

**Act No. 248/1995 Coll., on Public Beneficiary Corporations.
and amending and supplementing some related laws,**

**as amended by Act No. 208/2002 Coll., Act No. 320/2002 Coll., Act No. 437/2003 Coll., Act
No. 296/2007 Coll., Act No. 126/2008 Coll. and Act No. 231/2010 Coll.**

The Parliament has passed this Act of the Czech Republic:

PART ONE

**Title I
General**

Article 1

This Act provides for the status and legal relationships of Public Benefit Corporation (in Czech: *obecně prospěšné společnosti*).

Article 2

(1) A Public Benefit Corporation is a legal entity:

- a) that is established pursuant to this Act;
- b) that provides the general public with generally beneficial services under conditions that are determined in advance and are identical for all beneficiaries; and
- c) whose profits may not be used for the benefit of the founders, members of its bodies or employees, and must be used to provide generally beneficial services for which the Public Benefit Corporation was established.

(2) The name of a Public Benefit Corporation must include the designation “obecně prospěšná společnost” (*Public Benefit Corporation*) or the abbreviation “o.p.s.”. No other persons may use this designation in their name or business name.

Title II
Establishment and Incorporation of the Public Benefit Corporation

Establishment of a Public Benefit Corporation

Article 3

The founders of a Public Benefit Corporation may be natural persons, the Czech Republic or legal entities.

Article 4

(1) A Public Benefit Corporation is established through an Agreement on Establishment signed by all the founders. The signatures of the founders must be made under office. If there is a sole founder, the Agreement on Establishment is replaced by a Deed of Establishment drawn up in the form of a notary record.

(2) The Deed of Establishment or the Agreement on Establishment (hereinafter the “Deed of Establishment”) shall include:

- a) the name, registered office and identification number of the founder if being a legal entity, or the names and surname, birth identification number, or the date of birth of a foreign founder if the birth identification number has not been assigned, and the permanent address of the founder if being a natural person;
- b) the name and registered office of the Public Benefit Corporation;
- c) the type of generally beneficial services that the Public Benefit Corporation is envisaged to render;
- d) the conditions for the rendering of the particular types of generally beneficial services;
- e) the time period for which the Public Benefit Corporation is being established, unless it is established for an indefinite period of time;
- f) the name, or names, and surname, birth identification number or, for foreign nationals, the date of birth if the birth identification number has not been assigned, and permanent address of the members of the Board of Trustees;
- g) the name, or names, and surname, birth identification number and permanent address of the Executive Director of the Public Benefit Corporation (hereinafter the “Director”); in respect of a foreigner, the name, or names, and surname, birth identification number, or date of birth if the birth identification number has not been assigned, foreign address and address in the Czech Republic;

- h) the name, or names, and surname, birth identification number and permanent address of the members of the Supervisory Board; in respect of a foreigner, the name, or names, and surname, birth identification number, or date of birth if the birth identification number has not been assigned, foreign address and address in the Czech Republic;
- i) the value and designation of the property contributions of the individual founders, if any; in case of a non-monetary contribution, specification of the property object and its evaluation rendered by an authorized expert;
- j) the provision on eventual possibility of remuneration and the method of determining the amount of remuneration of the members of the Board of Trustees, of the members of the Supervisory Board, and of the Director.

(3) Furthermore, the Deed of Establishment may stipulate, in particular:

- a) the conditions for making changes in the type of the generally beneficial services rendered;
- b) the rules of procedure of the Board of Trustees and the Supervisory Board;
- c) the possibility to elect or appoint of a certain number of members of the Board of Trustees or of the Supervisory Board, based on nomination made by a previously specified group of citizens or nomination made by a certain legal entity, body of local government or governmental authority;
- d) possibility of re-election or re-appointment to the Board of Trustees;
- e) the grounds under which the founder may recall a member of the Board of Trustees or a member of the Supervisory Board;
- f) the conditions for alienation or encumbrance of certain assets contributed to or donated by the founder.

