THIS MEANS FOR BUSINESS PRACTICE

The decision highlights the importance of early and proactive action by managing directors and board members. The critical moment is not when insolvency becomes obvious, but when it could have been identified with reasonable care.

In practice, delaying action tends to increase risk rather than mitigate it. Companies should therefore ensure effective financial monitoring and seek professional advice as soon as warning signs appear.

For additional information contact Karolína Szturc at: szturc@giese.cz



Czech Agrivoltaics From Theory to Practice

by Jan Valíček

In February 2025, we wrote that the Czech legal system had finally “switched on” agrivoltaics allowing photovoltaic modules to coexist with farming on agricultural land (in form of horizontal systems above crops or vertical systems between rows), rather than forcing farmers to choose between agriculture and energy production.

At that time, we also flagged the key practical limitations: the restricted list of eligible crops (notably vineyards, hops, orchards, nurseries and truffle areas) and, importantly, we anticipated that subsidy support was likely to follow.

What has changed since then is substantial and for many clients decisive: agrivoltaics has moved from a “promising new framework” to a field where investment decisions can be made against concrete subsidy conditions and clearer implementing rules.

AVAILABLE SUBSIDY

The Ministry of the Environment (via the State Environmental Fund) has launched a dedicated funding call under the Modernisation Fund for agrivoltaic power plants.

The programme makes available CZK 300 million, with the possibility of additional funding through a reserve of further projects, and offers support of up to 30% of

eligible investment costs. Applications can be submitted electronically until June 30, 2027, primarily by agricultural entrepreneurs combining energy production with genuine farming activity.

Eligible projects include newly constructed agrivoltaic installations on agricultural land recorded in LPIS, within a capacity range of 10 kWp to 1 MWp, connected through a single delivery point. Notably, the scheme also allows for the inclusion of energy storage systems, reflecting the increasing importance of flexibility and efficiency in project design.

REGULATORY FRAMEWORK

The regulatory framework for agrivoltaics has undergone important refinement since early 2025, making the concept more practically usable and closer to real world deployment.

A key development is the expansion of eligible agricultural use. In particular, agrivoltaic systems may now, under defined conditions, also be implemented on certain types of arable land used for vegetable production. This represents a significant shift, as it allows agrivoltaics to move beyond niche applications and into a much wider segment of agricultural land.

Further, the electricity storage has been integrated into the agrivoltaic concept. The current approach recognises storage

as a natural and often necessary element of agrivoltaic installations. In practice, this improves the flexibility and economic viability of projects.

At the same time, regulatory practice has placed stronger emphasis on formal compliance with agricultural use requirements, in particular through the LPIS (Land Parcel Identification System). Agrivoltaic installations must remain tied to genuinely farmed land, properly registered and monitored as part of the agricultural system. This reinforces the core principle that agrivoltaics shall lead to dual use model, combining energy production with ongoing agricultural activity.

SUMMARY

Compared to early 2025, the Czech agrivoltaics landscape has matured quickly: subsidy has been launched, the implementing framework has been expanded, and storage is now part of the mainstream policy and funding picture. For clients, the opportunity is clear but so are the legal and compliance demands.

If you are considering an agrivoltaic project – whether as a landowner, farmer, developer, technology provider, or investor – we will be happy to support you with end-to-end legal advisory.

For additional
information contact
Jan Valíček at:
valicek@giese.cz



What If Assets in Notarial Escrow Are Not the Depositor's?

by Jan Durica



Notarial escrow has long been a standard and trusted element of transactional practice in the Czech Republic. In real estate transactions, share deals and complex asset transfers, it is widely perceived as the safest way to safeguard purchase prices and other assets pending completion.

A recent decision of the Czech Supreme

Court has brought renewed attention to notarial escrow, not by questioning its reliability, but by highlighting an issue that lies outside escrow itself: the quality of the underlying transaction.

Properly read, the decision does not weaken notarial escrow as a transactional tool. On the contrary, it confirms that escrow works exactly as intended -

provided it rests on a sound legal and factual basis.

CASE BACKGROUND: ESCROW AND A DEFECTIVE LEGAL TITLE

The Supreme Court had to deal with a situation where an asset was deposited by a person who wasn't the owner. The true owner of the asset subsequently filed a claim for its return at a time when the asset was factually held by the notary acting as the escrow holder.

