

ACT No. 130

of 14 March 2002

on the support of research and development from public funds
and on the amendment to some related acts
(the Act on the Support of Research and Development)

Parliament has adopted the following Act of the Czech Republic:

P A R T O N E

**SUPPORT OF RESEARCH AND DEVELOPMENT
FROM PUBLIC FUNDS**

TITLE I

INTRODUCTORY PROVISIONS

Section 1

Scope of Application

This Act shall regulate the support of research and development from public funds (hereinafter referred to as "Support"), and

- a) the rights and duties of legal and natural persons and assignments of organisational bodies of the Czech Republic or territorial self-governing units (hereinafter referred to as "organisational body") dealing with research and development supported from public funds, the terms and conditions of such support, public tenders in research and development, and the evaluation of research objectives;
- b) the provision of information on research and development through the Research and Development Information System; and
- c) tasks to be carried out by research and development authorities.

Section 2

Definition of Terms

(1) For the purpose of this Act research and development shall mean any systematic creative work carried out with a view to acquiring new knowledge or to applying it. In addition, it shall distinguish between:

- a) research, being any systematic creative work extending knowledge, including the understanding of a human being, culture or society, or using methods enabling the confirmation, supplementation or displacement of acquired information, performed as
1. basic research - experimental or theoretical work carried out with the aim of acquiring knowledge on the basis or substance of observed phenomena, an explanation of their causes and possible impact whilst using the findings acquired, or
 2. applied research - experimental or theoretical work carried out with the aim of acquiring new findings focused on their future application in practice; such part of the applied research, the results of which are through development employed in new products, technologies, and services that are intended for business undertaking under special legal regulation¹, is denoted as industrial research;
- b) development, being any systematic creative employment of research findings or other concepts for the production of new or improved materials, products or equipment, and/or for the implementation of new or improved technologies, systems and services, including the acquisition and verification of prototypes, piloting equipment or equipment for demonstrations.

(2) For the purpose of the provision of support:

- a) the grantor shall be any administrator of the state budget chapter or territorial self-governing unit who makes decisions on the provision of support and who provides this support;
- b) the receiver shall be any organisational body, a legal or natural person, in whose benefit the grantor decides to provide the support;
- c) the co-receiver shall be any organisational body, a legal or natural person, whose participation in the project is defined in a draft project and with whom the receiver has entered into agreement on a partial completion of the project;
- d) the applicant shall be any organisational body, a legal or natural person, who applies for the support;
- e) the programme shall mean any set of material, time and financial conditions for activities necessary to achieve the research and development goals formulated by the grantor and published by the grantor in a public tender in research and development or included within a public contract awarded under a special legal regulation;²
- f) infrastructure shall mean any supporting activities for research and development covering services or activities carried out by special research facilities, organisations providing research and development administration and funding or verification or dissemination of research and development results;
- g) the results shall mean any new research and development findings resulting from activities carried out within the completion of the project or research objective, or their further

¹ For example the Commercial Code, Act No.77/1997 Coll. on the State Enterprise, as amended.

² Act No. 199/1994 Coll. on Awarding of Public Contracts, as amended.

application;

- h) the user shall be any organisational body, a legal or natural person, who uses the result in their activities;
- i) allowable costs shall be any costs in research and development approved by the grantor as necessary for the completion of the project or research objective and which are to be spent in the course of the project, and are justified, provable, and allocated to activities approved.

TITLE II

SUBJECT AND METHODS OF SUPPORT

Section 3

Subject of the Support

(1) The support of research and development, including infrastructure, can be provided only within the scope of and the under conditions laid down herein, in the form of:

- a) targeted support meaning the provision of targeted resources for any research and development project (hereinafter referred to as the "project"), where the project shall be defined by the scope of research and development activity carried out
 - 1. within the programme project, in which the receiver expresses how and under what conditions he/she will contribute to achieving the programme goals formulated by the grantor;
 - 2. within the grant project, in which the receiver him/herself sets the goals and method of their achievement in basic research;
 - 3. within a research and development public contract (hereinafter referred to as the "public contract"), under which the receiver carries out research and development for the needs of the grantor, who is the only user of the results acquired;
- b) institutional support, meaning the provision of institutional resources for any research objective, specific university research or international co-operation on the part of the Czech Republic in research and development, where
 - 1. the research objective shall be the definition of a subject of research activity by any legal person or organisational body, its goals, strategies, expenditures and assumed results, which it ensures within basic or applied research, and with the exception of industrial research, its conceptual development for a period of 5 to 7 years;

2. the specific university research shall be part of university research which is directly linked to education and in which students participate;
3. the international co-operation of the Czech Republic in research and development shall be any co-operation implemented on the basis of international treaties by which the Czech Republic is bound (hereinafter referred to as "international treaty").

