

Act No 69/2006 Coll.

February 3, 2006

on Implementation of International Sanctions

as amended by:

- *Act No 227/2009 Coll., amending selected acts in relation to the adoption of the Act on Central Registers (in effect as of July 1, 2010),*
- *Act No 281/2009 Coll., amending selected acts in relation to the adoption of the Rules of Tax Procedure (in effect as of January 1, 2011),*
- *Act No 139/2011 Coll., amending the Act No 284/2009 Coll., Payment Transactions, as amended by Act No. 156/2010 Coll. and certain other acts (in effect as of May 28, 2011),*
- *Act No 167/2012 Coll., amending the Act No 499/2004 Coll., on Archiving and Records Management and on the Amendment of Selected Acts, as amended, Act No 227/2000 Coll., on Electronic Signatures and on the Amendment to certain other Acts (Act on Electronic Signature), as amended, and other related acts (in effect as of July 1, 2012),*
- *Act No 399/2012 Coll., on amendment of acts in relation to the adoption of the Act on Premium on Retirement Savings (in effect as of January 1, 2013),*
- *Act No 377/2015 Coll., amending selected acts in relation to the adoption of the Act on Termination of Pension Savings (in effect as of January 1, 2017),*
- *Act No 298/2016 Coll., amending selected acts in relation to the adoption of the Act on the Services establishing Trust for Electronic Transactions, Act No 106/1999 Coll., on Free Access to Information, as amended, and Act No 121/2000 Coll., on Copyright and Rights related to the copyright and on amendments to certain acts (Copyright Act), as amended (in effect as of January 1, 2017),*
- *Act No 368/2016 Coll., amending the Act No. 253/2008 Coll., on selected measures against legitimisation of proceeds of crime and financing terrorism, as amended and other related acts (in effect as of January 1, 2017), and*
- *Act No 183/2017 Coll., amending selected acts in relation to the adoption of the Act on Liability for Offences and Proceedings thereon (in effect as of July 1, 2017).*

The Parliament of the Czech Republic has adopted this Act:

PART ONE INTRODUCTORY PROVISIONS

Section 1

Subject of Law

This Act adjusts in relation to the directly applicable European Communities legislation¹⁾ selected obligations of natural and legal persons while implementing international sanctions for the purpose of maintaining or restoring international peace and security, protection of fundamental human rights and fight against terrorism. This Act also adjusts selected obligations of natural and legal persons while implementing international sanctions for the purpose of maintaining or restoring international peace and security, protection of fundamental human rights and fight against terrorism to which abiding is the Czech Republic bound based on the membership in the United Nations.

Definitions

Section 2

For the purposes of this Act the international sanction shall mean an order, ban or restriction stipulated for the purpose of maintaining or restoring international peace and security, protection of fundamental human rights and fight against terrorism, should it follow from:

- a) the decision of the United Nations Security Council (hereinafter „the Security Council“), adopted in accordance with Article 41 of the United Nations Charter,
- b) the common positions, joint actions or other measures adopted based on the provisions of the European Union Treaty on Common Foreign and Security Policy, or
- c) the directly applicable European Communities legislations which are applying common position or joint action adopted in accordance with the European Union Treaty on Common Foreign and Security Policy.

¹⁾ For instance the Council Regulation (EC) No 2580/2001 of 27 December 2001 on 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 satisfying of Iraqi claims with regard to contracts and transactions the performance of which was affected by United Nations Security Council Resolution 661 (1990) and related resolutions, Council Resolution (EC) No 3275/93 of 29 November 1993, prohibiting the satisfying of claims with regards to contracts and transactions the performance of which was affected by the United Nations 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 concerning prohibition of the satisfaction of the 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 satisfying of claims with regard to contracts and transactions the performance of which was affected by the United Nations Security Council Resolution 757(1992) and related resolutions, Council Regulation (EC) No 2488/2000 of 10 November 2000, maintaining a freeze of funds in relation to Mr Milosevic and those persons associated with him and repealing Regulation (EC) Nos 1294/1999 and 607/2000 and Article 2 of Regulation (EC) No 926/98, Council Regulation (EC) No 881/2002 of 27 May 2002, imposing certain specific restrictive measures directed against certain persons and entities associated with Usama bin Laden, the Al-Qaida network and the Taliban, and repealing Council Regulation (EC) No 467/2001 prohibiting the export of certain goods and services to Afghanistan, strengthening the flight ban and extending the freeze of funds and other Financial resources in respect of the Taliban of Afghanistan, Council Regulation (EC) No 147/2003 of 27 January 2003, concerning certain restrictive measures ion respect of Somalia, Council Regulation (EC) No 1210/2003 of 7 July 2003, concerning certain specific restrictions an economic and Financial relations with Iraq and repealing Regulation (EC) No 2465/96, Council Regulation (EC) No 1727/2003 of 29 September 20003, concerning certain restrictive measures in respect of the Democratic Republic of Congo, Council Regulation (EC) No 131/2004 of 26 January 2004, concerning certain restrictive measures in respect of Sudan, Council Regulation (EC) No 234/2004 of 10 February 2004, concerning certain restrictive measures in respect of Liberia and repealing Regulation (EC) No 1030/2003, Council Regulation (EC) No 314/2004 of 19 February 2004, concerning certain restrictive measures in respect of Zimbabwe, Council Regulation (EC) No 798/2004 of 26 April 2004, renewing the restrictive measures in respect of Burma/Myanmar and repealing Regulation (EC) No 1081/2000, Council regulation (EC) No 872/2004 of 29 April 2004, concerning further restrictive measures in relation to Liberia.