The dispute did not concern the interpretation of the escrow agreement itself, nor any misconduct by the notary. Instead, it stemmed from a defective underlying situation: the person who placed the asset into escrow lacked ownership or another valid legal title allowing such disposition. The true owner therefore pursued a classical property-law claim for the return of the asset.

THE SUPREME COURT'S KEY CLARIFICATION

In its reasoning, the Supreme Court focused on general principles of property law and procedural standing. It confirmed

that the mere fact that an asset is held in notarial escrow does not shield it from a revendicatory claim by the true owner. Where property has been placed into escrow by someone without disposal authority, the owner must seek its return directly, even if the asset is currently held by a notary as a neutral escrow holder.

At the same time, the Court did not criticise notarial escrow as such, nor did it suggest that escrow arrangements are inherently risky. The decision does not impose new obligations on notaries beyond their existing role as professional escrow holders. The problem addressed by the Court arose before the escrow was established.

WHAT THIS MEANS FOR TRANSACTIONS

The practical takeaway is straightforward and reassuring. Notarial escrow remains a highly secure and reliable escrow mechanism under Czech law and continues to be the first-choice solution in most transactions.

The decision simply reiterates a fundamental rule of transactional

practice: escrow can secure the proper execution of a transaction, but it cannot cure a lack of legal title or entitlement that already exists. If an asset or purchase price originates from a party without proper title, no escrow mechanism - whether notarial, banking, or otherwise - can eliminate that risk.

From this perspective, the ruling reinforces the importance of careful transaction preparation. In standard transactions, legal due diligence, verification of ownership and disposal authority, and appropriate AML and source-of-funds checks are already well-established steps. The Supreme Court's decision confirms their relevance, particularly in more complex structures involving groups, third-party funding or cross-border elements.



For additional information contact Jan Durica at: durica@giese.cz

Mandatory Employer Contributions to Retirement Savings for High Risk Employees

by Jitka Sytařová

As of 1 January 2026, Czech law introduces a new obligation for employers to make mandatory contributions to retirement savings products for a defined group of employees performing high risk work.¹ These new rules form part of the broader pension reform and are intended to partially compensate employees exposed to long term adverse working conditions.

WHO IS AFFECTED

The obligation applies to employees whose work is classified as risk category III for selected factors, namely exposure to vibrations, heat stress, cold stress, or significant physical workload involving

large muscle groups. The decisive factor is not the job title or sector, but the actual working conditions, as assessed in cooperation with the competent regional public health authority.

WHEN DOES THE EMPLOYER'S OBLIGATION ARISE

An employer's duty to contribute does

not arise automatically. A mandatory contribution becomes payable only if the employee performs at least three high risk shifts in a calendar month and asserts the entitlement by notifying the employer and providing details of their retirement savings arrangement. Where these conditions are met, the employer must pay a contribution equal to 4 % of the employee's assessment base for the relevant month. The contribution may be paid exclusively to state supported pension insurance or supplementary pension savings schemes.

PRACTICAL IMPLICATIONS FOR EMPLOYERS

In practice, the new regime places increased emphasis on information duties



¹ Act No. 324/2025 Coll.

and documentation. Employers should ensure that employees are informed of their right to the mandatory contribution and the way in which it may be exercised – for existing employees shortly after the Act took effect, and for new employees before they commence high risk work. Although no specific form of communication is prescribed, it is generally advisable for the information to be provided in a manner that can be readily evidenced.

The new obligation also highlights the importance of accurate classification of

working conditions and reliable recording of high risk shifts worked. Where employers already provide pension contributions on a voluntary basis, these should be clearly distinguished from mandatory contributions, as they are subject to different legal rules.

Once the mandatory contribution is paid, the employer must issue the employee with a confirmation of payment, to be provided by the end of the calendar month in which the contribution is paid for the first time. More generally, employers

are expected to maintain appropriate records, as compliance may be reviewed by the competent authorities.

For additional
information contact
Jitka Sytařová at:
sytarova@giese.cz



Slovak Legal News



A New Civil Code for Slovakia Long-Awaited Reform Enters the Spotlight

by Valter Pieger

After many years of intensive expert discussions, conceptual work and legislative preparations, Slovakia is moving towards a fundamental reform of its private law. For the first time, a comprehensive draft of a new Civil Code is available in its entirety. This represents a significant milestone in the modernisation of the Slovak legal framework.

