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ACT No 69/2006 Sb.

dated 3 February 2006

on the Implementation of International Sanctions

The Parliament has agreed on this act of the Czech Republic:

BOOK ONE

INTRODUCTORY PROVISIONS

Section 1

Subject of law

Following the directly applicable regulations of the European Union¹⁾, this act regulates certain obligations in the implementation of international sanctions for the purpose of maintaining or restoring international peace and security, the fight against terrorism, compliance with international law, the protection of human rights and freedoms, and the promotion of democracy and the rule of law. Furthermore, the law regulates certain obligations in the implementation of international sanctions for the purpose of maintaining or restoring international peace and security, the fight against terrorism, compliance with international law, the protection of human rights and freedoms and the support of democracy and the rule of law, which the Czech Republic is obliged to comply with on the basis of its membership in the United Nations or in the European Union or which it has introduced under the Sanctions Act.

Definitions

Section 2

For the purposes of this Act, international sanctions shall mean an order, prohibition or restriction imposed for the purpose of maintaining or restoring international peace and security, combating terrorism, compliance with international law, protection of human rights and freedoms and promotion of democracy and the rule of law, insofar as it follows

- a) from decisions of the United Nations Security Council (hereinafter referred to as “the Security Council”), adopted pursuant to Article 41 of the Charter of the United Nations,
- b) from joint positions, joint actions or other measures adopted on the basis of the provisions of the Treaty on the European Union on common foreign and security policy,
- c) from the directly applicable regulations of the European Communities, which implement a common position or a common action adopted in accordance with the provisions of the Treaty on the European Union on common foreign and security policy,
- d) from a directly applicable regulation of the European Union implementing decisions adopted on the basis of the provisions of the Treaty on European Union on the common foreign and security policy,
- e) from a decision adopted on the basis of the provisions of the Treaty on the European Union on common foreign and security policy, or
- f) from a government decision, which results in inclusion on the national sanctions list according to the Sanctions Act.

Section 3

For the purposes of this Act,

- a) the territory subject to international sanctions means certain territory fully or partially controlled by an entity or state subject to international sanctions, including airspace and coastal waters;
- b) an entity subject to international sanctions means a subject against whom the sanctions specified in the document pursuant to Section 2 are directed;
- c) a person subject to international sanctions means
 - 1. the state subject to international sanctions,
 - 2. a citizen of a state subject to international sanctions,
 - 3. a member or representative of an entity subject to international sanctions,
 - 4. any other natural person usually residing in the territory subject to international sanctions, with the exception of citizens of the Czech Republic,
 - 5. a legal person established in a territory subject to international sanctions, or
 - 6. a person listed in the lists issued by the sanctions committees of the Security Council or in the documents of the European Union authorities referred to in Section 2 b), c) or d) in the national sanctions list according to the Sanctions Act;
- d) a Czech person means
 - 1. the Czech Republic,
 - 2. a citizen of the Czech Republic,
 - 3. a natural person other than a citizen of the Czech Republic, usually residing in the territory of the Czech Republic,
 - 4. another natural person entitled to permanent or temporary residence in the territory of the Czech Republic²⁾, or
 - 5. a legal entity based in the territory of the Czech Republic, including territorial self-governing units³⁾ ;
- e) the habitual residence in a territory means staying in that territory for at least 183 days in one calendar year, either continuously or in several periods; each day of stay is counted towards the 183-day period;
- f) assets subject to international sanctions means any movable or immovable thing owned, held or otherwise controlled by an entity subject to international sanctions or a person subject to international sanctions, imported from the territory to which international sanctions apply, or intended for export to a territory subject to international sanctions;
- g) goods means things, rights and other property values, for example money in any form, including deposits and receivables from deposits, other means of payment, securities and investment instruments, as well as any substance used to prepare products, product, service, software or technology and any other movable or immovable thing that is or is to be the object of trade, regardless of the manner and circumstances of its provision;
- h) goods subject to international sanctions means goods owned, held or otherwise controlled by an entity subject to international sanctions or a person subject to international sanctions;

- i) Czech goods means goods owned, held or otherwise controlled by a Czech person;
- j) other goods means goods that are neither Czech goods nor goods subject to international sanctions;
- k) a means of transport is a device intended in particular for the transport of persons, luggage, goods and/or mail;
- l) a means of transport to which international sanctions apply is a means of transport
 - 1. sailing under the flag of a state subject to international sanctions, or registered by it,
 - 2. owned, held or used by or for the benefit of or otherwise controlled by an entity subject to international sanctions, or
 - 3. owned, held, used or otherwise controlled by a person subject to international sanctions;
- m) Czech means of transport is a means of transport
 - 1. sailing under the flag, registered, owned, held or used by or for the benefit of the Czech Republic or otherwise controlled by it, or
 - 2. owned, held, used or otherwise controlled by a Czech person;
- n) another means of transport is a means of transport that is not a Czech means of transport or a means of transport to which international sanctions apply;
- o) a cultural property means
 - 1. a work of art and an object of cultural value⁴⁾,
 - 2. cultural monument, national cultural monument, or their set⁵⁾,
 - 3. collection of a museum nature or collection object⁶⁾, or
 - 4. public cultural production, such as a theatre, film, audio-visual or variety show, concert, dance entertainment or disco, circus, variety or similar performance, exhibition and other similar activities;
- p) means of control is the factual or legal possibility to influence the behaviour of another person, the use of an object or the course of events in a certain territory by one's actions;
- q) public budget means the state budget, state financial assets, reserve fund of a state organizational unit, budget of a territorial self-governing unit, budget of a state fund, National Fund, budget of a contributory organization, budget of the Wine Fund, budget of a legal person providing support in accordance with the law governing the provision of support from public funds to the extent of this support, or the budget, which is stipulated by a special law;
- r) public funds mean subsidies from the public budget, repayable financial assistance from the public budget, other funds from the public budget or investment incentives according to the Act on Investment Incentives;
- s) granting public funds means the issuing of a decision that fully or partially complies with the request for the provision of public funds, the conclusion of an agreement, contract or public law contract for the provision of public funds or the payment of public funds;
- t) disposal, alienation or encumbrance mean transfer for use by another, or other disposal, if it should result in a substantial change in the composition, use or purpose.

BOOK TWO
AREAS OF APPLICATION OF SANCTIONS

TITLE I
RESTRICTIONS OR PROHIBITIONS IMPOSED BY DOMESTIC LAW

Section 4
General provisions

- (1) Restrictions or prohibitions set forth in this Title shall apply to the extent set forth
 - a) by government decree that follows
 1. from decision of the Security Council with the exception of decisions pursuant to Section 8d,
 2. from a common position, joint action or other measure adopted on the basis of the provisions of the Treaty on European Union on common foreign and security policy, or
 3. from a decision adopted on the basis of the provisions of the Treaty on the European Union on common foreign and security policy, or
 - b) by a government decision, which results in inclusion on the national sanctions list according to the Sanctions Act.
- (2) Restrictions or prohibitions under paragraph 1 may be applied in areas
 - a) trade and services,
 - b) money transfers, use of other means of payment, purchase and sale of securities and investment instruments,
 - c) transport,
 - d) connections,
 - e) technical infrastructure,
 - f) scientific and technical contacts,
 - g) cultural contacts,
 - h) sports contacts,
 - i) movement of persons,
 - j) provision of public funds or
 - k) public contracts.
- (3) Government decree according to paragraph 1(a) at the same time defines in accordance with Section 3 (c) the range of persons subject to international sanctions.

Section 5
Trade and services, money services and financial markets

- (1) In the area of trade and services, sanctions may consist of restricting or prohibiting
 - a) import or purchase of goods subject to international sanctions, their sale or any other handling of them,

- b) export, sale or enabling other handling of Czech goods by an entity subject to international sanctions, or by a person subject to international sanctions, or in a territory subject to international sanctions,
 - c) transit of Czech goods through a territory subject to international sanctions, or goods subject to international sanctions through the territory of the Czech Republic,
 - d) the transit of other goods to a territory subject to international sanctions, or goods of a designated entity subject to international sanctions, or to a person subject to international sanctions through the territory of the Czech Republic, or
 - e) any activity that would support or could support the activity specified in letters a) to d).
- (2) In the area of money transfers, the use of other means of payment, the purchase and sale of securities and investment instruments, sanctions may consist of restricting or prohibiting
- a) provision of any performance by a Czech person for the benefit of an entity subject to international sanctions or a person subject to international sanctions, as well as concluding transactions with them, including foreign currency transactions,
 - b) renting a safety deposit box to an entity subject to international sanctions or to a person subject to international sanctions, or receiving goods subject to international sanctions for safekeeping, if it is proven, through reasonable means, that the goods are subject to international sanctions,
 - c) any provision of funds, investment instruments or other securities, or financial and/or economic resources to an entity subject to international sanctions or to a person subject to international sanctions,
 - d) transfer of funds, investment instruments or other securities from an account or to an account controlled by an entity subject to international sanctions or a person subject to international sanctions, including the payment of bank checks, if this can be ascertained by reasonable means,
 - e) interest payments on funds held in accounts controlled by an entity subject to international sanctions or a person subject to international sanctions, as well as interest payments from securities and investment instruments controlled by them,
 - f) entering into an insurance contract with an entity subject to international sanctions or a person subject to international sanctions, or payment to them from insurance contracts, or
 - g) any activity that would support or could support the activity specified in letters a) to f).