(4) The Deed of Establishment may also determine the Public Benefit Corporation authorized to accept the liquidation balance in the event of termination of the Public Benefit Corporation with liquidation; it may also stipulate that the given Public Benefit Corporation shall be determined by the Board of Trustees in the decision on termination of the Public Benefit Corporation. The Deed of Establishment may also exclude the passage of the rights and duties of the founder to another person.

Incorporation of the Public Benefit Corporation

Article 5

- (1) The Public Benefit Corporation comes into existence as a legal entity on the date of its

incorporation in the Register of Public Benefit Corporations (hereinafter the “Register”). The Register shall be kept by the court authorized by the special law to keep the Commercial Register¹⁾ (hereinafter the “Registry Court”).

(2) The proposal for incorporating the Public Benefit Corporation into the Register shall be submitted by the founder or a person authorized to this effect in writing by the founder. Enclosed with the application for incorporation must be the Deed of Establishment and the document proving the incorporation and continuing existence of the founder, if it is a legal entity. The proposal for incorporation must be submitted within 90 days of establishing the Public Benefit Corporation.

(3) The following information shall be entered in the Register:

- a) the name, registered office and identification number² of the Public Benefit Corporation;
- b) the name, registered office and identification number of the founder if the founder is a legal entity, or the names and surname, birth identification number, or the date of birth of a foreign founder if the birth identification number has not been assigned, and the permanent address of the founder if the founder is a natural person;
- c) the name, or names, and surname, birth identification number or, for foreign nationals, the date of birth if the birth identification number has not been assigned, and permanent address of the members of the Board of Trustees;
- d) the name, or names, and surname, birth identification number and permanent address of the Director; in respect of a foreigner, the name, or names, and surname, birth identification number, or date of birth if the birth identification number has not been assigned, foreign address and address in the Czech Republic;
- e) the type of generally beneficial services for the rendering of which the Public Benefit Corporation has been established, and the object of additional activities if to be pursued (Article 17);
- f) the name, or names, and surname, birth identification number and permanent address of the members of the Supervisory Board; in respect of a foreigner, the name, or names, and surname, birth identification number, or date of birth if the birth identification number has not been assigned, foreign address and address in the Czech Republic.

(4) If the Public Benefit Corporation is to perform activities that require special conditions or method of performance, the founder shall be obliged to demonstrate that these preconditions have been met.³

¹ Article 27 of the Act No. 513/1991 Sb., the Commercial Code, as amended.

² Act No. 89/1995 Sb., on the State Statistical Service.

³ E.g. Act No. 455/1991 Sb., on Trading Business (the Trade Act), as amended, Act No. 160/1992 Sb., on Health Care in Non-State Health-Care Facilities, as amended, Act

(5) Unless this Act stipulates otherwise, as regards maintenance of the Register and proceedings related to the Register there shall be applied analogous provisions of the Civil Code³⁾ and the Code of Civil Procedure⁴ concerning the Commercial Register.

Article 6

(1) The founder shall act on behalf of the Public Benefit Corporation in matters related to its incorporation until it comes into existence. If there are several founders, they shall act jointly or authorize one of them, who obtained for it a written power of attorney.

(2) The obligations that arise pursuant to paragraph 1 above shall pass to the Public Benefit Corporation at the time when it comes into existence. Within three months, the Public Benefit Corporation may reject those obligations that would prevent it from fulfilling the purpose for which it has been established. In that case, responsibility for those obligations that have not been taken over shall be borne by the founder or by the founders jointly and severally, as appropriate.

Title III

Winding-up, Liquidation and Termination of the Public Benefit Corporations

Article 7

(1) The Public Benefit Corporation shall be deemed terminated on the date of the deletion of its file from the Register.

(2) Termination of a Public Benefit Corporation shall be preceded by its winding up with liquidation or without liquidation.

(3) A domestic merge of a Public Benefit Corporation is possible only with another Public Benefit Corporation; a cross-border merge of a Public Benefit Corporation is not permitted. A split of a Public Benefit Corporation is permitted only if arising legal entities are Public Benefit Corporations; other forms of splitting are not permitted. As regards procedures pursuant to the first and second sentences there shall be applied provisions on domestic merges and splits as stipulated in the Act on Transformations of Corporations and Cooperatives.

