

Legal Alert

9/2015

The Business Corporations Act – a time to use the opt-in

In the context of the recodification of Czech private law and effectiveness of the new Business Corporations Act (the "BCA"), major changes were made in the regulation of rights and obligations of companies in the Czech Republic. Currently, the two-year period within which companies may choose to **subordinate to the BCA in full** (the so-called general opt-in), or to operate in a potentially complicated dual mode of parallel application of the BCA and the old Commercial Code, is approaching its end.

The potential opt-in needs to be done **no later than 31 December 2015**. After this date, most likely it won't be possible to execute this opt-in, since this time limitation is perceived to be preclusive by most of the experts and this option will therefore fully expire. Operating in the dual-mode will not affect the company's existence, however it brings uncertainty regarding which internal affairs are governed by the BCA and which by the Commercial Code.

In order to eliminate ambiguity and take advantage of the more favourable and transparent regulation of the BCA, **we advise you to** choose the opt-in and to **subordinate your company to the BCA in full**. In the event you chose this option, as recommended, we would be happy to provide you with legal services to guide you through the process.

Contacts:

In case of any questions, please do not hesitate to contact your contact person in our office, or approach head of our corporate law department Radim Polanský (radim.polansky@bapol.cz).

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