Section 3

For the purposes of this Act:

- a) a territory which is a subject to the international sanctions shall mean a specific territory fully or partially controlled by the subject or state that is a subject to the international sanctions including air space and coastal waters;
- b) a subject which is a subject to the international sanctions shall mean such subject against which are the sanctions in the document under Section 2 targeted;
- c) a person which is a subject to the international sanctions shall mean:
 - 1. a state which is a subject to the international sanctions,
 - 2. a citizen of a state which is a subject to the international sanctions,
 - 3. a member or representative of a subject which is a subject to the international sanctions,
 - 4. another natural person usually staying in the territory which is a subject to the international sanctions with exception of the Czech Republic citizens,
 - 5. a legal person seated in a territory which is a subject to the international sanctions, or
 - 6. a person listed in the lists issued by sanctions committees of the Security Council or in documents of the European Union stipulated under Section 2 letter b) or c);
- d) a Czech person shall mean:
 - 1. the Czech Republic,
 - 2. a citizen of the Czech Republic,
 - 3. natural person different than the citizen of the Czech Republic usually staying 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 person seated in the territory of the Czech Republic including territories of municipalities³⁾;
- e) a usual stay in the specified territory shall mean staying in such territory at least for 183 days in one calendar year continuously or in several periods; every commenced day shall be included into the period of 183 days;
- f) an asset which is a subject to international sanctions shall mean any movable or immovable asset owned, kept or otherwise controlled by a subject which is a subject to the international sanctions or by a person which is a subject to the international sanctions, imported from a territory which is a subject to the international sanctions or determined for export into the territory which is a subject to the international sanctions;
- g) a goods shall mean things, rights and other property values, for instance money in any form including deposits and deposit claims, other payment instruments, securities and investment tolls, furthermore any substance used for manufacturing of products, the product, service, software or technology and any other thing movable or immovable which is a subject or should be a subject to trade regardless the form or circumstances of its provision;
- h) a goods which is a subject to the international sanctions shall mean a goods owned, kept or otherwise controlled by a subject which is a subject to the international sanctions or by a person which is a subject to the international sanctions;
- i) a Czech goods shall mean a goods owned, kept or otherwise controlled by the Czech person;
- j) an another goods shall mean a goods which is not a Czech goods neither the goods which is a subject to the international sanctions;
- k) a means of transport shall mean facility determined particularly for passengers, luggage goods or mail transportation;
- l) a means of transport which is a subject to the international sanctions shall mean a means of transport:
 - 1. sailing under the flag or registered of by a state which is a subject to the international sanctions,
 - 2. owned, kept or used by a subject which is a subject to the international sanctions or in favour of such subject and/or in favour of controlled subject, or

²⁾ Act No 326/1999 Coll., on the Residence of Foreigners in the Territory of the Czech Republic and amending certain Acts, as amended.

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

3. owned, kept, used and/or otherwise controlled by a person which is a subject to the international sanctions;
- m) the Czech means of transport shall mean a means of transport:
 1. sailing under the flag, registered, owned, kept or used by the Czech Republic or in its favour and/or otherwise controlled by it, or
 2. owned, kept, used and/or otherwise controlled by the Czech person;
 - n) an another means of transport shall mean a means of transport which is not the Czech means of transport neither the means of transport which is a subject to the international sanctions;
 - o) a cultural possession shall mean:
 1. a work of art and a subject of cultural value⁴⁾,
 2. a cultural sight, national cultural sight or their collection⁵⁾,
 3. a museum collection or collection object⁶⁾, or
 4. a public cultural production as for instance theatre, film, audio-visual or music-hall performance, concert, dancing party or disco, circus, variety or similar performance, exhibition and other activities;
 - p) a controlling shall mean factual and/or legal possibility to influence by own acting the behaviour of other person, usage of a thing and/or course of events in certain territory.