Article 8

(1) A Public Benefit Corporation shall be winded-up:

a) upon expiry of the period of time for which it has been established;

No. 29/1984 Sb., on the System of Elementary Schools, Secondary Schools and Secondary Vocational Schools (the Schools Act), as amended.

⁴ Articles 200a to 200d of Act No. 99/1963 Sb., the Code of Civil Procedure, as amended

- b) upon attainment of the purpose for which it has been established;
- c) on the date set out in a decision of the Board of Trustees on winding-up the Public Benefit Corporation;
- d) by domestic merger or split;
- e) on the date set out in the court decision on winding-up the Public Benefit Corporation or, otherwise, on the date of legal force of the decision;
- f) by the date of proclamation of bankruptcy against its assets⁵.

(2) The Board of Trustees must notify the founder in writing of a decision made pursuant to par. 1 (c) above not later than two months before the date as of which the Public Benefit Corporation is to be winded-up; otherwise the decision ceases to be valid. Before a Public Benefit Corporation is winded-up based on a decision made by the Board of Trustees, the founder may change or cancel the decision; however, the founder must simultaneously provide for activities of the Public Benefit Corporation at least to an extent that will allow for the fulfillment of the commitments of the Public Benefit Corporation.

(3) If the founder has changed or canceled the decision of the Board of Trustees at a time when the decision has already been notified to the Registry Court, the court must also be notified of the founder's decision. The previous proposals made by the Board of Trustees of the Public Benefit Corporation aimed at liquidation, as well as at appointment of a Liquidating Officer, as appropriate, are ineffective in that case.

(4) Based on an proposal submitted by a governmental authority, a founder or a person who demonstrates its legal interest, the court shall decide on winding-up the Public Benefit Corporation and on its liquidation if

- a) the Board of Trustees of the Public Benefit Corporation did not meet during the previous year;
- b) the bodies of the Public Benefit Corporation have not been appointed and the term of office of the former bodies had expired more than a year ago;
- c) the Public Benefit Corporation has failed to render the generally beneficial services set out in the Deed of Establishment for a period of time exceeding six months;
- d) during a time period of six month has been endangered the quality, scope and availability of the generally beneficial services for the rendering of which the Public Benefit Corporation was established due to the performance of additional economic activities;
- e) the Public Benefit Corporation uses the income from its activity and from the entrusted assets in conflict with this Act;

⁵ Act No. 328/1991 Sb., on Bankruptcy and Settlement, as amended.

f) the Public Benefit Corporation is violating the provisions of this Act.

(5) The court may set a deadline to remedy the cause for which the winding-up of the Public Benefit Corporation has been proposed.

(6) If there is no founder, his legal successor shall assume his rights and obligations.

(7) If the sole founder terminates without a legal successor or if the sole founder dies, the Board of Trustees shall decide on the passage of the founder's rights and obligations stipulated by this Act to another person and shall make this decision within 6 months of the date when it learns about the termination or death of the founder, unless the Deed of Establishment stipulates otherwise; the Supervisory Board must grant its prior consent to the passage of the rights and obligations. If the Board of Trustees fails to make a decision on the passage of the founder's rights and obligations to another person within the deadline pursuant to the first sentence, the decision shall be made by a court upon a proposal of a member of the Supervisory Board of the Public Benefit Corporation or a person which demonstrates its legal interest, or even without any proposal. The person to which the founder's rights and obligations are passing must express its consent to the passage of the rights and obligations.

Article 9

(1) If liquidation is required, the Board of Trustees shall appoint a liquidating officer to perform the liquidation.

(2) If there is no liquidating officer appointed by the Board of Trustees, the liquidating officer shall be appointed without undue delay by the court with jurisdiction according to the seat of the Public Benefit Corporation.