Section 6

Transport and connections

- (1) In the area of transport, sanctions may consist of restricting or prohibiting
- a) entry of Czech means of transport into the territory to which international sanctions apply,
 - b) transit of other means of transport through the territory of the Czech Republic or exit from it to the territory to which international sanctions apply,
 - c) crossing the state borders of the Czech Republic by means of transport subject to international sanctions, in order to enter or leave the territory of the Czech Republic,

- d) any physical or legal handling of means of transport subject to international sanctions located in the territory of the Czech Republic,
 - e) provision of Czech means of transport to an entity subject to international sanctions or to a person subject to international sanctions,
 - f) carrying out repairs or providing spare parts, components or tools needed for repairs or modifications to means of transport subject to international sanctions,
 - g) conclusion of a contract on public passenger transport services in accordance with the law regulating public passenger transport services in relation to a person or entity subject to international sanctions,
 - h) performance of a contract on public passenger transport services in accordance with the law governing public passenger transport services in relation to a person or entity subject to international sanctions, or
 - i) any activity that would support or could support the activity specified in letters a) to h).
- (2) In the area of connections, sanctions may consist of restricting or prohibiting
- a) acceptance for transport or transport of postal items in the territory to which international sanctions apply, or intended for an entity subject to international sanctions, or a person subject to international sanctions, from the territory of or through the territory of the Czech Republic,
 - b) provision of electronic communications services for the purpose of connecting with an entity subject to international sanctions, or a person subject to international sanctions, or in a territory subject to international sanctions,
 - c) providing another connection with an entity subject to international sanctions, or a person subject to international sanctions, or in a territory subject to international sanctions,
 - d) radio, television or other broadcasting in a territory subject to international sanctions, or
 - e) any activity that would support or could support the activity specified in letters a) to d).

Section 7

Technical infrastructure

In the area of technical infrastructure, sanctions may consist in restricting or prohibiting the supply of energy or the supply of raw materials, machines and/or equipment necessary for its production from or through the territory of the Czech Republic to an entity subject to international sanctions or to a person subject to international sanctions or in a territory subject to international sanctions.

Section 8

Scientific, technical, cultural and sports relations

- (1) In the area of scientific and technological relations, sanctions may consist of restricting or prohibiting
- a) participation in scientific or technical research, programs and/or projects in which a Czech person and an entity or person subject to international sanctions jointly participate; in the event that it is an activity financed by another entity or person subject to international sanctions, the sanction consists only in the exclusion of such entity or such person from participating in this activity,

- b) provision of devices or equipment by a Czech person or from the territory of the Czech Republic to a subject or person subject to international sanctions, for the purpose of using them for scientific or technical research, a program or a project,
 - c) providing information about scientific or technical research, programs and/or projects of a Czech person or their results to a subject or person subject to international sanctions, or in a territory subject to international sanctions, if such information and results are not publicly available,
 - d) providing industrial rights or intellectual property rights to an entity subject to international sanctions or to a person subject to international sanctions, or
 - e) any activity that would support or could support the activity specified in letters a) to d).
- (2) In the area of cultural relations, sanctions may consist of restricting or prohibiting
- a) provision of cultural goods by a Czech person or from Czech territory to a subject or person subject to international sanctions, or to a territory subject to international sanctions,
 - b) acceptance of cultural goods by a Czech person or on Czech territory from an entity or person subject to international sanctions, or from a territory subject to international sanctions, unless it is a temporary acceptance for the purpose of saving, protecting and preserving cultural goods immediately threatened by an armed conflict or a natural disaster, or the return of cultural assets to a person who is not subject to international sanctions,
 - c) provision of copyright or related rights by a Czech person to a subject or person subject to international sanctions, or for use in a territory subject to international sanctions, or
 - d) any activity that would support or could support the activity specified in letters a) to c).
- (3) In the area of sports relations, sanctions may consist of restricting or prohibiting
- a) the participation of a person or group representing an entity or a person subject to international sanctions in a sports match or other sports event organized on the territory of the Czech Republic or by a Czech person,
 - b) the participation of a Czech person or group representing the Czech Republic in a sports match organized by an entity or person subject to international sanctions, or in a territory subject to international sanctions, or
 - c) any activity that would support or could support the activity specified in letter a) or b).

Section 8a

Movement of persons

In the area of the movement of persons, sanctions may consist of restricting or prohibiting

- a) residence on the territory of the Czech Republic to a person or entity who are natural persons and to whom international sanctions apply,
- b) entry into the territory of the Czech Republic by a person or entity who are natural persons and to whom international sanctions apply, or
- c) any activity that would support or could support the activity specified in letter a) or b).

Section 8b

Provision of public funds

In the area of provision of public funds, sanctions may consist of restricting or prohibiting

- a) the provision of public funds to a person or entity subject to international sanctions, or
- b) any activity that would support or could support the activity referred to in letter a).

Section 8c

Procurement

In the area of public procurement, sanctions may consist of restricting or prohibiting

- a) awarding a public contract in relation to a person or entity subject to international sanctions,
- b) selection of a proposal in a competition for a proposal in relation to a person or entity subject to international sanctions,
- c) performance of a public procurement contract in relation to a person or entity subject to international sanctions, or
- d) any activity that would support or could support the activity specified in letters a) to c).

TITLE II

Restrictions, prohibitions or orders imposed by selected resolutions of the United Nations Security Council

Section 8d

Targeted financial sanctions

- (1) The Financial Analytical Office (hereinafter referred to as the “Office”) shall impose a general measure of restriction, prohibition or order pursuant to a decision of the Security Council imposing international sanctions consisting of freezing of assets or other targeted financial sanctions in connection with a measure against
 - a) terrorism,
 - b) financing of terrorism,
 - c) proliferation of weapons of mass destruction, or
 - d) financing the proliferation of weapons of mass destruction.
- (2) The restriction, prohibition or order imposed by a measure of a general nature pursuant to paragraph 1 shall apply to a person included in the list contained in a decision of the Security Council pursuant to paragraph 1 or in the list issued by the Sanctions Committee of the Security Council established pursuant to a decision of the Security Council pursuant to paragraph 1, from the moment of his inclusion in such a list, but not earlier than from the date of entry into force of the measure of a general nature until the date of entry into force of a directly applicable regulation of the European Union relating to him, issued to implement the same decision of the Security Council.
- (3) In the general measure referred to in paragraph 1, the Office shall state the address of the website on which the list referred to in paragraph 2 is located.
- (4) The Office shall amend or repeal a general measure pursuant to paragraph 1 if

- a) the Security Council modifies or revokes its decision under paragraph 1, or
 - b) a directly applicable regulation of the European Union enters into force to the extent that it implements the decision of the Security Council pursuant to paragraph 1.
- (5) A measure of a general nature pursuant to paragraph 1 or 4 shall be issued without a procedure on its proposal and shall enter into force on the date of posting of the public notice.
- (6) A general measure pursuant to paragraph 1 or 4 shall be posted on the official board of the Office for the duration of its validity.

TITLE III

Chapter 1

EXCEPTIONS TO THE SANCTIONS REGIME

Section 9

- (1) The Office may, if permitted by the content of the document pursuant to Section 2, allow exemptions from the prohibition or restriction in accordance with this document and to the extent necessary
- a) to provide treatment and medical care,
 - b) for the provision of humanitarian aid, unless limited in a document according to Section 2; the supply of food, clothing, medicine, medical supplies and other humanitarian needs necessary for the protection of health, saving life and dignified accommodation of civilians and the provision of related services, including the organization and implementation of rescue operations, are considered to be such aid,
 - c) for the provision of social welfare benefits, state social benefits, pension insurance benefits, sickness insurance (care) benefits, unemployment support, retraining support and for payments of social security premiums and contributions to the state employment policy and premiums for general health insurance,
 - d) for the provision of wages, wage compensation, severance pay and other payments resulting from employment law or a similar employment relationship,
 - e) for the provision of alimony,
 - f) for compensation for damage caused by activities unrelated to the implementation of international sanctions within the meaning of this Act, and for the payment of insurance premiums associated with it,
 - g) for the payment of a claim by an entity subject to international sanctions or a person subject to international sanctions, if this claim did not arise due to a violation of international sanctions,
 - h) to payments to an entity or person subject to international sanctions, owed on the basis of contracts, agreements or obligations that were concluded or arose before international sanctions were announced against the entity or person, if these payments are made to an account in the Czech Republic or in another state of the European Union where all deposited funds are property subject to international sanctions, or
 - i) for another purpose, specified in the document according to Section 2.