PART TWO AREAS OF IMPLEMENTATION OF THE SANCTIONS

Section 4

General Provisions

(1) Restrictions or prohibitions stipulated under Sections 5 to 8 shall be applied to the extent determined in the Government order based on:

- a) the decision of the Security Council, or
- b) the common position, joint actions or other measures adopted based on a provision of the European Union Treaty on Common Foreign and Security Policy.

(2) Restrictions or prohibitions under paragraph 1 may be applied for the area of:

- a) trade and services,
- b) money transfers, usage of other payment instruments, purchase and sale of securities and investment tools,
- c) transportation,
- d) communications,
- e) technical infrastructure,
- f) scientific and technical connections,
- g) cultural connections, or
- h) sport connections.

(3) The Government Order under paragraph 1 shall also specify the scope of persons which are subjects to the international sanctions in compliance with the Section 3 letter c).

Section 5

Trade and Services, Money Services and Financial Markets

(1) In the area of trade and services the international sanctions may reside in restriction or prohibition to:

- a) import and/or purchase goods which is a subject to the international sanctions, its sale or another handling,

⁴⁾ Act No 71/1994 Coll., on Sale and Export of objects of Cultural Value, as amended.

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

⁶⁾ Act No 122/2000 Coll., on Protection of Collections of Museum Character and Amendment of Certain Other Laws, as amended.

- b) export, purchase and/or enabling to handle the Czech goods to the subject which is a subject to the international sanctions, or to a person which is a subject to the international sanctions and/or to a territory, which is a subject to the international sanctions,
- c) transit of the Czech goods through a territory which is a subject to the international sanctions or goods which is a subject to the international sanctions through the territory of the Czech Republic,
- d) transit of other goods on a territory which is a subject to the international sanctions and/or goods belonging to determined subject which is a subject to the international sanctions or to a person which is a subject to the international sanctions through the territory of the Czech republic, or
- e) any other activities which could support and/or would support the activity stipulated under letters a) to d).

(2) In the area of money transfers, usage of other payment instruments, purchase and sale of securities and investments tools the sanctions may reside in restriction or prohibition to:

- a) provide any fulfilment by the Czech person in favour of a subject which is a subject to the international sanctions as well as settling a business with such subjects including businesses with foreign currency,
- b) rent a deposit box to the subject which is a subject to the international sanctions or to a person which is a subject to the international sanctions or receiving goods which is a subject to the international sanctions for custody if it is proved while using reasonable efforts that the goods is a subject to the international sanctions,
- c) any provision of finances, investment tools or other securities or financial and/or economic resources to the subject which is a subject to the international sanctions or to a person which is a subject to the international sanctions,
- d) transfer of finances, investment tools or other securities from or to the account which is controlled by a subject which is a subject to the international sanctions or by a person which is a subject to the international sanctions, including payment of the bank check if this could be detected by using reasonable efforts,
- e) pay the interests from finances in favour of an account which is controlled by a subject which is a subject to the international sanctions or by a person which is a subject to the international sanctions, including payments of interests from securities and investment tools controlled by such subject/person,
- f) conclude an insurance contract with a subject which is a subject to the international sanctions or with a person which is a subject to the international sanctions or settlements from such insurance contracts, or
- g) any other activity which could support and/or would support activity stipulated under letters a) to f).

Section 6

Transportation and Communications

(1) In the area of transportation the sanctions may reside in restriction or prohibition:

- a) to enter the territory which is a subject to the international sanctions with the Czech means of transport,
- b) to transport of other means of transport through the territory of the Czech Republic or exit this territory to a territory which is a subject to the international sanctions,
- c) to cross borders of the Czech Republic by the means of transport which is a subjects to the international sanctions for the purpose of entrance and/or exit of the territory of the Czech Republic,
- d) to handle physically or legally the means of transport which is a subject to the international sanctions located in the territory of the Czech Republic,
- e) to provide the Czech means of transport to the subject which is a subject to the international sanctions or to a person which is a subject to the international sanctions,
- f) to repair or provide spare parts, components or tools necessary for reparation or modification of the means of transport which is a subject to the international sanctions, or

- g) on any other activity which could support and/or would support activity stipulated under letters a) to f).