(3) The Liquidating Officer shall commence the liquidation

- a) by checking that the founders of the Public Benefit Corporation were informed of the liquidation in due time;
- b) by inviting the creditors and other persons affected by the liquidation to claim for their title-rights and receivables within a deadline that may not be less than three months;
- c) by announcing the entry of the Public Benefit Corporation into liquidation in the Official Commercial Journal;
- d) by notifying the municipality in which the Public Benefit Corporation has its registered office and the competent tax authority of the commencement of the liquidation.

(4) The procedure in the liquidation shall be determined so as to sell the assets only to an extent required to fulfill the obligations of the Public Benefit Corporation.

(5) The assets owned by the Public Benefit Corporation shall constitute part of the liquidation assets and shall be used to satisfy the creditors' receivables in the order of claims for receivables that arose after the bankruptcy proclamation. The remuneration of the Liquidating Officer shall be paid in the order in which remuneration is paid to an insolvency trustee pursuant to the special law.⁶

(6) In cases other than pursuant to Article 4, Par. (4) and unless the founder of the Public Benefit Corporation is the Czech Republic of a region, the Liquidating Officer shall offer the liquidation balance for transfer to the municipality where the Public Benefit Corporation in liquidation has its registered office.

(7) In cases other than pursuant to Article 4, Par (4) and if the founder of the Public Benefit Corporation is a Region [of the Czech Republic], the Liquidating Officer shall offer the liquidation balance for transfer to the Region.

(8) If the founder of the Public Benefit Corporation is the Czech Republic, the liquidation balance shall be transferred to the Czech Republic.

(9) Where a municipality, a voluntary association of municipalities, a Region or the Czech Republic are one of several founders of the Public Benefit Corporation, the Liquidating Officer shall offer each of such founders a part of the liquidation balance according to the value of the contributions or donations provided by them, or in equal shares if the founders provided no contribution or donation.

(10) If the municipality or the Region fails to confirm, within 30 days of delivery of the offer, in writing its intention to take over the liquidation balance, the liquidation balance shall be transferred to the Czech Republic. The Liquidating Officer shall provide for its handover to the Office of the Government Representation in Property Affairs. The Czech Republic shall use the liquidation balance for rendering generally beneficial services.

(11) Within 30 days of the end of the liquidation procedures, the Liquidating Officer shall submit to the Registry Court a proposal for deletion of the Public Benefit Corporation from the Register files.

Title IV **Bodies of a Public Benefit Corporation**

Article 9a ***Director***

(1) The Director is the statutory body of a Public Benefit Corporation; the Director manages the activities of the Public Benefit Corporation and acts on its behalf. The Director is appointed and recalled by the Board of Trustees.

(2) Only a natural person who has no criminal record and enjoys legal capacity may be

⁶ Act No. 328/1991 Sb., on Bankruptcy and Settlement, as amended

appointed as the Director; Article 10, Par. (3) shall apply analogously as regards obtaining excerpts from the criminal record.

(3) The Director may not be a member of the Board of Trustees or a member of the Supervisory Board; however, the Director may participate in a meeting of the Board of Trustees and of the Supervisory Board in an advisory capacity.

(4) The Director shall perform his duties within an employment relationship. Article 10, Par. (5) shall apply analogously to the performance of duties of the Director.

(5) The employment relationship with the first Director shall be established by the founder as of the date of incorporation of the Public Benefit Corporation. The Board of Trustees shall make any further acts concerning the relationship between the Director and the Public Benefit Corporation.

Board of Trustees
Article 10

The Board of Trustees shall have at least three members. The number of members of the Board of Trustees must be divisible by three.

(2) Only a natural person who has no criminal record and enjoys legal capacity may be a member of the Board of Trustees. Not more than one third of the members of the Board of Trustees may be in an employment relationship with the given Public Benefit Corporation.

(3) For the purposes of this Act, a person who has not been validly convicted of an intentional criminal offense shall be considered to have no criminal record.

(4) Membership in the Board of Trustees of a Public Benefit Corporation is incompatible with membership in the Supervisory Board of the same Public Benefit Corporation.

