

LEGAL UPDATE



BEATOW PARTNERS

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New Rules on Whistleblowing

For more information on the topic discussed in this issue of the BEATOW PARTNERS Legal Update, please contact us at info@beatow.com.

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INTRODUCTION

In March, a new act on so-called whistleblowing entered into force (Act No. 54/2019 Coll. on the Protection of Persons Notifying Anti-Social Activities and on the Amendment and Supplementation of Certain Acts), which modifies the previous rules from January 1, 2015.

We would like to briefly inform you about the obligations of companies – employers arising from the new rules on whistleblowing in the excerpt below.

WHO IS OBLIGED TO HAVE AN INTERNAL SYSTEM FOR VERIFYING NOTIFICATIONS?

The new act on whistleblowing sets forth that companies that employ at least 50 employees are obliged to implement an **internal system for verifying notifications on anti-social activities**. A part of setting this system is the adoption of an internal policy, which will set forth internal procedural procedures on the verification of each notification on suspicion of anti-social activities (this being a crime or an administrative offense).

RESPONSIBLE PERSON

In comparison to the old legal regulation, the new act sets forth the obligation of the employer to appoint a **responsible person**, who will perform obligations arising from the act and relating to the verification of notifications on suspicion of anti-social activities.

The employer may choose a responsible person from among the employees or use an external person, with whom the employer will enter into an agreement for the performance of this function. The statutory requirements for the performance of this function are: expertise, independent status in the performance of the function and the absence of conflict of interest in the case that that in addition to this function, the person also fulfills other tasks and obligations for the employer arising from the employment relationship with the employer.

The main task of the responsible person is to adopt and in the statutory time period (90 days, or in some cases extended by an additional 30 days) properly verify each notification made by the whistleblower (the employee or a close person). Following the verification inform the whistleblower on the results as well as any measures taken to eliminate the effects of the anti-social activity. The result may also be the assignment of the matter to criminal proceedings or the commencement of administrative proceedings in cases of administrative offenses.

The responsible person is obliged to maintain confidentiality on the identity of the whistleblower throughout the entire process of verification.

INTERNAL POLICY

The employer is obliged to adopt or harmonize the internal policy, which will make the system for verifying notifications compliant with the new rules by **September 30, 2019**.

The internal policy will specify the methods of submitting notifications, whereby one of the methods must be available to the employees at all times. Furthermore the responsible person to whom the whistleblowers may turn to must be appointed in such internal policy.

In relation to setting up the internal system for verifying the notifications, the law requires the employer to adopt appropriate technical and organizational measures to ensure and demonstrate that the internal system for verifying the notifications of the employer is carried out in accordance with law.

SANCTIONS

An employer that does not adjust its internal system for verifying the notifications, or does not proceed in compliance with law when verifying notifications, may be sanctioned by the newly established **Office for the Protections of Whistleblowers of Anti-Social Activities** with a fine of up to **EUR 20,000**.