(2) The grantors may cover the costs of a public tender in research and development or costs of a public contract to be awarded, including project monitoring costs, using the targeted support in a maximum amount not exceeding 2.5 per cent of the total amount of the grantor's targeted funds determined for research and development in a given calendar year. The Grant Agency of the Czech Republic shall cover the costs of a public tender in research and development and grant project monitoring using institutional support.

(3) The grantors may cover the costs of research objective evaluation and monitoring using the institutional support in a maximum amount not exceeding 2.5 per cent of the total amount of the grantor's institutional support determined for research and development in a given calendar year.

(4) The grantor may cover any material and financial award of individuals for exceptional results in research and development supported under paragraph 1 hereof from research and development expenditures. Conditions for awarding exceptional results in research and development are provided for in an implementing legal regulation.

(5) The support of research and technological development as part of the support for regional development shall be governed by this Act.

(6) The costs related to activities performed by the Research and Development Council and the Grant Agency of the Czech Republic shall be covered within research and development expenditures.

Section 4

Methods of the Provision of Support

- (1) Targeted support shall be provided from research and development expenditures of grantors, who are responsible for such expenditures under special legal regulations³, in the form of subsidies to legal and natural persons or expenditures, gradually increased, of organisational bodies to be used for
 - a) grant projects covered by research expenditures of the Grant Agency of the Czech Republic or the Academy of Sciences of the Czech Republic,
 - b) programme projects of basic and applied research, including infrastructure, implementing the National Research Programme covered by research and

³ For example Act No. 2/1969 Coll. on the Establishment of Ministries and Other Central Public Administration Authorities of the Czech Republic, as amended, Act No. 129/2000 Coll. on Regions (the Regional System), as amended, and Act No. 128/2000 Coll. on Municipalities (the Municipal System), as amended.

development expenditures of grantors, or

- c) programme projects of applied research, including infrastructure, and development from research and development expenditures of grantors intended for the implementation of their programmes.

(2) Targeted support for a public contract shall be provided from research and development expenditures of that grantor, who is the only user of the results.

(3) Institutional support shall be provided in the form of a subsidy to legal persons or from expenditures of organisational bodies intended for the research objective of

- a) an organisation partially covered from the state budget by its establisher;
- b) a public university under a special legal regulation⁴ covered by the Ministry of Education, Youth and Sports (hereinafter referred to as the "Ministry");
- c) military academies covered by the Ministry of Defence;
- d) police academies covered by the Ministry of the Interior;
- e) legal persons not listed under letters a) to d) covered by the Ministry, or
- f) an organisational body covered by the Ministry.

(4) Institutional support shall be provided by competent grantors in the form of a subsidy for specific university research.⁵

(5) Institutional support shall be provided to a part of international co-operation on the part of the Czech Republic in research and development, within the framework of which the Ministry or a competent grantor³, on the basis of international treaties, cover fees for the participation of the Czech Republic in international research and development programmes or fees for membership of international organisations.

(6) A special legal regulation stipulating public support shall apply to the provision of support, with the exception of public contracts.⁵⁾

(7) Requirements for the methods of support provision and utilisation under paragraphs 1 to 5, including the manner of covering fees for the Czech Republic's membership of international research and development programmes and fees for membership of international organisations shall be laid down in an implementing legal regulation.

Section 5

The Procedure of Drafting Expenditures for Research and Development which are to be Covered from the State Budget

⁴ Act No. 111/1998 Coll. on Universities and on the Amendment and Supplement to Some Other Acts (the Act on Universities), as amended.

⁵ Act No. 59/2000 Coll. on Public Support.

(1) The draft research and development expenditures to be covered from the state budget shall be based upon the National Research Programme and upon research and development programmes under paragraph 2, which are approved by the Government that provides for their implementation. The National Research Program and research and development programmes shall fulfil and implement the long-term trends and schemes of the development in research and development of the Czech Republic, the medium-term outlook of research and development support, and the National Research and Development Policy of the Czech Republic, where

- a) the National Research and Development Policy of the Czech Republic shall mean a document based upon the long-term trends and schemes of development of research and development and approved by the Government, which sets basic targets for the support of research and development from public and other funds, their classification, the fundamental orientation of support for the future period of 4 to 6 years, and measures adopted for their implementation;
- b) the National Research Programme shall mean a set of programmes adopted by the Government implementing a substantial part of the National Research and Development Policy of the Czech Republic and containing the definition of particular support targets for the future period of 4 to 6 years, an amount of resources broken down by individual programmes, as well as the responsibilities of individual grantors for the co-ordination of respective programmes and material conditions for providing support from public funds, including evaluation criteria.