(2) In the area of communications the sanctions may reside in restriction or prohibition:

- a) to accept for carriage or transport mails in the territory which is a subject to the international sanctions and/or designated for a subject which is a subject to the international sanctions or for person which is a subject to the international sanctions from and/or through the territory of the Czech Republic,
- b) to provide services of electronic communication for the purpose of connection with a subject which is a subject to the international sanctions or with a person which is a subject to the international sanctions and/or with a territory which is a subject to the international sanctions,
- c) to provide other connection with a subject which is a subject to the international sanctions or with a person which is a subject to the international sanctions and/or with a territory which is a subject to the international sanctions,
- d) on radio, TV or other broadcast in a territory which is a subject to the international sanctions, or
- e) on any other activity which could support and/or would support activity stipulated under letters a) to d).

Section 7

Technical Infrastructure

In the area of the technical infrastructure the sanctions may reside in restriction or prohibition on delivery energy, raw materials, machines and/or equipment for their manufacture from the territory or through the territory of the Czech Republic to a subject which is a subject to the international sanctions or to a person which is a subject to the international sanctions and/or to a territory which is a subject to the international sanction.

Section 8

Scientific and Technical, Cultural and Sport Connections

(1) In the area of scientific and technical connections the sanctions may reside in the restriction or prohibition:

- a) to participate in a scientific or technical researches, programs and/or projects which are mutually prepared by the Czech person and by a subject or a person which is a subject to the international sanctions; in cases when the activity is funded by other subject than the subject/person which is a subject to the international sanctions, the sanction shall reside only in exclusion of such subject or person from participation of this activity.
- b) to provide instruments or devices by the Czech person and/or from the territory of the Czech Republic to a subject or a person which is a subject to the international sanctions for the purpose of their usage for scientific or technical research, program and/or project,
- c) to provide information about scientific or technical researches, programs and/or projects by the Czech person or its results to a subject or a person which is a subject to the international sanctions should not these results be publicly available,
- d) to provide industrial rights or copyrights to a subject which is a subject to the international sanctions, or
- e) on any other activity which could support and/or would support activity stipulated under letters a) to d).

(2) In the area of cultural connections the sanctions may reside in restriction or prohibition:

- a) to provide cultural possessions by the Czech person or from the Czech territory to a subject or a person which is a subject to the international sanctions and/or to a territory which is a subject to the international sanctions,
- b) to accept a cultural possession by the Czech person or in the Czech territory from a subject or a person which is a subject to the international sanctions and/or from a territory which is a subject to the international sanctions if it is not a temporary acceptance for the purpose of rescue, protection or preservation of a cultural possession imminently endangered by the

- armed conflict or natural disaster and/or return of cultural possession to a person which is not a subject to the international sanctions,
- c) to provide copyrights or rights of the Czech person related to them to a subject or a person which is a subject to the international sanctions and/or for usage within a territory which is a subject to the international sanctions, or
 - d) on any other activity which could support and/or would support activity stipulated under letters a) to c).
- (3) In the area of sport connections the sanctions may reside in restriction or prohibition on:
- a) participation of person or group representing subject or person which is a subject to the international sanctions in a sport match and/or other sport event organized within the territory of the Czech Republic and/or by the Czech person,
 - b) participation of the Czech person or group representing the Czech Republic in a sport match which is organized by a subject or a person which is a subject to the international sanctions, and/or within a territory which is a subject to the international sanctions, or
 - c) any other activity which could support and/or would support activity stipulated under letter a) or b).

Section 9

Exceptions from the Sanction Regime

(1) Should it be admitted by the content of the document under Section 2, the Financial Analytical Office (hereinafter "the Office") may permit in accordance with this document and to necessary extent exceptions from the prohibition or restriction:

- a) to provide treatment and health care,
- b) to provide humanitarian aid should it not be limited in the document under Section 2; such aid shall mean mainly delivery of food, cloth, medicine, medical material and other humanitarian needs necessary for protection of health, saving life and respectable accommodation of civilians and provision of related services including organization and realization of rescuing operations,
- c) to provide social, state social, retirement, unemployment and requalification benefits, sick pays, payments of premiums for welfare and benefits to state unemployment policy and premiums for general health care,
- d) to provide wages, compensations for wage, redundancy payments and other payments arising from industrial or similar relationships,
- e) to provide affiliation,
- f) for compensation for damage caused by activity which is not related to the implementation of international sanctions within the meaning of this Act and on payments of premiums related to this,
- g) for payment of the claim by a subject which is a subject to the international sanctions or a person which is a subject to the international sanctions should not the claim rise from the breach of international sanctions,
- h) for payments to a subject or a person which are subjects to the international sanctions owed based on contracts, agreements or commitments which have been concluded or arisen prior the implementation of international sanctions against such subject or person if such payments are realized in favour of an account opened in the Czech Republic or other European Union state within which are all deposited funds the asset which is a subject to the international sanction, or
- i) for other purpose stipulated in the document under Section 2 letter c).

