

# Report on Relations in 2025

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**Bird & Bird**

# Do you know that...

## ...the Report on Relations is mandatory for all controlled entities?

- Under the Business Corporations Act, the statutory bodies of all companies must prepare a Report on Relations within three months after the end of the accounting period, usually by 31 March 2025.

## ...the Report on Relations must include the structure of relations within the company?

- The concept of the functioning of the corporate structure can be described using an organizational chart or other graphical representation of the companies in the group and their interconnectedness.

## ...the Report on Relations must describe transactions between related parties?

- The statutory body must include in the Report on Relations all transactions exceeding 10% of the company's equity that were made at the instigation or in the interest of related parties. The Report on Relations must also include an overview of all other intra-group contracts to which the company is a party.

## ...the statutory body is obliged to assess whether the company's operation within the group brought advantages or disadvantages?

- The statutory body analyses all circumstances of the company's existence within the group and objectively and independently states in the Report on Relations whether advantages or disadvantages prevail from such membership. The Report also includes an assessment of any damage incurred and its compensation.

## ...information subject to trade secrets can be generalized in the Report on Relations?

- Information subject to trade secrets can be stated only generally to preserve the purpose of the Report on Relations. It is not necessary to indicate that certain information is a trade secret.

# Do you know that...

## ...the Report on Relations must be signed by the statutory body?

- The Report on Relations must be prepared in writing and signed by the statutory body. If the Report on Relations is part of the annual report, it is also subject to audit.

## ...the company's supervisory body reviews the Report on Relations?

- The supervisory body does not need to review the Report on Relations if the company has a sole shareholder or if all controlling persons act in concert.

## ...the company's supreme body does not approve the Report on Relations?

- Shareholders have the right to review the Report on Relations within the same period and under the same conditions as the financial statements. The Report is usually presented to shareholders at the General Meeting together with the financial statements.

## ...the Report on Relations must be filed with the Collection of Deeds together with the financial statements?

- The statutory body is obliged to file the Report on Relations with the Collection of Deeds within 30 days from the approval of the financial statements by the company's supreme body or from the audit of the annual report by auditors and its approval by the company's supreme body, but no later than 12 months after the balance sheet date of the published financial statements or annual report respectively.

## ...there are sanctions for failing to file the Report on Relations with the Collection of Deeds?

- If the Report on Relations is not filed with the Collection of Deeds in a timely manner, the company may, among others, be penalized with a fine of up to CZK 100,000. In extreme cases, proceedings for the dissolution of the company may be initiated.



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