(2) The research and development programme or its modifications shall be adopted by the Government prior to commencement of preparation of the draft state budget for the year, within which the programme is initiated. The grantor shall draw up the draft programme and deliver it to the Research and Development Council and Ministry for their opinions. The draft programme shall contain in particular

- a) identification data of the programme, its possible division into sub-programmes, the date of its publication and the term of its duration;
- b) total expenditures and those expenditures to be covered by public funds for the implementation of the programme and its parts broken down into individual years;
- c) specification of goals of the programme and its parts together with their reasoning, comparison with the present situation in the Czech Republic and that abroad, and the expected benefits of the programme.

(3) The provisions of the budgeting rules concerning programmes defined by this Act shall not apply.⁶

⁶ Sections 12 and 13 of Act No. 218/2000 Coll. on Budgeting Rules and on the Amendment to Some Related Acts (the Budgeting Rules)

(4) The Government shall specify the estimate of total research and development expenditures of individual budget chapters on based upon the Research and Development Council's suggestion.

(5) The Research and Development Council shall distribute the proposed structure of research and development expenditures to be covered from the individual chapters of the state budget to the administrators of respective budget chapters.⁷ The proposal shall contain particularly a classification of expenditures under Section 6, data on adopted programmes under paragraph 2, and on other research and development activities under Section 4. The proposed division of research and development expenditures to be covered from individual budget chapters under paragraph 4 shall be processed by the administrators of the budget chapters from which the research and development are supported, in order to provide for preferential implementation of projects and research objectives initiated in previous years, and other additional obligations. The administrators of the budget chapters shall deliver their proposals to the Research and Development Council which will discuss them with the administrators within the conciliation procedure.

(6) The Research and Development Council shall deliver to the Government the final proposal of research and development expenditures to be covered from the state budget, their division and the medium-term outlook of research and development support. After the matter is discussed within the Government, the Ministry of Finance shall include it in compliance with the budgeting rules⁸ into the draft act on the state budget.

Section 6

Classification of Research and Development Expenditures to be Covered from the State Budget

(1) The binding indicators of the respective budget chapters shall be the research and development expenditures in total, including the institutional expenditures in total and targeted expenditures in total.

(2) Of the total research and development expenditures to be covered from individual budget chapters, further binding indicators, if applicable, shall be as follows:

- a) the National Research Programme;
- b) programmes within the competence of grantors (Section 34);
- c) public contracts;
- d) specific university research;
- e) international co-operation on the part of the Czech Republic in research and development.

TITLE III

⁷ Section 3 (g) of Act No. 218/2000 Coll.

⁸ Act No. 218/2000 Coll., as amended.

Act No. 250/2000 Coll., on the Budgeting Rules of Regional Budgets.

CONDITIONS FOR SUPPORT

Section 7

Provision of Support

(1) Support shall be provided in compliance with the National Research and Development Policy of the Czech Republic.

(2) Targeted support shall be granted by the grantor after completion of a public tender in research and development in accordance with this Act or on the basis of a public contract to be awarded under a special legal regulation.²

(3) The grantor shall provide institutional support for research objectives after evaluating these research objectives and the previous results of the receiver's research and development activities as provided for in this Act.

(4) For specific university research institutional support shall be provided in accordance with qualifications in terms of so far success in public tenders in research and development, success in the application of results, the number of students in respective types of accredited study programmes, and the qualification structure of academic staff. The criteria and procedures for providing and utilising the specific research support shall be specified in an implementing legal regulation.

(5) The method of determining the share of support for allowable costs shall be stipulated by an implementing legal regulation

Section 8

Use of the Support

(1) For each project and research objective the receiver shall keep separate records as provided for in a special legal regulation⁹ on allowable costs and within these records the receiver shall monitor expenditures or costs covered from the support. The definition of allowable cost entries shall be laid down in an implementing legal regulation.

(2) For each project or research objective the receiver is obliged to demonstrate at least one independent result, which is not at the same time the result of any other project or research objective. The result of each project or research objective shall be evaluated separately from the results of other projects and research objectives.

(3) The costs of research and development carried out by the receiver or co-receiver, including the necessary infrastructure, may be covered from the targeted project support. When a part of the targeted support is provided by the receiver to the co-receiver the special legal regulation shall not apply.²

⁹ Act No. 563/1991 Coll. on Accounting, as amended.

(4) Whilst acquiring any tangible or intangible assets under a special legal regulation⁹ for the completion of the project, only such part of the acquisition costs may be included in the allowable costs as that which corresponds with the expected use for the project in question. The manner of laying down the allowable cost amount for the acquisition of tangible or intangible assets shall be provided for in an implementing legal regulation.

(5) Only the costs of research carried out by the receiver may be covered from institutional support for the research objective.

