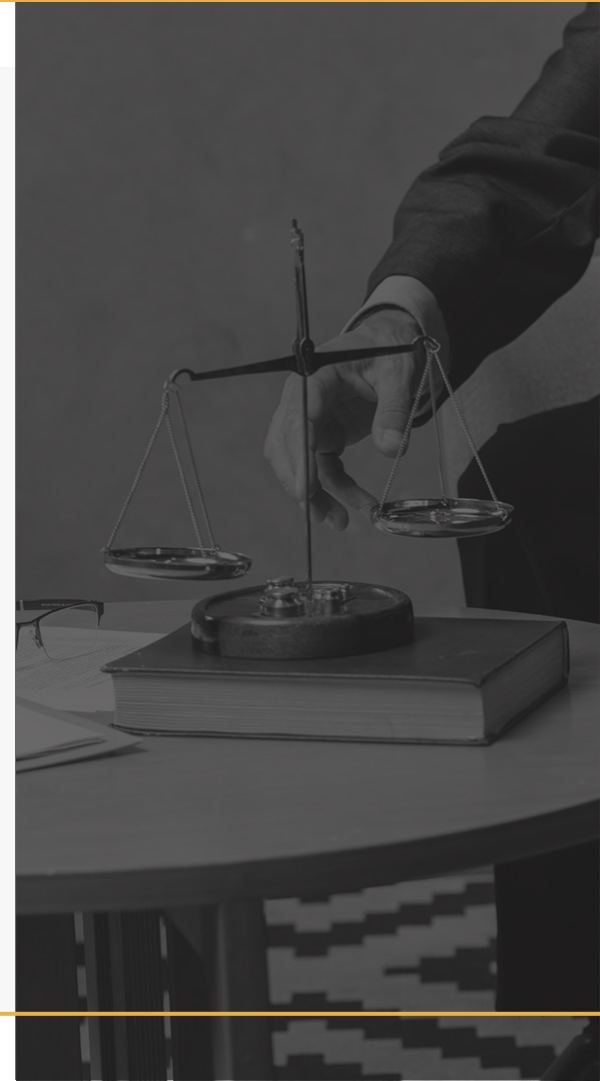# Professional Law of Insolvency Practitioners in Czech Republic

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Content of the presentation

1. History

2. Current legal framework

3. How to become an insolvency administrator?

4. Nomination of the Czech administrators and supervision

5. Impact of the EU-law

01

History

History – before the reform in 2008

- no specific rules and requirements

- after the fall of communism a lot of interesting cases, but also a lot of corruption

