

LEGAL ALERT

SELECTION FROM LEGAL NEWS

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Are You Reporting More Hours Than You Actually Work?

The Supreme Court of the Czech Republic addressed the **issue of the severity** of an employee's breach of duties in relation to **immediate termination of employment**.

The dispute concerned the immediate termination of employment of a senior employee who, for more than a year, **reported significantly more hours** than she actually worked. She had set working hours, which she did not comply with, because after completing her tasks, she repeatedly **left the workplace**, yet reported the hours as if she had remained there for the entire working time.

The Supreme Court agreed with the decision of the first-instance court—that an employee must remain at the workplace even after completing assigned tasks, in case the employer wishes to assign additional work. The employee (the defendant) also misled her employer, which led to **repeated payment of wages not corresponding** to the actual number of hours worked. This caused a **reduction of the employer's assets**, which constitutes grounds for immediate termination of employment.

The case therefore implies that an employee must be **physically available** to the employer at the workplace for the entire duration of working hours.

(Supreme Court of the Czech Republic, Decision No. 21 Cdo 2715/2023, February 11, 2025)

Can You Be Dismissed for Missing a Single Shift?

The Supreme Court examined whether a termination of employment for a serious breach of duty can be considered valid even if it concerns a **reliable employee** with a long positive record, who **in one case deliberately missed a work shift**.

The case concerned an employee who had worked for the employer for 11 years. Her vacation request was denied, yet she did not come to work on the scheduled day. As a result, she was given **dismissal notice for a serious breach of duty**.

The Supreme Court disagreed with the opinions of the two previous instances, which did not consider the conduct sufficiently serious. In contrast, the Supreme Court concluded that the **employee's conduct constituted a serious breach**, given the importance of the **trust relationship** between employer and employee, which was significantly disrupted by the employee's deliberate behavior.

(Supreme Court, Judgment No. 21 Cdo 816/2024, March 20, 2025)

European Commission on Late Payment Issue:

A new regulation is currently under discussion in the EU, which aims to set a **maximum invoice payment period**.

The European Commission initially proposed a fixed **30-day period**. After deliberations in the European Parliament, a version is being considered that would allow an **extension to 60 days** by explicit agreement between the parties. In certain specific sectors, such as retail and seasonal goods, parties could agree on a payment period of **up to 120 days**.

The regulation would also establish **automatic entitlement to default interest**, without the possibility of contractual exclusion. It would introduce a flat compensation fee of **EUR 50** for each late payment, and **EUR 150** for amounts exceeding EUR 15,000.

CONSTRUCTION SECTOR – Standard payment terms in this industry are between 90 and 120 days. Adoption of the new regulation would therefore significantly increase the need for operational loans.

RETAIL – Longer payment terms are common due to typical stock financing. A fixed reduction in payment periods could affect pricing policies and relationships between retail chains and their suppliers.

Crypto-Asset Service Providers Will Have to Periodically Report to Authorities

The government has discussed a draft amendment to Act No. 164/2013 Coll., which represents a transposition of EU legislation into Czech law.

Current legislation allows authorities to request information about transactions on an **individual basis**. However, the new (under discussion) amendment would introduce a system of mandatory reporting of this information at **regular annual intervals**.

The law would also establish automatic exchange of information related to a **top-up tax**. This tax would apply to large multinational and domestic companies that, in at least two of the last four years, had consolidated revenues of at least EUR 750 million and operate in the Czech market. If their effective taxation in the Czech Republic does not reach 15 %, the tax administrator would assess a top-up tax to ensure the minimum 15% level.

Executives to Be Liable for Compliance with Cybersecurity Law

The long-awaited Cybersecurity Act, approved by the Chamber of Deputies and now awaiting Senate approval, introduces new responsibilities for company executives. Managing directors and other members of statutory bodies will be **personally liable for ensuring compliance** with this regulation—specifically, for **implementing** all necessary measures and overseeing **adherence** to them.

Company leadership will be required to undergo relevant cybersecurity **training** and will need to participate in monitoring compliance with the rules in internal compliance supervision.

If you have any questions or need consultation, please do not hesitate to contact us at info@sirokyzrzavecky.cz.

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