(2) The exception shall be allowed up on or without a request. The Office shall stipulate within its decision on exception permission the conditions of application in such way that the application can be controlled and the purpose of international sanctions is not thwarted. In case of serious breach of conditions for exception's application the Office shall cancel the exception.

PART THREE
**OBLIGATIONS RELATED TO THE ASSET WHICH IS A SUBJECT TO THE INTERNATIONAL
SANCTIONS**

Section 10

Obligation to Report

(1) Should anyone find out in a credible way that the asset which is a subject to the international sanctions is located with her/him, he/she is obliged to report it without undue delay to the Office.

(2) Should there arise a suspicion when preparing or concluding a contract, that one of the contractual parties is a subject to the international sanctions or the subject of the contractual relationship could or should be the asset which is a subject to the international sanctions however such suspicion cannot be prior or while concluding the contract credibly verified, the reporting obligation under paragraph 1 shall arise immediately after concluding such contract.

(3) The report shall be made orally or in writing into the record.

Section 11

Handling the Asset which is a Subject to the International Sanctions

(1) Should anyone find out in a credible way that the asset which is a subject to the international sanctions is located with her/him, he/she is not allowed to handle such asset in any other way than for the purpose of its protection against loss, spoilage, destruction or other damage if it is not stipulated otherwise in this Act, since the moment when he/she find out that the asset is considered as an asset which is a subject to the international sanctions.

(2) The person with whom the asset which is a subject to the international sanctions is located shall be entitled to enforce from the state a compensation for necessarily needed costs related to its administration and protection since delivery the report to the Office under Section 10. A subject or a person which is a subject to the international sanctions shall not has a claim for compensation in accordance with this provision neither persons cooperating with such person or subject, close relatives or business connected persons or persons connected in other way.

(3) Should there arise a doubt that person stipulated under paragraph 1 secure the protection of the asset which is a subject to international sanctions in appropriate way or if it is needed for ensuring its administration for instance with respect to the assumed duration of related international sanction, the Office shall appeal to deliver such asset. The person with whom the asset which is a subject to the international sanctions is located shall deliver it to the Office or to the determined person up on the appeal. The asset which is not delivered voluntarily may be dispossessed. A record shall be made of delivery or dispossession including sufficient description of delivered or dispossessed asset. The copy of this record shall be issued to the person who delivered the asset or to whom the asset was dispossessed as acknowledge receipt of the thing.

(4) Provisions stipulated under paragraphs 1 to 3 shall be also applied to the asset which is a subject to the notification duty under Section 10 para. 1.

(5) The Office shall deliver to the authorized person or to the person determined in accordance with letter b) or c) the asset, which is a subject to the international sanctions if:

- a) it is a person which is not a subject to the international sanctions and he/she proves that he/she is an owner or authorized holder of this asset,
- b) it is stipulated in the document under Section 2, that it should be delivered to the particular person, or
- c) it was lawfully decided in such way by domestic state body or by relevant body of foreign state and/or international organization whose decision is based on the international law executable in the territory of the Czech Republic.

PART FOUR
**COMPETENCES AND OBLIGATIONS OF THE STATE AUTHORITIES AND THE CZECH
NATIONAL BANK**

Section 12

Proceeding by the Office

(1) The Office based on an appraisal if the asset should be considered as a subject to the international sanctions may decide on:

- a) restriction or prohibition to handle such asset,
- b) dispossession of the asset which has not been delivered up on the appeal under the Section 11 para. 3,
- c) assumption of this asset into the state administration for the purpose of its administration and following delivery to the beneficiary,
- d) appointment or appeal of asset administrator and alternatively on her/his reward,
- e) sale of this asset or its part under Section 13 para. 3,
- f) exceptional usage of this asset which is a subject to the international sanctions or its part as stipulated under Section 9 or under conditions stipulated in directly applicable European Communities legislation,
- g) delivery of this asset in accordance with Section 11 para. 5, or
- h) the fact that it is not an asset which is a subject to the international sanctions if:
 1. the owner or holder proves such fact demonstrably,
 2. such fact emerges from Office's investigation,
 3. such asset is provably valueless or has just low value, or
 4. the related international sanction was canceled.

(2) Within 30 days since receiving the report under Section 10 para. 1 the Office shall inform the reporting person if the asset is considered as an asset which is a subject to the international sanctions if it does not decide in this time period in accordance with paragraph 1 letter a), b), c), g) or h). In justified cases this time period may be prolonged.