(5) Members of the Board of Trustees shall be obliged to perform their duties with due professional care and maintain confidentiality about sensitive information and facts, disclosure of which could harm the Public Benefit Corporation. In case of doubt as to whether a member of the Board of Trustees acted with due professional care, the member of the Board of Trustees must prove that he acted with due professional care. Those members of the Board of Trustees who caused damage to the Public Benefit Corporation by breaching their obligations during performance of their duties shall be jointly and severally liable for such a damage. Any agreement between a member of the Board of Trustees and the Public Benefit Corporation that would exclude or limit liability of the member of the Board of Trustees is deemed invalid.

Article 11

(1) The term of office of members of the Board of Trustees shall be three years.

(2) Members of the Board of Trustees may be re-elected or re-appointed unless the Deed

of Establishment stipulates otherwise.

(3) The members of the Board of Trustees shall elect the Chairman from amongst their number; the Chairman shall convene and direct the meetings of the Board of Trustees.

(4) In making decisions, the members of the Board of Trustees have equal votes. Unless the Deed of Establishment or the Statute stipulate otherwise, the Chairman of the Board of Trustees shall have the casting vote in case of a tie vote. Unless the Deed of Establishment or the Statute stipulates otherwise, the Board of Trustees shall have a quorum if a majority of its members are present; the consent of a majority of the members present is required to make a decision.

Article 12

(1) The members of the Board of Trustees shall be appointed by the founder unless the Deed of Establishment stipulates otherwise.

(2) Membership in the Board of Trustees terminates:

- a) upon expiry of the term of office;
- b) by death;
- c) by resignation;
- d) by being called-off.

(3) The founder shall call-off a member of the Board of Trustees if this member ceases to meet the preconditions for membership in the Board of Trustees pursuant to the Article 10, Par. (3) or if he or she has materially or repeatedly violated this Act, the Deed of Establishment or the Statute of the Public Benefit Corporation or on other grounds stipulated in the Deed of Establishment.

(4) The founder shall call-off a member of the Board of Trustees within one month of the date when he learns of the grounds for calling him or her off, but not later than within six months of the date when the grounds arose. If the founder fails to call-off a member of the Board of Trustees within the set deadline or if there is no founder and the founder's rights have not passed to some other person, the member shall be called-off by the court of administrative justice upon a proposal of a member of the Board of Trustees or upon a proposal of the Supervisory Board or a person that demonstrates legal interest.

(5) New members shall be appointed, or assigned to the vacant positions of members of the Board of Trustees in the manner stipulated in the Deed of Establishment as appropriate, and not later than within 60 days. After idle expiry of this deadline, the new members of the Board of Trustees shall be appointed by a court upon a proposal of a member of the Board of Trustees or upon a proposal of the Supervisory Board or a person that demonstrates legal interest, or even without any proposal.

Article 13

(1) The Board of Trustees has to grant its prior consent in writing to any legal act whereby the Public Benefit Corporation

- a) acquires, alienates or encumbers real estate;
- b) acquires or alienates a movable asset, establishes an easement or pre-emption right in respect of a movable asset whose price exceeds the value of a public contract of a minor value pursuant to the law on public contracts⁷;
- c) acquires or alienates copyrights or industrial rights;
- d) founds another legal entity and contributes money or other property to that legal entity.

(2) The Board of Trustees approves

- a) the budget of the Public Benefit Corporation;
- b) the ordinary and extraordinary financial statements and the annual report of the Public Benefit Corporation;
- c) the subject of additional activities (Article 17).

(3) The Board of Trustees decides on

- a) winding-up the Public Benefit Corporation and, in a case pursuant to Article 4, Par. (4), it decides on determination of the Public Benefit Corporation to which the liquidation balance shall be transferred;
- b) the passage of the rights and duties of the founder as stipulated by this Act to another person if the sole founder terminates without a legal successor or if the sole founder dies and unless the Deed of Establishment stipulates otherwise.

(4) The Board of Trustees may issue the Statute of the Public Benefit Corporation to determine the details of its activity; the Board of Trustees approves amendments to the statute of the Public Benefit Corporation if it has been issued.

