

## COUNTRY REPORT 2015 CZECH BAR ASSOCIATION

### General information

#### **Lawyer of the Year 2014**

The event was the grand finale of the 10<sup>th</sup> jubilee year of the judiciary-wide Lawyer of the Year contest. Its organisers are the Czech Bar Association and company EPRAVO.CZ. The gala evening took place in the largest congress venue in the Czech Republic, the Prague Congress Centre (Prague and Brno regularly alternate). The contest is attended by judges, prosecutors, lawyers, judicial officers and corporate lawyers, and it is organised under the auspices of the Ministry of Justice. There are specialization categories (by fields of law) and several special ones such as *Talent of the Year* with a financial reward for professional work in the field of judiciary, the *Pro Bono* category for providing legal services by lawyers free of charge beyond their obligations, and the *Lawyer Hall of Fame* category for lifetime contribution to the Czech law.

The gala evening is held for more than two thousand people from entire Czech judiciary and legal professions environment. It always takes place in January and it is attended by the leaders of the Czech judiciary, the Minister of Justice and representatives of members of the Parliament and the Senate. It has a steady schedule, starting with a ceremonial announcement of results in the respective categories and presentation of awards (glass sculptures of St. Ives, the patron saint of lawyers) to the winners. The award ceremony (moderated by prominent Czech presenters) is followed by a reception for all participants in the evening, and various music performances in several halls of the hotel where the gala evening is held.

The event is financed by the CBA and EPRAVO.CZ and the contest is supported by the Notarial Chamber of the Czech Republic, The Chamber of Bailiffs of the CR, Czech Union of Judges, Czech Union of Public Prosecutors, Association of In-House Lawyers of the CR and many other sponsoring entities—usually long-term partners of the CBA in the legal world (publishing and printing houses, producers of information legal systems, etc.). The contest has been held under the auspices of the Ministry of Justice since the very beginning. Over the last three years, it has also been under the auspices of the Prime Minister of the Czech Government.

The event is the biggest and actually the only joint social event of the Czech legal professions and judiciary. Its reputation and credit have been increasing year by year. The 11th gala evening will take place in January 2016—Lawyer of the Year 2015, this time in Brno.

### **Celebrations of 25 years of restoration of independence of the Czech legal profession**

The restored independence of the Czech legal profession was commemorated by a professional conference and a social event in Žofín in Prague and in both stages of the National Theatre on **18 September 2015**. The conference, with international participation and attendance of the CCBE President and the first and third Vice Presidents of the CCBE, dealt with the current issue of lawyers' confidentiality and attempts, mainly by state authorities, to limit it. The conference was held under the auspices of the President of the Czech Republic. The evening social gathering of lawyers took place both at the historic scene and the new stages of the National Theatre and featured performances of students of the Prague Conservatory, who had searched archives for further, not yet staged compositions of the doyenne of the Czech legal profession and a composer Jan Nepomuk Kaňka. Soloist of the Ballet and Opera of the National Theatre also showed their skills. This was followed by a social evening and fireworks on Slovanský ostrov (Slavic Island).

### **Massive training and educational events associated with the Civil Code in effect for a year; professional conference New Private Law – 2015**

The new Civil Code came into effect on 1 January 2014 but the CBA has been providing intensive training to lawyers throughout 2013, 2014 and 2015, not only in Prague and Brno but in all regions of the Czech Republic.

These educational activities peaked on 1 December 2015 as a professional conference **New Private Law – 2015**. The CBA was a co-organizer and co-founder of this largest professional conference related to the new Civil Code. Almost three hundred participants, experts from the legal world and lawyers, took part in it. We all believe that its conclusions will be reflected in the forthcoming “technical” amendment to the Civil Code, which the Ministry of Justice is to present to the Parliament in 2016.

### **Bar Bulletin – (again) – proclaimed the best 2015 legal journal in the CR**

After the last year's victory, where the “Bulletin Advokacie” (“The Bar Bulletin”) was chosen the best legal journal in a poll of the professional legal conference **Carlsbad Legal Days**, the editors repeated their victory also in 2015. The journal thus defended its place from 2011, 2012 and 2014.

Each year, readers evaluate more than two dozen publications in the questionnaires. Moreover, our journal has been listed as a peer-reviewed journal since January 2014, which means that it is highly professionally evaluated, although it includes also information from the professional life of the Czech legal profession on top of professional topics. In 2012, we also gave it an “electronic” sibling—on-line Bar Bulletin.