- (2) An exemption is to be granted upon request or without a request. In the decision to grant the exemption, the Office sets the conditions for its application in such a way that it can control its application and in such a way that the purpose of international sanctions is not thwarted.

Chapter 2

Firewall

Section 9a

Creating a firewall

- (1) If the application of international sanctions makes it impossible or significantly difficult to operate a commercial establishment of a company, the Office may, at its request, decide to create a firewall, if this is permitted by the relevant document pursuant to Section 2 and the purpose of the international sanctions is not thwarted.
- (2) In the decision to create a firewall, the Office shall
- a) impose a ban on to company to follow directly or indirectly a decision, instruction or other expression of will of a person or entity subject to international sanctions and which controls this company, unless the Office has given its consent,
 - b) require the company to inform the Office about functioning of the former and the operation of its plant, to the extent and in the manner specified by the Office in the decision, and
 - c) approve the operation maintenance plan, which will be prepared by the company to an extent appropriate to the nature of its activities.
- (3) In the decision to create a firewall, the Office may further
- a) determine
 1. a maximum limit on costs and investments in assets for a certain period, or
 2. the obligation to have financial statements or accounting records verified by an auditor pursuant to the Auditors Act,
 - b) restrict or prohibit
 1. alienation or encumbrance of real estate, a business establishment or an item of considerable value under the Criminal Code without the prior consent of the Office,
 2. concluding or performing a contract with a legal entity established in a high-risk state or with a natural person who is a citizen of a high-risk state, or
 3. movement, transfer or other relocation of goods, including a change in their nature, to a high-risk state,
 - c) define the range of decisions pursuant to paragraph 2 a) which are not subject to the approval of the Office, or
 - d) approve
 1. a contract for inspection activities with an independent inspector pursuant to Section 9b, the aim of which is to ensure the inspection of compliance with the conditions of the firewall, or
 2. other measures proposed in the operation maintenance plan.

- (4) For the purposes of paragraph 3 b), a high-risk state is a state or jurisdiction that the Office determines in a given decision due to the threat of thwarting the purpose of international sanctions.
- (5) A business company shall submit the following to the application for the creation of a firewall or during the proceedings thereon:
 - a) a plan for maintaining operations, in which it proposes the scope of measures pursuant to paragraphs 2 and 3 corresponding to the nature of its activities,
 - b) a possible contract for inspection activities, if the plan under letter a) proposes the inspection of the conditions of the firewall by an independent controller under Section 9b.
- (6) If the Office stipulates in the decision on the creation of a firewall the obligation of prior approval by the Office, the Office shall approve this action by decision.

Section 9b

Independent controller

- (1) If the decision to create a firewall includes the approval of a contract for inspection activities with an independent controller, the Office shall include in the decision
 - a) the approval of the contract for control activities, only if
 - 1. the independent controller is a competent person and
 - 2. the contract provides guarantees for the proper performance of inspection activities,
 - b) the definition of duties of the independent controller, which may include in particular the duty to:
 - 1. properly carry out checks on compliance with the conditions set out in the decision to maintain operations, in accordance with this Act and the relevant document pursuant to Section 2,
 - 2. upon request by the Office, provide the required information on compliance with the conditions set out in the decision to create a firewall,
 - 3. regularly inform the Office about its activities,
 - 4. inform the Office about the detected violation of the conditions set out in the decision to create a firewall, according to this Act and according to the relevant document pursuant to Section 2 and
 - c) the approval of any list of persons pursuant to paragraph 4.
- (2) An independent controller is a qualified person pursuant to paragraph 1 letter a) point 1 if
 - a) having fully independent and has reached the age of 18, in case of a natural person,
 - b) being trustworthy,
 - c) having sufficient professional knowledge and experience to understand the functioning of a business corporation or the operation of a plant,
 - d) being of good repute,
 - e) meeting the necessary security or other qualifications and
 - f) being a citizen of a Member State of the European Union or having its registered office in a Member State of the European Union.

- (3) The contract for inspection activities provides guarantees for the proper performance of inspection activities pursuant to paragraph 1 letter a) point 2 only if it
- a) contains the authorization of an independent controller to
 1. check compliance with the conditions of the firewall,
 2. participate in meetings of the company's bodies,
 3. inspect the company's accounting and other documents,
 4. enter buildings, means of transport, land and other premises owned or used by the company,
 5. take samples, carry out necessary measurements, monitoring, inspections and tests,
 6. make video or audio recordings,
 7. require further cooperation from the company or its employees necessary for the performance of the inspection,
 - b) contains any additional sufficiently defined authorization of the independent controller, if circumstances require it for the proper duration of the firewall and if the authorization under letter a) is not sufficient, and
 - c) its legal effects are limited to the duration of the legal effects of the Office's decision to approve this contract.
- (4) An independent controller may also conduct an audit through his employee or another person working for him other than in the basic employment relationship, if
- a) this is permitted by the contract on inspection activities approved by the Office,
 - b) these persons have all the authorisations referred to in paragraph 3 letter a) under the contract on inspection activities,
 - c) are a qualified person pursuant to paragraph 2,
 - d) the independent controller shall notify the Office of their identity in writing in advance and
 - e) the Office does not notify in writing that they are not a qualified person pursuant to paragraph 2.
- (5) For the purposes of paragraph 2 letter d), a person shall not be considered to be of good repute unless he is regarded as having not been convicted and has been finally convicted of a criminal offence committed
- a) intentionally, or
 - b) due to negligence in connection with
 1. by carrying out inspection activities,
 2. by implementing international sanctions, or
 3. preventing the legalization of proceeds from crime.
- (6) The company is obliged to provide the independent controller with the necessary cooperation.
- (7) For the purposes of the obligation to maintain confidentiality under this or any other Act, the independent controller or the person through whom he carries out the audit shall be regarded as an employee of the company.

Section 9c

Similar use of creating a firewall

The provisions of Sections 9a and 9b shall apply mutatis mutandis to a foreign legal entity whose legal form is comparable to a commercial company.

Chapter 3

Common provisions on the proceedings

Section 9d

- (1) When deciding on an application for a decision under this Title, the Office shall not be bound by its scope. The Office shall not be bound by the operation maintenance plan attached to the application for the creation of a firewall.
- (2) The Office may revoke or replace a decision under this Title if:
 - a) a substantial change in the circumstances on the basis of which it was issued, or
 - b) violation of the condition
 1. established in this decision,
 2. under this Act, or
 3. according to the relevant document pursuant to Section 2.
- (3) A repeated application for a decision under this Chapter may be submitted only if reasons are stated that have not been applied in the application so far and which may justify a different outcome of the decision under this Chapter.
- (4) The Office shall reject a request for a decision under this Title if granting such a request would be contrary to the foreign policy interests of the Czech Republic or could endanger public order or security of the Czech Republic.
- (5) The justification for the decision pursuant to paragraphs 2 to 4 shall only state in general terms the facts on the basis of which the decision was annulled or replaced or the application was not granted.

BOOK THREE

OBLIGATIONS IN RELATION TO PROPERTY SUBJECT TO INTERNATIONAL SANCTIONS

Section 10

Notification obligation

- (1) Anyone who becomes aware in a credible manner that he or she is in possession of property subject to international sanctions is obliged to notify the Office without undue delay. The right to use data under the Digital Services Act does not apply in relation to this notification.
- (2) If, in the course of the preparation or conclusion of a contract, a suspicion arises that one of the parties to the contractual relationship is subject to international sanctions, or that the subject of the contractual relationship is or should be property subject to international sanctions, but this suspicion cannot be verified reliably before or at the time of concluding the contract, the notification obligation pursuant to paragraph 1 arises immediately after the conclusion of the contract.

- (3) The notification is submitted in writing or orally to the protocol.