(5) Within 30 days of the date of issue of the Statute pursuant to paragraph 4 above, the Public Benefit Corporation shall file it in the Dossier of Documents of the Register⁸; the

⁷ Article 12 (6) of the Act No. 137/2006 Sb., on Public Procurement, as amended by Act No. 76/2008 Sb.

⁸ Article 27 of the Act No. 513/1991 Sb., the Commercial Code, as amended

procedure shall be analogous with respect to the amendments to the Statute of the Public Benefit Corporation.

Article 14

(1) If real estate or movable assets of a value pursuant to Article 13, Par. (1), Item (b) are being transferred for consideration of the founder and the founder is the Czech Republic or a territorial self-governing unit, the price shall be agreed at least in an amount that is usual at the given place and time; a real estate or a movable asset may be transferred without consideration only if such a transfer is economically more beneficial than any other method of disposing of the given estate or asset.

(3) The Board of Trustees shall not grant its prior consent to a legal act if this would endanger the fulfillment of the tasks of the Public Benefit Corporation or if this would be at variance with the Article 4, Par. (3).

(3) The Board of Trustees shall be obliged to notify the Director and the Supervisory Board of the fact that the prior consent has been granted to the legal acts set out in Article 13, Par. (1) within 7 days of the date of granting the consent. If the founder of the Public Benefit Corporation is the Czech Republic or a territorial self-governing unit, the Board of Trustees shall be obliged to communicate the fact that prior consent has been granted to the legal acts set out in Article 13, Par. (1) within 7 days also to such a founder.

(4) The legal acts set out in Article 13, Par. (1) shall be deemed null and void when done without prior consent of the Board of Trustees. These acts shall be deemed to be valid if the founder, Board of Trustees or a person who is affected by the legal act fails to claim their nullity.

(5) The Board of Trustees shall ensure that the purpose for which the Public Benefit Corporation was established is maintained and that its property is being properly managed.

Supervisory Board

Article 15

(1) A Public Benefit Corporation shall establish a Supervisory Board as its overseeing body.

(2) The Supervisory Board shall have at least three members. The number of its members must be divisible by three. The members of the Supervisory Board shall elect the Chairperson from amongst their number; the Chairperson shall convene and direct the meetings of the Supervisory Board.

(3) The founder appoints the members of the Supervisory Board, unless the Deed of Establishment stipulates otherwise.

(4) Unless this Act stipulates otherwise, the provisions on the Board of Trustees shall apply analogously to the manner of appointment of and membership in the Supervisory Board.

Article 16

(1) The Supervisory Board

- a) reviews the ordinary and extraordinary financial statements and the annual report of the Public Benefit Corporation;
- b) at least once annually submits a report to the Director and the Board of Trustees on the results of its control activity;
- c) supervises the Public Benefit Corporation activities as regards their conformity with the laws and the Deed of Establishment of the Public Benefit Corporation.

(2) The Supervisory Board is authorized to:

- a) inspect the accounting books and other documents and control the information contained therein;
- b) convene an extraordinary meeting of the Board of Trustees if required by the interests of the Public Benefit Corporation.

The members of the Supervisory Board have the right to participate in a meeting of the Board of Trustees; they must be given the floor if they so request.

(3) The Supervisory Board is obliged to advise the Director and the Board of Trustees of any violation of laws, provisions of the Deed of Establishment or the Statute, of uneconomical procedures and also of any other shortcomings in the activities of the Public Benefit Corporation. The Supervisory Board is authorized to set a deadline for the Director or Board of Trustees to provide for a remedy. If a remedy is not ensured, the Supervisory Board shall inform the founder of the ascertained shortcomings without delay.

Title V Economic Management of a Public Benefit Corporation

Article 17

(1) In addition to generally beneficial services for the rendering of which a Public Benefit Corporation was established, a Public Benefit Corporation may also pursue other activities (“additional activities”) provided that the additional activity facilitates particularly more effective use of the means of the Public Benefit Corporation and, at the same time, this activity does not endanger the quality, scope and availability of the generally beneficial services.

(2) A Public Benefit Corporation may not participate in the business activities of other persons.