### **Cooperation in organising a congress and a meeting of the IBA in Prague in May 2015**

The Bar Leaders Conference and the Mid Year Meeting took place in the Intercontinental Prague Hotel in May 2015. The topic of the conference was “Controversy, credibility and a crisis”. All in a day's work for a bar association and it was intended for representatives of bar

associations and independent lawyers interested in current issues. The CBA helped in organizing this event.

### **European Lawyers' Day**

Also this year, the CBA helped organise the European Lawyers Day, a tradition established by the CCBE and falling on 10 December 2015. The aim of the European Lawyers Day is to introduce, at the European level, a day celebrating the rule of law and the legal profession, protecting law and justice, and thus attract attention to current legal issues while highlighting and emphasising the role of the lawyer and his vital role in protecting justice and the rights of the client. This year, the CBA organised a colloquium in Brno, the Chairman of the CBA Dr. Martin Vychopen participated in live-show Week in the Judiciary on the Czech Television, Dr. Stanislav Balík (the Head of the Czech delegation in CCBE) spoke on the internet TV of EPRAVO.CZ, and several press releases appeared in dedicated websites for lawyers.

## **LEGISLATION—Changes in the legal and profession-related regulation of the legal profession in the Czech Republic in 2015**

### **1) Legal regulations**

#### Draft amendment to the Act on the Legal Profession

The Czech Bar Association continues to promote adoption of an amendment to the Act on the Legal Profession it has prepared based on knowledge of the practice. The aim of the amendment is to achieve greater readiness of lawyer's apprentices, specify obligations of the lawyer-mentor in relation to lawyer's apprentices, and introduce new disciplinary measures in efforts to toughen disciplinary punishment of lawyers. The bill should be discussed by the Parliament of the CR in 2016.

#### Proposal for new bar examination regulations

Together with amendment to the Act on the Legal Profession, the Czech Bar Association is seeking adoption of new bar examination regulations, which aims to increase the objectivity of the bar exam and verify in a best possible way the apprentice's readiness for legal practice in wide range of skills. The bar exam is to include a written test, an essay and an oral part, whereby the candidate will also be given space to defend their essay. The new bar examination regulation should be adopted following the adoption of the amendment to the Act on the Legal Profession. Till now the written test is not the part of the Bar Exam.

#### Other legal regulations

Some other laws were adopted in 2015 which do not expressly regulate the exercise of the legal profession but since they regulate duties of entrepreneurs, they also apply to lawyers. Unfortunately, some of these laws do not take into account the specifics of the exercise of the legal profession and in some aspects they may conflict for example with the obligation of confidentiality (professional secrecy). This is the case of, for example, an amendment to the

Value Added Tax Act under which payers of the tax are obliged, with effect from 1 January 2016, regularly file a VAT ledger statement, i.e. provide financial authorities with information related to issued and received invoices and other documents on delivery of goods or provision of services. Allegedly, the VAT ledger statement has been introduced as an effective means to detect tax evasion and fraud. Its aim and purpose is to enable tax administrators to obtain information about selected transactions carried out by payers and, in connection with other information, identify high-risk associations of persons (chains, carousels) illegally drawing funds from the public budget. However, this obligation means that lawyers will be compelled to breach their obligation of confidentiality as the financial authority will be able to use the information provided to determine to whom and in what volume lawyers had provided legal services. The Czech Bar Association has pointed out this fact but unfortunately did not manage to influence the legislature's intents.

## **2) Profession-related regulations**

### Amendment to the Code of Ethics

In 2015 the Czech Bar Association adopted an amendment to the Code of Ethics, regulating explicitly the lawyers' obligation to use clothes which is suitable for the character of the provided legal services and which does not detract from the dignity of the legal profession. As regards hearings before court or another authority, lawyers are to wear solely business or evening dress. The change reflects the CBA's efforts either to prevent some cases of obviously inappropriate clothes of lawyers, which has a negative impact on the perception of the legal profession as a whole, as well as making business suit used in the exercise of the legal profession a tax deductible expense.

### Change in the minimum limits of indemnity

Another change adopted in 2015 was new regulation of the minimum limits of indemnity. Under the Act on the Legal Profession, every unlimited-liable lawyer (i.e. one practicing law independently or in an association) is to be insured in case of causing harm; the minimum limit of indemnity is stipulated by a professional regulation. Until 2015 the limit was CZK 3 million (approx. EUR 107 thousand), with effect from 1 January 2016 the limit is CZK 5 million (approx. EUR 178 thousand). The minimum limits of indemnity in other forms of exercise of the legal profession (i.e. as a member of a business) remain unchanged.