(3) The appeal against decision under paragraph 1 letters a) to d) does not have a suspensory effect. The suspensory effect of the appeal against decision under paragraph 1 letter e) may be deprived if the asset is perishable.

(4) The decision against which the appeal does not have a suspensory effect or the suspensory effect was excluded shall be executed by the day of its delivery to the last participant of the proceeding which is the person whose suggestion was the subject-matter of the decision and the person with whom the asset which is a subject to the international sanctions is located with or the person who delivered the goods and/or to whom was the asset dispossessed. If there is a danger in delay the decision against which the appeal does not have a suspensory effect or the suspensory effect was excluded may be announced orally.

(5) In proceedings in the matters stipulated under this Act it shall be proceeded in compliance with the Administrative Code if it is not stipulated otherwise in this Act.

(6) While performing activities stipulated under this Act authorized employees of the Office shall identify themselves by the service cards.

(7) The person with whom is the asset which is as subject to the Office's proceeding located shall up on request inform this Office in stipulated time limit of all information about the asset and also of any other related facts and persons with a relationship to this asset or which participated in any way on handling it. Up on Office's request he/she shall submit documents on this asset, persons or other facts related to this asset or enable the access to them to the employees of the Office.

(8) For non-fulfilment of the obligation under paragraph 7 the Office may impose a fine to CZK 100,000. The disciplinary fine may be imposed also repeatedly if the obligation has not been fulfilled and even after previous fine. The sum of fines imposed in this way cannot exceed the amount of CZK 500,000. The disciplinary fine is an income of the state budget.

Section 13

The Administration of Delivered or Dispossessed Asset

(1) The Office shall ensure the administration of delivered or dispossessed asset for the duration of international sanctions or until its delivery to the authorized person if it is not stipulated otherwise. The Office is in relation to the asset authorized to perform all operations and proceedings related to its administration and to which the owner was authorized.

(2) The increases and revenues from delivered or dispossessed asset realized during the administration shall be primarily used to cover the costs related to the administration; if there are no such increases and revenues and there is no other solution, the proceeds from sale of the asset or its part to the necessary extent shall be used.

(3) Should it be necessary for preservation of asset value, the Office shall decide to sell the asset which is a subject to the international sanctions or its part; proceeds from the sale is for the duration of the sanction an asset which is a subject to the international sanctions.

(4) The Office shall keep the delivered and dispossessed asset in separate accounting records and perform its inventory.

(5) While administrating the delivered or dispossessed asset the Office is mainly obliged to dully protect and take care of its preservation, administrate it effectively and economically, protect it against damage, destruction, loss, theft or misuse and apply in time for the claim for damages and for delivery of the subject of unjust enrichment, protect the asset by ongoing monitoring if the debtors in time and dully fulfil their obligations and especially by timely application and enforcement of the owner's, creditor's rights or to the owner of the securities, avoid limitation or extinction of these rights. At the same time the Office is not authorized to conclude a contract on provision of a thing for usage against payment as a lessor connected with a contract on following transfer of such thing, conclude a contract on sale of an enterprise or its organizational part, to establish a lien or burden the immovable things with real burden or realize a hedging transfer of right included under delivered or dispossessed asset.

(6) The administration of delivered or dispossessed:

- a) radioactive substances and radioactive waste shall be maintained by the Radioactive Waste Repository Authority,
- b) tobacco products shall be maintained by the Czech Agriculture and Food Inspection Authority or the Czech Trade Inspection,
- c) individuals (specimens) of plants and animals shall be maintained by the Ministry of the Environment,
- d) weapons, ammunition and explosives shall be maintained by the Ministry of Interior.

(7) The Office may according to nature and to the extent of things and rights which form delivered or dispossessed asset charge the Office for Government Representing in property Affairs to do the administration.

(8) Should not the administration be realized by the Office or by the authority stipulated under paragraph 7, the Office shall charge according to the nature of such asset the organizational part of the state to do so.

(9) Should not the administration of delivered or dispossessed asset be realized by the Office, by the authority stipulated under paragraph 7 and neither by the organizational part of the state under paragraph 8 the Office may conclude a contract on performance of administration of the delivered or dispossessed asset with a person carrying on a business in this area. Such contract shall include the amount of consideration for performance of administration and provisions on liability for damages caused on administrated asset during the administration otherwise the contract is invalid.

(10) The decision of the Office on establishment of administrator under paragraph 7 or 8 or the contract concluded under paragraph 9 establishes for the administrator in relation to the delivery or dispossessed asset authorization to represent the owner in every acts or proceedings related to the asset's administration and which previously were owner's rights. The Office may define in the

decision or in the contract the extent of such authorization to represent the owner. The activities of the administrator shall be similarly subject to the obligations and restrictions under paragraph 5; the administrator shall be within her/his activity governed by the Office's instructions.