(3) A Public Benefit Corporation that is a private institute of higher learning pursuant to the special law is to be considered a public institute of higher learning for the purposes of the

Bookkeeping and Annual Report

Article 19

(1) In its accounts, a Public Benefit Corporation shall be obliged to consistently distinguish among the expenses and incomes related to additional activities, expenses and incomes related to generally beneficial services, and expenses and incomes not belonging to the preceding sets and related to the management of the Public Benefit Corporation.

(2) The ordinary and extraordinary financial statements must be audited for those Public Benefit Corporations

- a) that are the recipients of subsidies or other income from the State Budget, from the budget of a municipality or from the budget of some other body of local government or from a State Fund if the total volume of the subsidies and other income exceeding CZK 1 million in the accounting period for which the financial statements are compiled, or
- b) whose net turnover exceeds CZK 10 million.

Article 20

(1) A Public Benefit Corporation shall draw up and publish its annual report. The objective of the annual report is to provide information on the activities and economic management of the Public Benefit Corporation. This shall in no way prejudice the duties pursuant to special regulations⁹.

(2) Within 30 days of approval by the Board of Trustees, a Public Benefit Corporation shall file its annual report in the Dossier of Documents of the Register¹⁰. The Deed of Establishment or the Statute of a Public Benefit Corporation may stipulate an additional method of publication of the annual report.

(3) If any facts are ascertained after the publication of the annual report that justify its correction, the Public Benefit Corporation is obliged to make the correction and publish it without undue delay; paragraph 2 above shall apply analogously to publication of a correction of the annual report.

Article 21

⁹ E.g., Decree No. 15/2005 Sb., stipulating the requisites of long-term plans, annual reports and self-evaluation of schools.

¹⁰ Article 27 of the Act No. 513/1991 Sb., the Commercial Code, as amended

(1) In addition to the requisites stipulated by the law governing bookkeeping^{119a)}, the annual report must also include information on

- a) all activities performed in the accounting period within generally beneficial services and additional activities and their evaluation;
- b) human resources;
- c) revenues broken down according to the sources;
- d) the development and state of the funds of the Public Benefit Corporation as of the date of the balance sheet¹²;
- e) the state of assets and liabilities of the Public Benefit Corporation as of the date of the balance sheet and on their structure;
- f) the total volume of the costs broken down to the costs expended for the provision of generally beneficial services, for the performance of additional activities and for the actual operation of the Public Benefit Corporation, including the amount of the costs expended for the salary of the Director and remuneration of the members of the Board of Trustees and the Supervisory Board;
- g) amendment to the Deed of Establishment and on a change in the composition of the Board of Trustees and Supervisory Board and on a change in the position of the Director if these occurred during the accounting period.

(2) Article 19. Par. (2) shall apply analogously to auditing of the annual report.

Article 22

If a Public Benefit Corporation violates the provisions of Articles 2, 17 and 20, it shall lose

- a) for the year in which the violation occurred, the tax relief stipulated by this Act, the Income Taxes Act¹³ and the Inheritance Tax, Gift Tax and Real Estate Transfer Tax Act;
- b) for the subsequent taxation period following after the year in which the violation occurred, the tax relief stipulated by the Real Estate Tax Act.¹⁴

¹¹ Act No. 563/1991 Sb., on Accounting, as amended

¹² Article 19 of Act No. 563/1991 Sb., on Accounting, as amended by Act No. 492/2000 Sb., Act No. 353/2001 Sb. and Act No. 437/2003 Sb.

¹³ Act of the Czech National Council No. 586/1992 Sb., on Income Taxes, as amended.

¹⁴-Act of the Czech National Council No. 357/1992 Sb., on Inheritance Tax, Donation Tax and Real Estate Transfer Tax, as amended.

TRANSITORY PROVISIONS

1. The Director of a Public Benefit Corporation appointed before 1 January 2011 becomes the statutory body of the Public Benefit Corporation as of 1 January 2011.
2. The founder of a Public Benefit Corporation shall harmonize the Deed of Establishment of the Public Benefit Corporation with this Act not later than by 30 June 2011.