Section 11

Disposition of property subject to international sanctions

- (1) Anyone who has credible knowledge that he or she has property subject to which international sanctions apply, may not deal with this property other than for the purpose of protecting it from loss, impairment, destruction or other damage, unless specified in this Act otherwise, from the moment it learns that the property is considered to be property subject to international sanctions.
- (2) A person who has property to which international sanctions apply is entitled to claim against the state compensation for necessary costs related to its management and protection from the moment of delivery of the notification to the Office pursuant to Section 10. Persons or entities subject to international sanctions, nor persons cooperating with them, close to them, or connected with them in a business or other way are not entitled to reimbursement of costs pursuant to this provision.
- (3) If there is any doubt that the person referred to in paragraph 1 adequately ensures the protection of property to which international sanctions apply, or if it is necessary to ensure its management, for example with regard to the expected duration of the international sanctions applicable to it, the Office will call for the release of such property. The person who has property subject to international sanctions shall, upon request by the Office, hand it over to the Office or to a person designated by it. Property not surrendered voluntarily can be withdrawn. A protocol shall be drawn up on the issue or withdrawal of property, in which a sufficiently precise description of the issued or withdrawn property shall be given. A copy of the protocol is issued to the person who issued the property or from whom it was taken, as a confirmation of receipt of the item.
- (4) The provisions of paragraphs 1 to 3 also apply to property for which a notification obligation arises pursuant to Section 10 (1).
- (5) The Office shall hand over property subject to international sanctions to an authorized person, or to a person designated under letter b) or c), if
 - a) It is a person who is not subject to international sanctions and proves that he is the owner or authorized holder of this property,
 - b) the document according to Section 2 states that it is to be handed over to a specific person, or
 - c) the competent domestic state authority, or the competent authority of a foreign state or an international organization, whose decision is enforceable on the territory of the Czech Republic on the basis of international law, has made such a final decision.

BOOK FOUR
POWERS AND OBLIGATIONS OF STATE AUTHORITIES AND THE CZECH
NATIONAL BANK

TITLE I
PROCEDURES RELATING TO PROPERTY SUBJECT TO INTERNATIONAL
SANCTIONS

Section 12

Proceedings before the Office

- (1) The Office may, on the basis of an assessment, whether the property should be considered as property subject to international sanctions, decide
 - a) on the restriction or prohibition of dealing with this property,
 - b) on withdrawal of property that was not released upon request pursuant to Section 11, paragraph 3,
 - c) on the taking over of this property into the management of the state for the purpose of its management or subsequent handover to the authorized person,
 - d) on the appointment or dismissal of the administrator of this property and, where appropriate, also on his remuneration,
 - e) on the sale of this property or its part according to Section 13c,
 - f) on the exceptional use of property to which international sanctions apply, or part thereof, in the sense of Section 9 or under the conditions set out in a directly applicable regulation of the European Communities,
 - g) on the transfer of this property in the sense of Section 11 (5),
 - h) that it is not property subject to international sanctions, if
 1. the owner or authorized holder verifiably documents such a fact,
 2. such a fact emerges from the Office's investigation,
 3. such property is demonstrably worthless or of very little value, or
 4. the international sanction relating to it has been abolished,
 - i) on the granting of consent pursuant to Section 12a (2) or Section 13e (1), or
 - j) on the creation of a firewall pursuant to § 9a
- (2) The Office may issue a decision pursuant to paragraph 1(a) or (h) in the form of a written order, even if the decision does not impose an obligation.
- (3) If, within the framework of the proceedings pursuant to paragraph 1 letter a) or h), it cannot be determined whether the property concerned is subject to international sanctions, the Office shall suspend the proceedings.
- (4) A party to the proceedings pursuant to paragraph 1 letter a) or h) is:
 - a) person or entity subject to international sanctions implemented through the procedure referred to in paragraph 1,
 - b) person who has or owns property subject to international sanctions,

- c) member of a corporation with a share exceeding 10%, if the restrictive measures are to apply to the entire corporation and if such a member of the corporation is known to the Office
- (5) The Office shall publish the opinion part of the decision pursuant to paragraph 1 letter a) and h) points 1, 2 and 4 without unnecessary delay after the acquisition of legal force of the decision in a way that enables remote access, for a period of 5 years; if the publication in a specific case would be contrary to the public interest, obviously pointless or if it is necessary to protect the legitimate interests of third parties, the Office
- a) postpone publication until these obstacles have passed,
 - b) publishes the opinion part of the decision in anonymized form,
 - c) does not publish the opinion part of the decision, if the procedure according to letter a) or b) would not be sufficient, or
 - d) terminates the publication of the opinion part of the decision.
- (6) Within a period of 30 days from the receipt of the notification pursuant to Section 10 (1), the Office shall inform the notifier whether the property is considered to be property subject to international sanctions, unless it decides within this period pursuant to paragraph 1 letter a), b), c), g) or h). This period can be extended in justified cases.
- (7) Appeal against the decision according to paragraph 1 letter a) to d) does not have a suspensive effect. Appeal against the decision according to paragraph 1 letter e) the suspensive effect can be withdrawn in the case of perishable property.
- (8) The enforceability of a decision against which an appeal does not have a suspensive effect or for which the suspensory effect of an appeal has been excluded occurs on the day of its delivery to the last of the participants in the proceedings, who are the one on whose proposal the decision was made and the one who has property on which subject to international sanctions, at home, or by the person who issued it or from whom it was taken. In the event of a risk of delay, a decision against which an appeal has no suspensory effect or for which the suspensive effect of an appeal has been excluded may be announced orally; in that case, the decision becomes enforceable at the moment of its announcement.
- (9) The Office may conduct new proceedings and issue a new decision if previously unknown facts or evidence have come to light or if the circumstances on the basis of which the decision was issued pursuant to paragraph 1 have changed and these have a fundamental impact on the assessment of the case.
- (10) Authorized employees of the Office shall prove themselves with a service card when performing activities pursuant to this Act.
- (11) The person in whose possession is the property about which the Office is conducting an investigation, or the person who has information about such property, shall, upon request, communicate to this Office within the period determined by it all the information he has about this property and, where applicable, other facts with related to it and to persons who are related to this property or participated in any way in handling it. At the request of the Office, they will submit documents about this property, persons or other facts related to this property, or allow access to them by authorized employees of the Office.
- (12) For non-fulfilment of the obligation according to paragraph 11, the Office may impose an administrative fine of up to CZK 100,000. The administrative fine can be imposed repeatedly, if the obligation was not fulfilled even after the previous imposition of the fine. The total of fines imposed in this way may not exceed the amount of CZK 500,000. The

disciplinary fine is an income of the state budget. The administrative fine is collected by the Office.

Section 12a

Effects of restriction or prohibition of disposal of property subject to international sanctions

- (1) Legal action, the subject of which is the disposal of property to which international sanctions apply, consisting in the restriction or prohibition of disposal of this property, which is contrary to such international sanction, shall not be taken into account.
- (2) Assets that are subject to international sanctions consisting in the restriction or prohibition of disposal of such assets may only be disposed of within the framework of a public auction or insolvency proceedings with the prior consent of the Office. Enforcement of a decision or execution on property subject to an international sanction consisting in the restriction or prohibition of dealing with this property can only be carried out with the prior consent of the Office.
- (3) If the Office deems it necessary to achieve the purpose of restricting or prohibiting the use of property subject to international sanctions, it shall also notify other authorities or persons who, according to special legal regulations, have a record of the restriction or prohibition of use of this property, supervisory or other duty in relation to this property or its owner or holder. At the same time, it calls those authorities or persons, if they become aware that the property is being dealt with in such a way as to risk the defeating the purpose of the restriction or prohibition on disposal, to notify the Office immediately. These bodies and persons are obliged to comply with such a call.
- (4) The provision of the criminal code on the effects of seizing is not affected by paragraph 2 or 3.

Section 12b

Relationship of sanctions regimes

- (1) The legal effects of a decision under this Act implementing international sanctions on the basis of a document under Section 2 shall remain in force if the same sanctions are implemented on the basis of another document under Section 2. This shall not affect the possibility of annulling or replacing this decision with a new one. The Office shall notify the persons to whom this decision was notified of the preservation of legal effects.
- (2) If, during the course of the proceedings, a document pursuant to Section 2 is replaced by another document pursuant to Section 2, the Office may change the subject matter of the proceedings accordingly and continue the proceedings. The Office shall notify the party to the proceedings of this fact.

Section 13

Management of issued or withdrawn property

- (1) The management of the issued or withdrawn property for the duration of the international sanctions or until it is handed over to the authorized person is ensured by the Office, unless otherwise specified. In relation to this property, the Office is entitled to all actions and to all procedures related to its management and to which its owner would be entitled.
- (2) The Office keeps record of issued or withdrawn property in a separate register in a demonstrable and clear manner.