Section 14

Information and Data Collection

(1) To fulfil the purpose of this Act the Office is authorized to process the information including personal data. The personal data shall be processed even without the consent of the data subject with respect to the protection from unauthorized intervention into its private and personal life.

(2) The public authorities including municipalities performing state administration shall provide the Office based on its request information including personal data from information systems which they maintain. The Office may use the information obtained under this Act besides the fulfilment of its purpose only for the purposes of the fight against legitimization of proceeds of crime⁷⁾.

(3) For performance of this Act the Office shall be provided with:

- a) reference data from the General Register of Inhabitants,
- b) data about inhabitants from the administrative information system of inhabitant evidence,
- c) data about foreigners from information systems,
- d) data about natural persons, which has a birth number but they are not listed in the registers under letter b) or c) from the register of birth numbers.

From all provided data only such data which usage is in particular case necessary may be used.

(4) If it is possible in accordance with technical conditions the Ministry of Interior shall provide the Office with data stipulated under paragraph 3 only in electronic form via remote access.

(5) Information gathered while fulfilling the obligations under this Act shall be kept by the Office for the period necessary to fulfil the purpose. This information may be provided to the relevant extent only in accordance with authorizations under Section 16 para. 3.

(6) The Office shall use the information from register determined for fulfilment of obligations under special legislation on measures against legitimization of proceeds of crime while performing activities under this Act and for fulfilment of its purpose.

(7) The Office is authorized to maintain the data obtained while performing this Act in an information system under conditions stipulated in the special act⁸⁾. For this purpose it is authorized to gather information obtained under this Act with information gathered under special legislation on measures against legitimization of proceeds of crime within one system. The Office does not provide upon request in accordance with special act an information report about information kept in the system maintained under this Act should it not endanger the fulfilment of duties stipulated in this Act.

(8) Should the Office find out facts reasoning a suspicion that a criminal offence was committed, it shall report it in accordance with the Criminal Code and simultaneously it shall provide the law enforcement authority with all available data and evidence related to the reported offence.

(9) To fulfil the purpose of international sanctions the Office shall cooperate mainly while handing and obtaining information to the extent stipulated under the international treaty binding for the Czech Republic or based on reciprocity with foreign authorities with same or similar material competence in the area of international sanctions. Under the conditions that information will be used only for the purpose of this Act and will be protected at least to the extent stipulated in this Act, the Office may cooperate with international organizations as well.

⁷⁾ Act No 61/1996 Coll., on Selected Measures against Legitimization of Proceeds of Crime, as amended.

⁸⁾ Act No 101/2000 Coll., on Personal Data Protection and Amendment of Certain Acts, as amended.

Section 15

Supervision

(1) The public authorities to which competences belongs the performance of supervision shall control also the fulfilment of obligations stipulated in this Act; in other cases the fulfilment of obligations stipulated under this Act shall be controlled by the Office. Should there be detected any deficiencies especially in breach of the obligation stipulated under this Act the public authorities shall hand the materials for proceeding on offence to the Ministry of Industry and Trade in the matters related to its material competence, in other matters it shall be handed to the Office and the public authorities shall then cooperate with them.

(2) The Czech National Bank shall control the fulfilment of obligations stipulated under this Act with persons under its supervision to the extent of activities over which is the control performed.

Section 16

Obligation of Confidentiality

(1) The employees of the Office and authorities stipulated in Section 15 are required to maintain confidentiality about acts realized under this Act and about information obtained while its performance. A person who in connection with investigation performed by the Office will acquaint with information obtained based on this Act shall be also required to maintain confidentiality under this Act.

(2) The obligation of confidentiality of persons stipulated under paragraph 1 does not expire by the termination of the employment or other relationship with the authority stipulated under Section 15.

(3) The obligation to maintain confidentiality under paragraphs 1 and 2 cannot be claimed towards:

- a) law enforcement office should it take criminal proceeding on criminal offence related to implementation of international sanctions or terrorism or in cases of fulfilment of reporting obligations related to such criminal offence,
- b) public prosecutor's office while performing its competences⁹⁾,
- c) public authority responsible for implementation of control regime while sharing information important for fulfilment of obligations stipulated under special laws on control of the import and export of goods and technologies which are subject to the international sanction regime,
- d) persons performing control under Section 15,
- e) the court deciding disputes in civil or administrative proceeding related to the claims resulting from this Act,
- f) person who may lay a claim for compensation of material harm caused by the procedure according to this Act in case of subsequent report of facts decisive for such claim; in this case relevant information may be restricted or its report may be postponed until its provision will not endanger the fulfilment of the purpose of this Act,
- g) relevant foreign authority while sharing information to achieve the purpose stipulated in this Act if it is not forbidden by a special law,
- h) relevant intelligence service of the Czech Republic while providing information important for fulfilment of their tasks, or
- i) the financial arbiter who is deciding under special law on the dispute of complaint against an institution.

