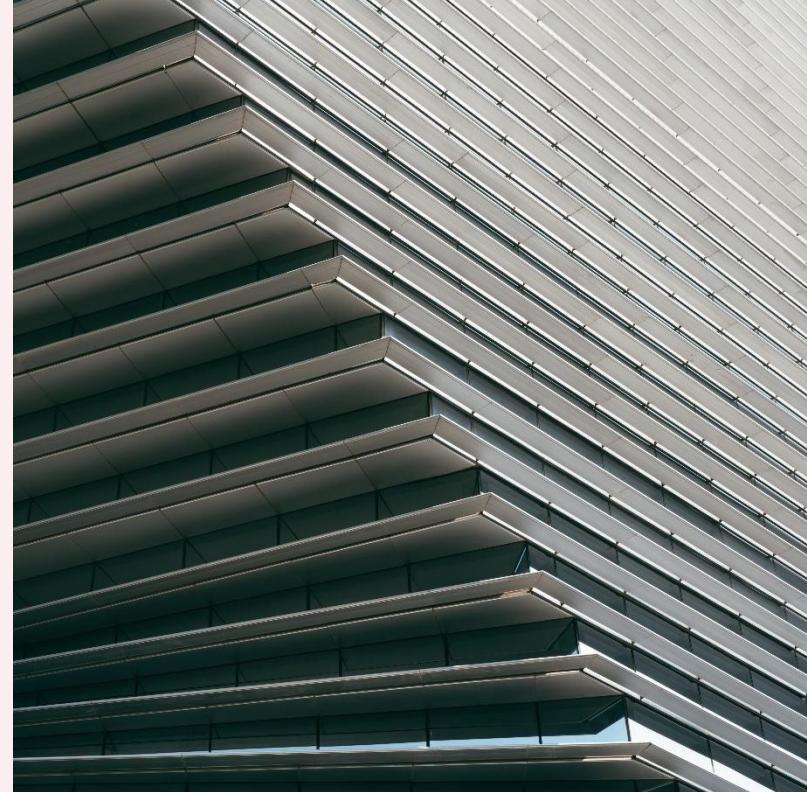


The Czech Beneficial Owner Register: Suspension, Repair, and Return of Enforceability



In two landmark rulings issued in August 2025, the Czech Supreme Court held that the existing legal framework governing the registration of beneficial owners is incompatible with EU law, in particular the rights to privacy and protection of personal data. As a result, the Czech beneficial ownership regime entered a temporary state of suspension. During the interim period between August and December 2025, the obligation to register beneficial owners formally remained in place; however, it was unenforceable in practice, and no public or private sanctions could be imposed for non-compliance. Although the underlying legislation has not been formally amended, the conflict with EU law was addressed on an administrative level when the public part of the Register of Beneficial Owners was taken offline as of 17 December 2025. Following the removal of public access to beneficial ownership data, the registration obligation regained enforceability, and sanctions for non-compliance, including fines, suspension of voting rights, and restrictions on profit distributions, are once again applicable.

Key issues

- 1 It was confirmed that the legal framework which allowed public access to beneficial ownership data, conflicted with EU-level rights to privacy and personal data protection.
- 2 Due to the conflict, Czech courts held that the beneficial ownership regime could not be enforced, despite the obligation formally remaining in force.
- 3 Both public-law sanctions (fines) and private-law consequences (such as suspension of shareholder voting rights or restrictions on profit distributions) were temporarily unenforceable.
- 4 Following the removal of public access to the Register on 17 December 2025, the obligation to register beneficial owners is again enforceable, and sanctions for non-compliance apply in full.

In parallel, an amendment to the UBO Act, intended, among other things, to redefine access rights and align the regime with EU requirements, is at the very beginning of the legislative process, and it remains unclear when it will enter into force.

The Czech Register of Beneficial Owners was established to promote corporate transparency and combat financial crime. Under Act No. 37/2021 Coll., the ultimate beneficial owner act, as amended (the "**UBO Act**"), entities are required to identify and register their beneficial owners. Under the original framework, selected beneficial ownership data were publicly accessible through the public part of the Register.

In its judgments in WM and Sovim SA v Luxembourg Business Registers dated 22 November 2022 (Joined Cases C-37/20 and C-601/20), the Court of Justice of the EU found that such open access constitutes a disproportionate interference with the right to privacy and protection of personal data under Articles 7 and 8 of the EU Charter of Fundamental Rights. Despite this ruling, **Czech law has not yet been amended**.

In the absence of legislative amendment, Czech courts addressed the conflict between national and EU law. In resolution No. 27 Cdo 1368/2024 dated 25 August 2025, the Czech Supreme Court ruled in favour of a company that had not registered its beneficial owner, holding that enforcing this obligation would violate EU-guaranteed rights. The Czech Supreme Court observed that registrars are placed in a paradoxical position: compliance with national law results in breach of EU law.

This interpretation was extended by the Czech Supreme Court resolution No. 27 Cdo 1548/2024 dated 26 August 2025, which examined whether shareholders could be denied voting rights due to missing registration. The Supreme Court concluded that, as long as the obligation cannot be enforced, **no legal consequences, public or private, can result from non-compliance**. In practice, this means that fines, voting right suspensions, and other measures were temporarily unenforceable, placing the Czech beneficial ownership regime in a state of temporary suspension. While the obligation to register formally persisted, its enforcement was effectively on hold.

This interim situation was addressed on **17 December 2025**, when **the Ministry of Justice took the public part of the Register of Beneficial Owners offline**. By removing public access to beneficial ownership data, the identified conflict with EU law has been resolved at an administrative level. As a result, the registration obligation regained enforceability, and sanctions for non-compliance, including fines and private-law consequences, are once again applicable. Entities are therefore required to register their beneficial owners and ensure that the information remains accurate and up to date.

The Ministry of Justice is currently preparing an amendment to the UBO Act to set clear rules. Obligated persons under the Act No. 253/2008, the AML Act, can obtain remote access through identification via data boxes or through an electronic form available on the Register's website. The Ministry of Justice has also indicated that, upon demonstrating a legitimate interest, access to selected information from the Register may remain possible, with requests expected to be submitted through the electronic form available on the Register's website; however, the precise requirements remain unclear.



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