- (3) In administering the issued or withdrawn property, the Office is particularly obliged to properly protect this property and take care of its preservation, manage it efficiently and economically, protect it from damage, destruction, loss, theft or misuse, and in a timely manner assert a claim for compensation for damage and for the return of an object without reason enrichment, protect it by continuously monitoring whether debtors fulfil their obligations in a timely and proper manner, and in particular by timely application and enforcement of rights that otherwise belong to the owner, creditor or owner of securities, prevent the expiration or termination of these rights. At the same time, the Office is not authorized to conclude, as a lessor, a contract for the provision of an item for use for use in connection with a contract for the subsequent transfer of ownership of this item, to conclude a contract for the sale of a business or its organizational components,
- (4) Management of issued or withdrawn
 - a) radioactive substances and radioactive waste is carried out by the Radioactive Waste Repository Authority,
 - b) tobacco products is carried out by the General Directorate of Customs,
 - c) individuals (specimens) of plants and animals are carried out by the Ministry of the Environment,
 - d) weapons, ammunition and explosives is carried out by the Ministry of the Interior.
- (5) According to the nature and scope of the things and rights that make up the issued or withdrawn property, the Office may entrust its management to the Office for State Representation in Property Matters.
- (6) If the management of the issued or withdrawn property cannot be carried out by the Office or the body authorized pursuant to paragraph 5, the Office shall, depending on the nature of the property, entrust the management of the state organizational unit.
- (7) If the management of issued or withdrawn property cannot be carried out by the Office, an authority authorized pursuant to paragraph 5, or an organizational component of the state pursuant to paragraph 6, the Office may enter into an agreement on the management of issued or confiscated property with a person engaged in business in the relevant field. The content of such a contract must include the amount of payment for the performance of management and an agreement on responsibility for damage caused to the managed property during the performance of its management, otherwise the contract is invalid.
- (8) In relation to the issued or withdrawn property, the property administrator is authorized to represent the owner or other person authorized to dispose of the property in all actions or procedures related to its management and for which the owner or other person authorized to dispose of the property would be authorized. The scope of such authorization to represent the owner or other person authorized to dispose of the property may be modified by the Office in a decision or contract. The obligations and restrictions according to paragraph 3 apply similarly to the administrator's activities; the administrator also follows the Office's instructions in his activities.

Section 13a

Seizure of property by the Customs Administration Authority of the Czech Republic

- (1) The Customs Administration Authority of the Czech Republic may, regardless of the rights of third parties, seize property which, according to a reasonable assumption, could be property subject to international sanctions. The Customs Administration Authority of the

Czech Republic may also detain for the necessary time the means of transport that transports property subject to international sanctions.

- (2) The Customs Administration Authority of the Czech Republic shall make a protocol or an official record of the seizure of property or means of transport. A copy of the protocol or official record will be handed over by the Customs Administration Authority of the Czech Republic to the person who has the property or means of transport with him at the time of seizure, if he provides the necessary cooperation for this handover.
- (3) The Customs Administration Authority of the Czech Republic informs the Office about the seizure of property without undue delay. The Office shall, without undue delay, inform the Customs Administration Authority of the Czech Republic about the next procedure after making a decision in accordance with Section 12.
- (4) The Customs Administration Authority of the Czech Republic
 - a) returns the seized property to its owner, and if it is not known, to the person from whom it was seized, if the Office has decided that it is not property subject to international sanctions pursuant to Section 12 (1) h), and
 - b) returns the seized means of transport to its owner, and if he is not known, to the person who detained him, if the time necessary to detain the means of transport has passed.
- (5) By issuing a decision to restrict or prohibit the disposal of property according to Section 12 (1) a) seized property is considered to be property confiscated pursuant to Section 12 (1) b).
- (6) The administration of confiscated property is carried out by the Customs Administration Authority of the Czech Republic that detained it, unless it is property according to Section 13 (4), or the Office entrusted the administration of this property to another.

Section 13b

Performance of the Customs Administration Authority of the Czech Republic

The performance of the Customs Administration Authority of the Czech Republic according to Section 13a is considered to be the performance of tax administration.

Section 13c

Sale of property

- (1) The Office may decide on the sale of property subject to international sanctions, or its part, if it is
 - a) required to pay the costs associated with the management of this property, to the extent necessary,
 - b) necessary for the purpose of protecting this property from loss, impairment, destruction or other damage, or to maintain its operability, or
 - c) in the public interest protected by this law, special legal regulations or regulations of the European Union, if it prevails over the right to protect the property of the person concerned.
- (2) When selling property that is subject to international sanctions, or part of it, the organizational component of the state proceeds appropriately according to special legal regulations governing the management of state property. If the property manager manages the property according to Section 13 (7), the Office will entrust the organizational

component of the state with the sale in the decision according to paragraph 1, depending on the nature of the property.

- (3) Proceeds from the sale based on the decision under paragraph 1 are the property of the person who owned the property sold, and for the duration of the international sanctions, it is the property to which the international sanctions apply. The proceeds from the sale are managed by the Office, unless otherwise specified in the decision pursuant to paragraph 1.

TITLE II

RECORDING OF FACTS

Section 13d

Public records and other records

- (1) Restrictions or prohibitions on dealing with assets is entered in the public register of legal entities and natural persons or in the register of trust funds in accordance with the law regulating public registers of legal entities and natural persons and the register of trust funds, in relation to the share of a partner or member in a business corporation, in relation to a branch plant, in relation to a substantial part of the property of a legal entity or substantial parts of the assets in the trust fund that those are assets subject to international sanctions.
- (2) In relation to property to which international sanctions apply, a restriction or prohibition to deal with this property shall be entered in a public list, a public register other than that referred to in paragraph 1 or a public register.
- (3) Facts according to paragraph 1 or 2 can also be entered in a list or register other than the list or register according to paragraph 1 or 2, if this results from a written agreement between the Office and the administrator of the list or register. The administrator of the list or register, another public authority that enters data or changes into them, or their authorized user shall inform the Office in the manner and to the extent according to this agreement that the subject of the record has been handled in violation of the recorded decision. For this purpose, the administrator of the list or register shall inform the public authority that enters data or changes in them and other authorized users of the procedures resulting from this agreement in an appropriate manner.
- (4) Facts resulting from the change or cancellation of facts according to paragraph 1 or 2 shall also be entered in the public register, public list or other records.
- (5) Entries in the public register, public list or other records shall be made on the basis of the Office's notification of the issuance of a decision from which the recorded facts result.

Section 13e

Effects of notification of a decision restricting or prohibiting the disposal of property

- (1) If an entry in a public list, public register or public records is necessary for the transfer or the establishment of a right to property, which is subject to international sanctions consisting in the restriction or prohibition of dealing with this property, from the date of delivery of the notification pursuant to Section 13d (5) of a public authority, which maintains a public register, public records or public list, such an entry based on a legal act can only be made with the prior consent of the Office.
- (2) If, prior to the issuance of the decision pursuant to Section 12 (1) a) is issued, an application has been made for registration of the transfer of ownership rights or the establishment of rights to property subject to international sanctions in the public register, register of trust

funds or in the public list on the basis of a legal act by which this property is dealt with in violation of this decision, and the submitted proposal has not yet been legally decided by the competent authority, the proceedings on the proposal shall, without undue delay after the acquisition of legal force of the decision pursuant to Section 12 (1) a), be stopped.

- (3) Paragraph 1 shall apply mutatis mutandis to the notification of the decision on the order of a preliminary measure consisting in the prohibition or restriction of the disposal of property subject to international sanctions.

TITLE III

PROVISION OF INFORMATION AND OPINIONS OF THE OFFICE

Section 14

Collection of information and data

- (1) In order to fulfil the purpose of this Act, the Office is authorized to process information, including personal data. It processes personal data even without the consent of the data subject, with regard to protection against unauthorized interference with his/her private and personal life.
- (2) Public authorities, including territorial self-governing units performing state administration, provide the Office with information, including personal data, from the information systems managed by them at its request. In addition to fulfilling its purpose, the Office may use the information obtained pursuant to this Act only for the purposes of combating the legalization of the proceeds of crime⁷⁾ and the financing of terrorism.
- (3) The Office shall keep the information collected during the fulfilment of its obligations under this Act for the period necessary to fulfil its purpose. It can provide this information to the appropriate extent only in accordance with the authorizations according to Section 16 (4).
- (4) When operating in accordance with this Act and fulfilling its purpose, the Office uses information from the register, which is intended to fulfil obligations under a special legal regulation on measures against the legalization of the proceeds of crime and the financing of terrorism.
- (5) The Office is authorized to keep the data obtained during the implementation of this Act in the information system under the conditions stipulated by the special Act⁸⁾. For this purpose, he is authorized to combine information obtained under this Act with information collected under a special legal regulation on measures against the legalization of proceeds from criminal activity and the financing of terrorism in a single information system. Upon request pursuant to a special law, the Office shall not provide a report on information that is kept in the information system maintained pursuant to this Act, if this would jeopardize the performance of tasks pursuant to this Act.
- (6) If the Office discovers facts that justify the suspicion that a criminal offense has been committed, it shall make a notification in accordance with the criminal code and at the same time provide the law enforcement authority with all data and evidence about them available to it, if they are related to the notification.