(4) Should the Office file a report under Section 14 para. 8, it may in the meaning of paragraph 3 letter e) or f) provide information to the authorized person only with consent of relevant law enforcement authority.

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

PART FIVE
OFFENCES

Section 17

(Cancelled)

Section 18

Natural, Legal and Natural Persons' as an Entrepreneur Offences

(1) Natural or legal person or natural person as an entrepreneur shall commit an offence when:

- a) it breaks the restriction or ban stipulated in Sections 5 to 8 of this Act,
- b) it breaks the restriction or ban stipulated under the directly applicable European Communities legislation which determines the international sanctions within the meaning of Section 2 letter c),
- c) it does not fulfil the reporting obligation under Section 10 para. 1, or
- d) it handles the asset which is a subject to the international sanctions contrary to the Section 11 para. 1.

(2) The natural person shall commit an offence when it breaks an obligation to maintain confidentiality under Section 16 para. 1.

(3) A fine may be imposed for an offence in amount of:

- a) CZK 200,000 in case of the offence under paragraph 2,
- b) CZK 500,000 in case of the offence under paragraph 1 letter d)
- c) CZK 4,000,000 in case of the offence under paragraph 1 letters a) to c).

(4) Should the legal person or natural person as an entrepreneur get a benefit for itself or for someone else exceeding CZK 5,000,000 by the offence stipulated under paragraph 1 letters a) to c) and/or caused a harm exceeding CZK 5,000,000 or any other serious consequence, a fine up to CZK 50,000,000 may be imposed.

Section 19

(Cancelled)

Common Provision for Offences

Section 20

(1) An offence shall be also assessed according to this Act when it has been committed by the Czech person abroad if the person broke the restriction or ban which it has according to this Act or directly applicable European Communities legislation which is applying the common approach or action adopted under the provisions of the European Union Treaty on Common Foreign and Security Policy.

(2) Offences under this Act shall be discussed by the Ministry of Industry and Trade if the implementation of international sanction which is endangered or possibly endangered by the offence include foreign trade with military material or the European Community regime for control of export of goods and technologies of dual use. Otherwise the offence under this Act shall be discussed by the Office.

Section 21

With exception of Sections 4 to 8 the provisions of this Act shall be applied in case of restrictions or bans stipulated by the directly applicable European Communities legislation which is applying the common position or action under provisions of European Union Treaty on Common Foreign and Security Policy since the day of its effectiveness.

PART SIX
FINAL PROVISIONS

Section 22

(1) The special laws on international trade of military material and on implementation of the European Community's regime for control of export of goods and technologies of dual use shall not be influenced by this Act.

(2) The obligation of the central public authorities and the Czech National Bank to enforce within their material competences the fulfilment of obligations arising from the international sanctions either the obligation to act in the relevant expert international bodies shall not be influenced by this Act. Should from such acting or from international sanctions arise a need to issue within the authorization under this Act a government order related to their material competences they shall cooperate within its preparation with the Office

Section 23

Authorization

(1) The government may stipulate by its order the modification of processes to fulfil the legislation of the European Community stipulated under Section 2 letter c).

(2) The Ministry of Finance shall stipulate by its notice details on the way of fulfilling the reporting obligation and stipulate a model of the service card under Section 12 para. 6.

Section 24

Following documents shall be cancelled:

1. Act No 48/2000 Coll., on Measures in Relation to the Afghanistan Movement the Taliban.
2. Act No 98/2000 Coll., on Implementation of International Sanctions to Maintain International Peace and Security.
3. Act No 4/2005 Coll., on Selected Measures in Relation to the Iraq Republic.
4. Government Order No 164/2000 Coll., on Measures in Relation to the Afghanistan Movement the Taliban.
5. Government Order No 327/2001 Coll., on other Measures in relation to the Afghanistan Movement the Taliban.
6. Government Order No 334/2001 Coll., on Measures against Selected Citizens of the Federal Republic of Yugoslavia.
7. Government Order No 170/2003 Coll., o Measures in relation with the Iraq Republic.

Section 25

Effectiveness

This Act becomes effective as of the first day of the month following the day of its publication.

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