- 5000 administrators on the list

- the administrators were nominated by the respective judge

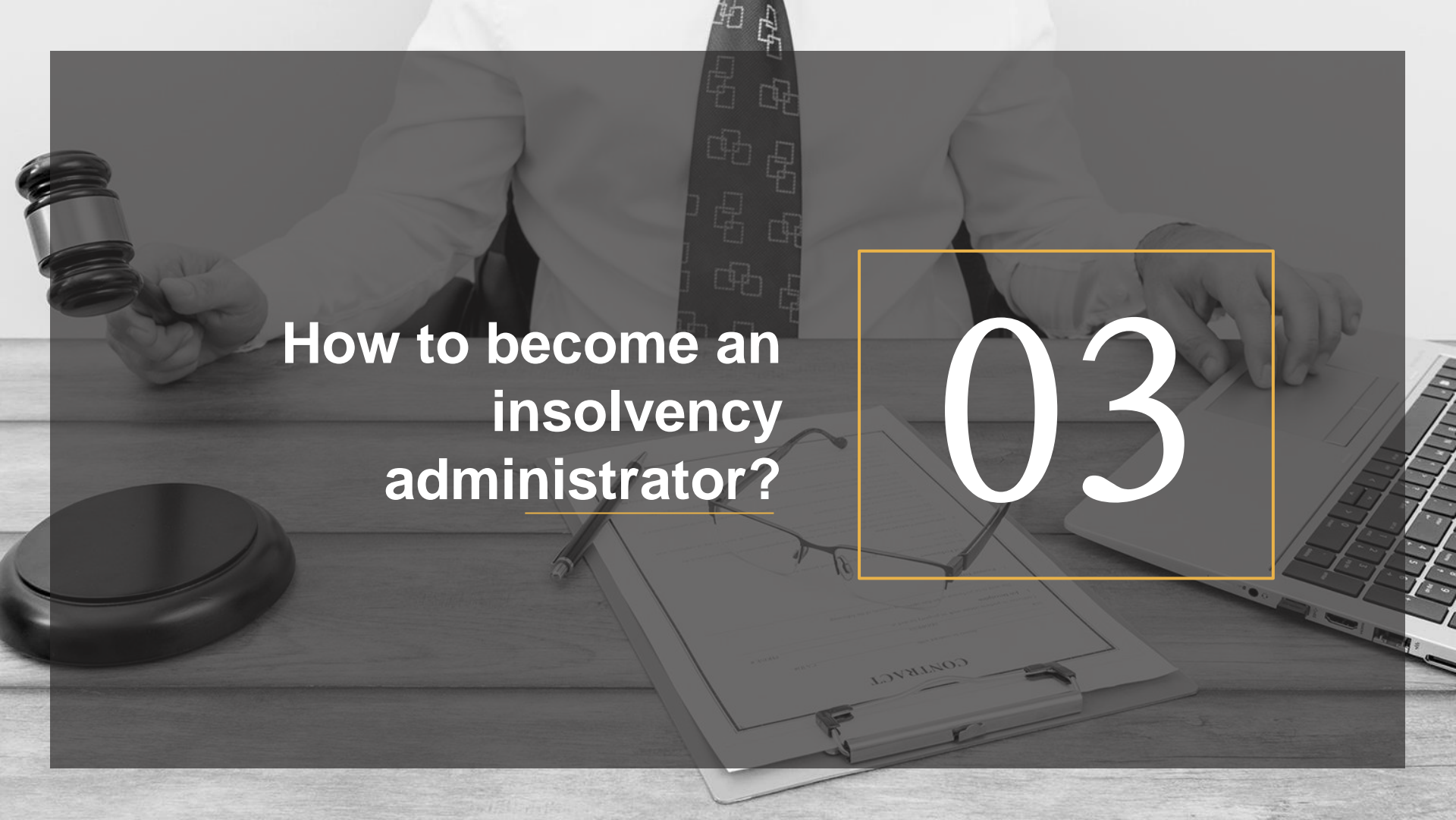- negative experience – close connection judge x administrator

Current legal framework

02

Current legal framework

1. Insolvency Act no. 182/2006 Col.
   (details of the nomination process in the respective proceedings)

2. Act on Insolvency Administrators no. 312/2006 Col.

   a. Regulation on details of the exams,
   b. Regulation on insuarance limits
   c. Regulation on renumeration
   d. Regulation on professional standards

How to become an insolvency administrator?

03

How to become an insolvency administrator

a. Education (University Master degree)

b. Professional experience – 3 years (in an area connected with insolvency law)

c. Exams – held by the Ministry of Justice

    i. General exam

    ii. Special exam

How to become an insolvency administrator?

a. **General exam** – consumer cases and small bankruptcy cases
    i. written and oral part
    ii. all areas of law, economy, tax law, management, accounting
    iii. including case study

b. **Special exam** – special institutions (banks, funds etc.), reorganization and bankruptcy of big companies
    i. candidates with general exam
    ii. only oral part
    iii. all areas of law, economy, financial system, management
    iv. must be repeated every 5 years

How to become an insolvency administrator

Numbers

a. The Czech Republic – 10,5 million citizens

b. Administrators:

    i. With the general exam – around 600

    ii. With the special exam – around 30

04

Nomination of administrators and supervision

Nomination of administrators

a. List of insolvency administrators (two parts - general and special)

b. Judge not choosing the administrator

    i. Exception in reasoned cases (such as language knowledge)

c. Software nomination

    i. The judge asks the chairman of the court

    ii. The chairman clicks in the special software

    iii. One after another from the list (rotation system)

Supervision

a. no compulsory membership in a public association

b. case oriented supervision

    - supervision by the respective judge

c. general supervision

    - carried out by the Ministry of Justice

Impact of the EU-law

05

Impact of the EU-law

Hosting insolvency trustee

    a. Freedom to provide services

    b. No cases from the list

    c. No exams, very easy way of registration (homeland principle)

Thank you for your attention!