Section 14a

Opinion and information for proceedings under this Act

- (1) The central state administration authority, the intelligence service of the Czech Republic, the Police of the Czech Republic or the Czech National Bank shall, upon its request, provide

the Office with the information or opinion necessary to establish the basis for issuing a decision in proceedings pursuant to this Act. The Police of the Czech Republic will refuse to provide information or an opinion if this would jeopardize the performance of their tasks. The transmission of information by the intelligence service of the Czech Republic is governed by the Act on Intelligence Services.

- (2) The information or opinion required to establish the basis for issuing a decision in proceedings pursuant to this Act provided by the Ministry of Foreign Affairs shall be kept separately outside the file.

TITLE IV

SUPERVISION OF THE IMPLEMENTATION OF INTERNATIONAL SANCTIONS

Section 15

Control

- (1) State authorities whose competence includes the exercise of control shall, in the exercise of their competence, also control the fulfilment of obligations under this Act; in other cases, the Office controls the fulfilment of obligations under this Act. In the event of detection of deficiencies, especially violations of obligations under this Act, the state authorities shall hand over the documents for the proceedings on the offense in matters relating to its substantive scope to the Ministry of Industry and Trade, in other matters to the Office, and further cooperate with them in these proceedings.
- (2) The Czech National Bank controls the fulfilment of obligations under this Act by persons subject to its supervision, within the scope of the activities over which it supervises these persons.

TITLE V

PROTECTION OF INFORMATION AND IDENTITY OF NATURAL PERSONS

Chapter 1

Protection of Information

Section 16

Duty of confidentiality

- (1) The employees of the Office and the authorities mentioned in Section 15 are obliged to maintain confidentiality regarding actions taken pursuant to this Act and information obtained during its implementation. The obligation to maintain confidentiality under this Act also applies to anyone who, in connection with an investigation carried out by the Office, becomes familiar with information obtained on the basis of this Act. The obligation to maintain confidentiality does not apply to publicly known information or information that may be entered in a public register, public record or public list pursuant to this Act.
- (2) The obligation of confidentiality of the persons referred to in paragraph 1 does not cease upon the termination of the employment or other relationship with the authority referred to in Section 15.
- (3) The publication of generalized information that does not indicate which persons or things are concerned is not a violation of the obligation to maintain confidentiality.

- (4) The obligation to maintain confidentiality according to paragraphs 1 and 2 cannot be invoked against
- a) a law enforcement authority, if it is conducting proceedings on a criminal offense related to the application of international sanctions or terrorism, or if it is a matter of fulfilling the reporting obligation related to such a criminal offense,
 - b) to the public prosecutor's office in the exercise of its powers⁹⁾,
 - c) the state administration body responsible for the application of the control regime when transmitting information important for the fulfilment of obligations under special legal regulations on the control of import and export of goods and technologies subject to international control regimes,
 - d) to persons carrying out inspections pursuant to Section 15,
 - e) to a court ruling in civil or administrative court proceedings on disputes relating to a claim arising from this Act,
 - f) to a person who could make a claim for compensation for property damage caused by the procedure according to this Act, if it is a subsequent communication of facts decisive for the application of such a claim; in that case, however, the relevant information can be limited or its communication can be postponed until the time when its provision cannot jeopardize the fulfilment of the purpose of this Act,
 - g) to a competent foreign authority or international organization when transferring data used to achieve the purpose established by this Act, unless special legal regulation prohibits it,
 - h) the relevant intelligence service of the Czech Republic when providing information important for the performance of its tasks,
 - i) to a financial arbitrator making a decision according to a special legal regulation in a dispute between the petitioner and the institution,
 - j) administrators of the asset management fee,
 - k) the administrator of the list or register pursuant to Section 13d (3) or the public authority that enters data or changes in them, and the authorized user of this list or register,
 - l) The Police of the Czech Republic or the Ministry of the Interior for the purposes of the procedure according to the law governing the stay of foreigners in the territory of the Czech Republic or the law governing asylum,
 - m) the government or the Ministry of Foreign Affairs when proceeding under the Sanctions Act or
 - n) the authority that provides an opinion or information pursuant to Section 14a.
- (5) If the Office submits a notification pursuant to Section 14 (6), it may pursuant to paragraph 3 e) or f) to provide information to the authorized party only with the consent of the relevant law enforcement authority.
- (6) The Prime Minister or a member of the government authorized by the Prime Minister, may, in justified cases, exempt a person pursuant to paragraph 1 from the obligation to maintain confidentiality. Persons who have incurred an obligation to maintain confidentiality in connection with the performance of the Czech National Bank's mandate may be released from the obligation to maintain confidentiality only with the consent of the Czech National Bank.

Section 16a

Terms of providing information

- (1) The Office or authority pursuant to Section 15 shall provide information pursuant to Section 16 (4), for the purpose and to the extent defined by this Act. The extent of the information provided will be recorded in the file.
- (2) The Office or authority pursuant to Section 15 may provide information pursuant to Section 16 (4), in accordance with the procedure agreed in a written agreement concluded between them and the relevant public authority.
- (3) According to Section 15, the Office and authority creates the conditions for compliance with the obligation of confidentiality. This also applies to access and protection of data stored in electronic form.
- (4) Persons who have become familiar with the information provided by the Office or authority pursuant to Section 15 may use it only for the purposes set forth in this Act and are bound by confidentiality obligations in accordance with this Act regarding this information. The competent public authority that requested the information is responsible for creating the conditions for compliance with the obligation of confidentiality. Section 16 (6), shall be applied mutatis mutandis for exemption from the obligation to maintain confidentiality.
- (5) The use of information obtained during the implementation of international sanctions for actions that benefit the person bound by this obligation or another person, or the use of such information for actions that could cause harm to someone, is also considered a violation of the obligation to maintain confidentiality.

Chapter 2

Protection of the identity of a natural person

Section 16b

Protection of the identity of a natural person cooperating with the Office

- (1) If the established circumstances indicate that, in connection with the proceedings conducted by the Office or in the performance of obligations under this Act, a natural person may be at risk of harm to health or other serious danger consisting in the violation of their fundamental rights, the Office shall adopt measures by resolution to protect the identity of this natural person.
- (2) The Office may also adopt measures to protect the identity, under the conditions set out in paragraph 1, based on the application of a natural person who is a party to proceedings before the Office or who fulfils obligations under this Act. Until a decision on the application is issued under the first sentence, the Office shall proceed as if it had adopted measures to protect the identity of the requesting natural person.
- (3) The Office shall not adopt measures to protect the identity of a natural person if such measures would not lead to the achievement of the objective pursued by the protection of the identity of a natural person.
- (4) If the Office adopts measures to protect the identity of a natural person, it is obliged to create a unique anonymous identifier to identify this natural person. The resolution on the adoption of measures to protect the identity of a natural person shall be kept outside the file. A record that a natural person whose identity is protected by the Office appears in the proceedings conducted by the Office shall be entered in the file.

- (5) If the Office takes measures to protect the identity of a natural person, only a copy of the document on which the natural person whose identity is protected by the Office is identified by a unique anonymous identifier of the natural person assigned by the Office shall be placed in the file. The original of the document shall be kept outside the file.
- (6) If a document containing the identification data of a natural person is part of the file kept by the Office, and the Office subsequently adopted measures to protect the identity of this natural person, the Office shall proceed analogously pursuant to paragraph 5.
- (7) If, due to the nature of the document, it is not possible to make a copy of the document or if it concerns video and audio recordings and recordings on electronic media, the Office shall not make a copy and shall keep such documents and recordings outside the file. A note stating that it is not possible to make a copy of the document or recording shall be entered in the file.
- (8) If the reasons for protecting the identity of a natural person cease to exist, the Office shall decide to revoke the protection of the identity by resolution and shall place the documents and records kept in accordance with paragraphs 4 to 7 outside the file in the relevant file.

Section 16c

Special provisions on the identification of the Office employee

In proceedings conducted by the Office under this Act, an official shall be identified only by his/her service card number. A record of the fact that the official is an official shall be kept outside the file.

TITLE VI

International cooperation

Section 16d

Scope of international cooperation

- (1) To fulfil the purpose of this Act, the Office cooperates, in particular, in the transmission and acquisition of information to the extent specified by an international treaty that is part of the legal order or on the basis of reciprocity, with foreign authorities with the same or similar substantive competence in the field of international sanctions.
- (2) The Office may cooperate with an international organization if it is guaranteed that the information provided by the Office will be used only to achieve the purpose of this Act and its protection is ensured at least to the extent corresponding to the scope of protection under this Act.
- (3) The Office shall inform, in an appropriate manner, a foreign authority with the same or similar substantive competence in the field of international sanctions or an international organisation about the processing of a request for international cooperation.