The currently effective Civil Code dates back to 1964 and, despite numerous amendments (more than 70!), has long ceased to reflect the needs of a modern market economy or the development of private law relationships in a broader European context. The preparation of a new civil code therefore ranks among the most ambitious legislative projects of recent years. At the same time, it should be noted that the first recodification initiatives and expert commission work emerged as early as approximately twenty years ago, underlining the long-term and gradual nature of this process.

The presented draft is the result of cooperation among a wide range of experts from academia, the judiciary

and legal practice, who have contributed to the project at various stages of its development. The current version of the extensive code contains more than 1,900 paragraphs, which in itself illustrates its ambition to become a modern and systematic cornerstone of Slovak private law. The draft was approved by the Government of the Slovak Republic on May 6, 2026 and will now proceed to the National Council of the Slovak Republic for further legislative consideration.

From a structural and conceptual perspective, the new Civil Code aims to offer a clearer system, a higher level of legal certainty and greater predictability in private law relationships. It is also expected to strengthen the principle of party autonomy, refine key civil law institutions and more consistently reflect developments in European private law. Specific solutions and their practical impact on individual areas of law will be addressed in separate, more detailed analyses.

As regards the legislative timeline, the draft currently envisages its entry into force on 1 July 2027. This timeline

is intended to provide sufficient room for the preparation of legal practice, including judges, attorneys, notaries, business entities and other participants in private law relationships. However, further delays cannot be ruled out, particularly given the scope and complexity of the recodification and the historically lengthy nature of this legislative process.

The new Civil Code has the potential to shape Slovak private law for decades to come. The very submission of a comprehensive draft therefore represents a historic moment. In the following articles, we will gradually focus on selected areas of the proposed regulation and their practical relevance, in particular from the perspective of business and contractual relationships.

For additional
information contact
Valter Pieger at:
pieger@giese.sk



Pay Transparency Is Here Are You Ready?

by Renáta Konštiaková

Equal pay for women and men. A sensitive topic, where women usually get the shorter end of the stick. Slovakia is among the countries with the widest pay gaps. In practical terms, women work almost two months a year “for free” compared to men. This is a reality that, as of mid-June, will be confronted with new rules aimed at equal pay.

The new regulation is designed to guarantee women and men the right to equal pay for equal work. Let's have a closer look at how this should work in practice.

Employers will be required to establish a remuneration structure, a key tool for

equal pay. It shall enable assessment of whether employees perform work of equal value, taking into account objective criteria, such as complexity of work, level of responsibility, workload, but also soft skills like social and communication skills.

Employees may request from the employer information on their own remuneration level and on average remuneration levels for women and men performing equal work.

Equal pay does not only concern the basic salary. It covers also other monetary and in-kind remuneration, such as benefits.

But what if an employee finds out that their right to equal pay has not been

respected? Employees will be entitled to financial compensation for unequal pay. Compensation must be sufficient to put the concerned employee in the same financial position they would have been in, if the equal pay had been respected.

The right to equal pay does not mean identical pay for women and men in every situation. It means that any potential differences in pay must be reasoned by objective criteria and must not be based on discrimination. We believe that the right to equal pay will become a standard practice in employment relationships.



For additional
information contact
Renáta Konštiaková at:
konstiakov@giese.sk



G&P News

New in Team

We are pleased to have welcomed a new Associate at Giese & Partner in Prague.



Mgr. Ing. Jan Durica
Associate

Jan joined our team in April. He advises Czech and international clients on corporate law matters, with a particular focus on M&A transactions, contractual agenda and the day-to-day operation of commercial companies.

Jan passed the Czech Bar Exam in 2017 and holds degrees from the Faculty of Law at Charles University in Prague (Mgr.) and the University of Economics in Prague (Ing.). Jan is a member of the Czech Bar Association and speaks Czech, English and German.



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Prague

Sky Gallery, Bělehradská 132
120 00 Prague 2
Czech Republic

+420 221 411 511
office@giese.cz
www.giese.cz

Bratislava

BBC 1, Plynárenská 1
821 09 Bratislava
Slovakia

+421 220 510 110
office@giese.sk
www.giese.sk

Zlín

Štefánikova 3326
760 01 Zlín
Czech Republic

+420 221 411 520
office@giese.cz
www.giese.cz

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