Section 16e

Request for action in relation to property

- (1) The Office may, on its own initiative, request a foreign authority with the same or similar substantive competence in the field of international sanctions to take measures in relation to property that it reasonably believes is subject to international sanctions, if:
 - a) this property is located outside the territory of the Czech Republic,

- b) such a measure cannot be effectively implemented in the Czech Republic, or
 - c) its implementation in the Czech Republic could jeopardise the purpose set out in this Act.
- (2) The Office shall inform the foreign authority referred to in paragraph 1 without undue delay that the reason for implementing the requested measure has ceased to exist.
- (3) The Office receives and evaluates requests from a foreign authority with the same or similar substantive competence in the field of international sanctions to implement measures in relation to property subject to international sanctions.

Section 16f

Refusal to provide international cooperation

The Office may refuse to provide international cooperation to a foreign authority with the same or similar substantive competence in the field of international sanctions if

- a) this could endanger public order or security of the Czech Republic,
- b) this authority is not from a Member State of the European Union and reciprocity is not guaranteed, or
- c) this could lead to a violation of the protection of the identity of the natural person.

BOOK FIVE

PROPERTY MANAGEMENT FEE

TITLE I

FEE

Section 17

Subject of the fee

The payer of the asset management fee is a person subject to international sanctions or an entity subject to international sanctions.

Section 17a

Object of the fee

- (1) The subject of the asset management fee is the management of assets subject to international sanctions, carried out in accordance with this Act.
- (2) Property management for the purposes of the property management fee
- a) disposal of property according to Section 11, or
 - b) property management according to Section 13 or 13a.

Section 17b

Basis of the fee

- (1) The basis of the property management fee is the value of the managed property rounded up to the nearest whole thousand crowns.

- (2) For the purposes of the asset management fee, the value of managed assets is the highest value of managed assets subject to international sanctions for the duration of management of this asset during the fee period
 - a) expressed in Czech currency in the case of cash, or
 - b) determined according to the law regulating property valuation in other cases.
- (3) For the conversion of foreign currency into Czech currency, the foreign exchange market rate announced by the Czech National Bank for the last day of the fee period is used. In the case of a foreign currency for which the foreign exchange market rate is not announced daily, the interbank market rate for this currency to the US dollar or euro and the foreign exchange market rate announced by the Czech National Bank for the US dollar or euro on the same day, or the last known, are used for its conversion exchange rate announced or published by the Czech National Bank.

Section 17c

Fee rate

The property management fee is 3%.

Section 17d

Fee calculation

- (1) The asset management fee is calculated as the product of the fee base and the fee rate.
- (2) The fee calculated according to paragraph 1 shall be reduced by one-twelfth for each calendar month in which property management is not performed at all.

Section 17e

Fee period

The fee period for the property management fee is a calendar year.

Section 17f

Budget determination

The revenue from the asset management fee is revenue for the state budget.

TITLE II

FEE ADMINISTRATION

Section 17g

Fee Manager

- (1) The administrator of the asset management fee is the tax authority.
- (2) The payer of the asset management fee is a selected entity according to the law governing the Financial Administration of the Czech Republic, for the purpose of administering this fee.

Section 17h

Determination of fee

- (1) The administrator of the asset management fee shall assess the fee ex officio.
- (2) The deadline for determining the property management fee begins on the first day of the calendar year that immediately follows the expiration of the given fee period.
- (3) The fee for property management can be assessed ex officio also on the basis of a response to a call for information relevant to the determination of the fee or on the basis of the provision of such data by the Office.
- (4) The recipient of the decision to determine the fee for asset management is also the manager of the asset to which international sanctions apply, if this asset is not managed by the taxpayer on the day the decision is issued. The property manager fulfils his duties related to the management of the fee in his own name on the account of the managed property.

Section 17i

Determining the value of managed assets

- (1) The administrator of the asset management fee can determine the value of the managed asset by estimation, if
 - a) another method of determining the value of the property would be associated with significant difficulties, or it can only be ensured with the expenditure of disproportionate costs,
 - b) the person who manages the property and is not entitled to reimbursement of costs according to Section 11 (2), does not provide the necessary cooperation or frustrates this procedure.
- (2) The payer of the property management fee shall bear the costs of proceedings incurred in connection with the implementation of the expert opinion proposed by him as a means of proof.

Section 17j

Special methods of paying the fee

- (1) The administrator of the property to which international sanctions apply is obliged to transfer, by the due date of the fee, monetary additions or income from this property, arising during its management, to the amount of the fee receivable payable to the fee administrator.
- (2) If the additions and income from the property according to paragraph 1 are not sufficient to cover the payable fee claim and if this property is money, the property administrator is obliged to transfer it to the fee administrator on the due date of the fee up to the amount of the payable fee claim.
- (3) If the due fee claim cannot be paid according to the procedure according to paragraph 1 or 2, it is paid according to the procedure according to the Tax Code.

Section 17k

Due date of fee

The property management fee is payable within 30 days of the payment estimate being issued.

Section 17l

Providing information for fee management

- (1) The Office provides the administrator of the asset management fee on an ongoing basis with information on assets subject to international sanctions and other information necessary for the management of the fee.
- (2) The administrator of the asset management fee may request the administrator of assets subject to international sanctions to disclose information relevant to the determination of the fee, the amount of monetary and other additions and revenues from assets subject to international sanctions, arising during its management, held by him or the amount of funds under management that are assets subject to sanctions.

Section 17m

Prescribing limit and fee payment

If the property management fee is less than CZK 200, the fee is not prescribed and is not paid.

Section 17n

Exclusion of interest

Penalties, interest paid by the fee entity and interest paid by the fee administrator do not arise in connection with the asset management fee.

BOOK SIX

ENFORCEMENT FINES AND OFFENSES

Section 18

Enforcement fine

- (1) The Office may, by decision, impose a coercive fine on a person who violates an obligation set out in a preliminary injunction issued in proceedings under this Act.
- (2) The amount of an individual enforcement fine may not exceed CZK 5,000,000. The total amount of enforcement fines may not exceed CZK 25,000,000.
- (3) The enforcement fine shall be collected by the Office and enforced by the customs office.

Section 19

Offenses

- (1) A person commits an offence if:
 - a) violates an order, prohibition or restriction resulting from a document pursuant to Section 2 or imposed by a legal act pursuant to Part Two, Title I or II,
 - b) violates the condition for applying the exemption pursuant to Section 9 (2),
 - c) violates any of the obligations related to the firewall pursuant to Section 9a,
 - d) as an independent controller, he violates the obligation set out in the decision pursuant to Section 9b (1) b),
 - e) in violation of Section 9b (6), fails to provide the necessary cooperation,

- f) fails to comply with the notification obligation pursuant to Section 10 (1) or Section 12a (3),
 - g) disposes of property subject to international sanctions in violation of Section 11 (1), or
 - h) violates the obligation to maintain confidentiality pursuant to Section 16.
- (2) An attempt to commit an offence under paragraph 1 is punishable.
- (3) For a misdemeanor
- a) pursuant to paragraph 1 letters a) to f), a fine may be imposed up to the highest of the following amounts:
 1. 50,000,000 CZK,
 2. 10% of the offender's annual turnover according to his last regular financial statements, if he prepares such statements,
 3. 10% of the annual turnover of the offender according to its most recent consolidated financial statements, if it prepares such statements,
 4. twice the amount of the benefit obtained by the offender for himself or another, if it was obtained by committing the offence, or
 5. twice the amount of damage caused by the offender, if it was caused by the commission of the offence,
 - b) pursuant to paragraph 1 letter g) or h), a fine of up to CZK 1,000,000 may be imposed.

Common provisions on offences

Section 20

- (1) According to this Act, an offense committed by a Czech person abroad is also assessed, if by doing so he violated a restriction or prohibition that he has according to this Act or a directly applicable regulation of the European Communities, which implements a joint position or a joint action adopted in accordance with the provisions of the Treaty on European Union on common foreign and security policy.
- (2) Offenses pursuant to this Act are discussed by the Ministry of Industry and Trade, if the application of an international sanction that was or could be threatened by the offense includes foreign trade in military material or the European Communities' regime for the control of the export of dual-use goods and technologies. Otherwise, the offense under this Act will be discussed by the Office.
- (3) The fine for an offense under this Act is collected by the Office.

Section 21

- (1) The authority that issued a decision on an offense pursuant to Section 19 (1) (a) to (e) or (g), shall, after the acquisition of legal force, publish the opinion part of the decision without undue delay in a way that enables remote access, for a period of 5 years.
- (2) In the event that disclosure pursuant to paragraph 1 in a specific case would lead to a threat to the stability of financial markets, ongoing criminal or administrative proceedings, the performance of tasks pursuant to this Act or other tasks in the public interest, or if this procedure would disproportionately interfere with the interests of those concerned persons or was clearly irrelevant, the authority that issued the decision,
 - a) postpone publication until these obstacles have passed,

- b) publishes the opinion part of the decision in anonymized form,
- c) does not publish the opinion part of the decision, if the procedure according to letter a) or b) would not be sufficient, or
- d) terminates the publication of the opinion part of the decision.

(3) The body that issued the decision published in accordance with paragraph 1 or 2 shall publish, in a way that allows remote access, the operative part of the final decision by which this decision was annulled or changed, without undue delay. Paragraph 2 shall apply accordingly to this publication, but at least the information that the decision has been annulled or changed shall always be published.

PART SEVEN FINAL PROVISIONS

Section 21a

Relation to orders, restrictions and prohibitions under directly applicable regulations of the European Union

The provisions of this Act, with the exception of Part Two of Title I, shall also apply to an order, restriction or prohibition pursuant to a directly applicable regulation of the European Union, which implements a decision adopted pursuant to the provisions of the Treaty on European Union on Common Foreign and Security Policy, from the date of validity of this regulation, unless this regulation provides otherwise.

Section 21b

Special provision for delivery abroad

- (1) Addressees who are staying abroad or whose seat or residence, or other address for delivery according to Section 19 (4) of the Administrative Code is abroad, shall be served by means of a public decree in proceedings under this Act.
- (2) When delivering pursuant to paragraph 1, the administrative authority shall simultaneously attempt to inform the addressee in an appropriate manner about the documents to be delivered, if his registered office, e-mail address or other electronic address are known.
- (3) Paragraphs 1 and 2 apply mutatis mutandis when administering the property management fee.

Section 22

- (1) This Act does not affect the provisions of special legal regulations on foreign trade in military material and on the implementation of the European Communities regime for the control of the export of dual-use goods and technologies.
- (2) This Act does not affect the obligation of the central state administration authorities and the Czech National Bank to enforce, within their substantive jurisdiction, the fulfilment of obligations arising from international sanctions, nor their obligation to act within their jurisdiction in relevant professional international bodies. If, as a result of such negotiations or international sanctions, there is a need to issue a government regulation related to their substantive scope within the framework of authorization under this Act, they shall cooperate with the Office in its preparation.

Section 23

Authorization

- (1) The Government may determine by regulation the adjustment of procedures to fulfil the provisions of the regulations of the European Communities pursuant to Section 2 (c) and European Union regulations pursuant to Section 2 (d).
- (2) The Ministry of Finance shall determine by decree the details of the method of fulfilling the notification obligation and shall determine the model of the service card pursuant to Section 12 (7).

Section 24

The following is repealed:

1. Act No. 48/2000 Sb., on measures in relation to the Afghan Taliban movement.
2. Act No. 98/2000 Sb., on the implementation of international sanctions to maintain international peace and security.
3. Act No. 4/2005 Sb., on certain measures in relation to the Republic of Iraq.
4. Government Regulation No. 164/2000 Sb., on measures in relation to the Afghan Taliban movement.
5. Government Regulation No. 327/2001 Sb., on further measures in relation to the Afghan Taliban movement.
6. Government Regulation No. 334/2001 Sb., on measures against certain citizens of the Federal Republic of Yugoslavia.
7. Government Regulation No. 170/2003 Sb., on measures in relation to the Republic of Iraq.

Section 25

Efficiency

This law becomes effective on the first day of the month following the date of its promulgation.

Transitional provision introduced by Act No. 240/2022 Sb. Art. II

The provisions of Section 16a (4) and (5) of Act No. 69/2006 Sb., as amended from the date of entry into force of this Act, shall also apply from the date of entry into force of this Act to information that was obtained or provided before the date of entry into force of this Act

Footnotes

¹⁾ For example, Council Regulation (EC) No. 2580/2001 of 27 December 2001 concerning specific restrictive measures directed against certain persons and entities with a view to combating terrorism, as amended, Council Regulation (EEC) No. 3541/92 of 7 December 1992 prohibiting the satisfaction of Iraq's claims in respect of contracts and commercial operations, the performance of which was affected by United Nations Security Council Resolution 661(1990) and related resolutions, Council Regulation (EEC) No 3275/93 of 29 November 1993 prohibiting the fulfilment of claims relating to contracts and transactions, the implementation of which would be affected by UN Security Council Resolution 883(1993) and related resolutions, Council Decision No. 94/366/CFSP of 13 June 1994 on the common

position defined by the Council on the basis of Article J.2 of the Treaty on European Union, prohibiting the satisfaction of claims referred to in paragraph 9 of United Nations Security Council Resolution No. 757(1992), Council Regulation (EC) No. 1733/94 of 11 July 1994 prohibiting the satisfaction of claims relating to contracts and transactions, the performance of which was affected by United Nations Security Council Resolution 757(1992) and related resolutions, Council Regulation (EC) No. 2488/2000 of 10 November 2000 maintaining the freezing of funds relating to Slobodan Milosevic and persons associated with him, Council Regulation (EC) No 881/2002 of 27 May 2002 imposing specific restrictive measures directed against certain persons and entities associated with Osama bin Laden, the Al-Qaeda network and the Taliban, Council Regulation (EC) No 147/2003 of 27 January 2003 on certain restrictive measures against Somalia, Council Regulation (EC) No. 1210/2003 of 7 July 2003 on certain special restrictions on economic and financial relations with Iraq and on the repeal of Regulation (EC) No. 2465/96, Council Regulation (EC) No. 1727/2003 of 29 September 2003 on certain restrictive measures against the Democratic Republic of the Congo, Council Regulation (EC) No. 131/2004 of 26 January 2004 on certain restrictive measures against Sudan, Council Regulation (EC) No. 234/2004 of 10 February 2004 on restrictive measures against Liberia, Council Regulation (EC) No 314/2004 of 19 February 2004 concerning certain restrictive measures against Zimbabwe, Council Regulation (EC) No 798/2004 of 26 April 2004 renewing restrictive measures against Burma/Myanmar and repeals Regulation (EC) No. 1081/2000, Council Regulation (EC) No. 872/2004 of 29 April 2004 concerning further restrictive measures against Liberia of July 2003 on certain special restrictions on economic and financial relations with Iraq and on the repeal of Regulation (EC) No. 2465/96, Council Regulation (EC) No. 1727/2003 of 29 September 2003 on certain restrictive measures against the Democratic Republic of the Congo, Regulation Council Regulation (EC) No. 131/2004 of 26 January 2004 on certain restrictive measures against Sudan, Council Regulation (EC) No. 234/2004 of 10 February 2004 on restrictive measures against Liberia, Council Regulation (EC) No 314/2004 of 19 February 2004 concerning certain restrictive measures against Zimbabwe, Council Regulation (EC) No 798/2004 of 26 April 2004 renewing restrictive measures against Burma/Myanmar and repealing Regulation (EC) No. 1081/2000, Council Regulation (EC) No. 872/2004 of 29 April 2004 concerning further restrictive measures against Liberia of July 2003 on certain special restrictions on economic and financial relations with Iraq and on the repeal of Regulation (EC) No. 2465/96, Council Regulation (EC) No. 1727/2003 of 29 September 2003 on certain restrictive measures against the Democratic Republic of the Congo, Regulation Council Regulation (EC) No. 131/2004 of 26 January 2004 on certain restrictive measures against Sudan, Council Regulation (EC) No. 234/2004 of 10 February 2004 on restrictive measures against Liberia, Council Regulation (EC) No 314/2004 of 19 February 2004 concerning certain restrictive measures against Zimbabwe, Council Regulation (EC) No 798/2004 of 26 April 2004 renewing restrictive measures against Burma/Myanmar and repealing Regulation (EC) No. 1081/2000, Council Regulation (EC) No. 872/2004 of 29 April 2004 concerning further restrictive measures against Liberia.

²⁾ Act No. 326/1999 Sb., on the residence of foreigners in the territory of the Czech Republic and on the amendment of certain laws, as amended.

³⁾ Section 18 of Act No. 40/1964 Sb., Civil Code, as amended by Act No. 509/1991 Sb.

⁴⁾ Act No. 71/1994 Sb., on the sale and export of objects of cultural value, as amended.

⁵⁾ Act No. 20/1987 Sb., on State Monument Care, as amended.

⁶⁾ Act No. 122/2000 Sb., on the protection of museum collections and on the amendment of certain other laws, as amended.

7) Act No. 61/1996 Sb., on certain measures against the legalization of proceeds of crime, as amended.

8) Act No. 101/2000 Sb., on the protection of personal data and on the amendment of certain laws, as amended.

9) Section 42 of Act No. 283/1993 Sb., on the Public Prosecutor's Office, as amended by Act No. 261/1994 Sb. Section 66 (2) of Act No. 150/2002 Sb., Administrative Code of Court.