(6) In the event that a draft project or research objective lacks detailed specification of any service, acquisition of tangible or intangible assets, including the price and supplier, a special legal regulation shall apply.²

Section 9

Arrangement of Relations between the Grantor and the Receiver

(1) The grantor and the targeted support receiver shall enter into a written agreement on granting a subsidy to support a chosen project covering the whole period of such project and the period until evaluation of the project, including the subsidy settlement (hereinafter referred to as the "Contract on the Provision of Support"). Among the requirements of the Contract on the Provision of Support there shall be, in particular

- a) the name of the grantor;
- b) the name of the receiver;
- c) the name, identification data and a scope of the project;
- d) the project goals and the expected results, the manner of verifying whether they have been achieved;
- e) the name, surname and academic and/or scientific degrees, if any, of any individual who is responsible to the receiver for the professional level of the project (hereinafter referred to as the "Project Manager");
- f) the dates of commencement and termination of the project;
- g) the amount of allowable costs and their classification, the amount of the support covered by public funds and its allocation in respective years, including the dates and methods of its provision;
- h) the regulation of the rights of use and ownership of the results under the conditions provided for in this Act;
- i) contractual conditions for the participation of co-receivers, the amount of their support covered by public funds and its allocation in respective years, including dates and

methods of support provision and monitoring;

- j) the method of keeping, accounting and reporting all allowable costs;
- k) the method of project monitoring, including the monitoring of utilisation of the provided support and the use of the results;
- l) a definition of the confidentiality level of data, including their classification in accordance with special legal regulations;¹⁰
- m) the manner of providing data about the project and the results to the Research and Development Information System;
- n) the method of dispute settlement;
- o) sanctions for breaching the contract;
- p) the dates on which the contract comes into the effect and terminates.

(2) The approved draft project shall be part of the Contract on the Provision of Support.

(3) If not stipulated otherwise by this Act, the Contract on the Provision of Support shall be governed by the provisions of the Commercial Code.

(4) The Contract on the Provision of Support may be concluded with more than one receiver at the same time and their mutual relations shall be provided for as an integral part of the contract. The provisions of this Act on the contents of the Contract on the Provision of Support shall also reasonably apply to contracts entered into in the execution of a public contract in accordance with a special legal regulation.²

(5) Should the targeted support receiver be an organisational body, the grantor shall provide the support in accordance with a special legal regulation.⁸ Requirements for the decision to provide the support shall correspond with those requirements of a Contract on the Provision of Support as provided for in paragraphs 1, 2, and 4. Should the receiver and co-receiver be organisational bodies of the Czech Republic under the same budget chapter administrator, they shall not provide each other any payments in compliance with a special legal regulation.¹¹ In such an event the grantor shall proceed in the same way as in the case of more than one receiver as provided for in paragraph 4.

(6) The grantor shall issue a decision on providing institutional support for a research objective or a decision on providing institutional support for specific university research in accordance with a special legal regulation⁸ (hereinafter referred to as the "Decision on the Provision of Support"). The requirements of the Decision on the Provision of Support shall correspond to the requirements of the Contract on the Provision of Support provided for in paragraphs 1 and 2.

¹⁰ Act No.148/1998 Coll. on the Protection of Classified Information and on the Amendment to Some Other Acts, as amended.
The Commercial Code.

¹¹ Act No. 218/2000 Coll., as amended.

(7) The amount of allowable costs and related amount of support covered by public funds provided for the project completion or research objective for the whole project period shall not be changed during the course of the project by more than 50 per cent of the amount of allowable costs or the amount of support covered by public funds provided for in the Contract on the Provision of Support or Decision on the Provision of Support. Changes to the amount of allowable costs and the related amount of support shall be justified, reasoned by approved activities and shall result from an amendment to the Contract on the Provision of Support or Decision on the Provision of Support and shall comply with the terms and conditions applying to support under this Act. The procedure of changing the amount of allowable costs or the amount of support covered by public funds shall be stipulated by an implementing legal regulation.

(8) The receiver shall be obliged to inform the grantor in writing on any changes which occur during the period of validity of the Contract on the Provision of Support or during the period of enforceability of the Decision on the Provision of Support and which affect the receiver's legal personality, data requested for proving what kind of qualifications or which could impact upon the project or research objective, within seven calendar days from the day upon which the receiver learns of such fact(s).

Section 10

Time Limits and the Manner of Providing Support

(1) If as a result of the provisional budget under a special legal regulation⁸ the drawing of budget funds is not regulated, the grantor shall be obliged to commence providing support within 60 days from the date on which the Contract on the Provision of Support entered into force or from the date on which the Decision on the Provision of Support was issued. With respect to multi-year projects or research objectives the grantor shall be obliged in the second and subsequent years of the project to commence providing support within 60 calendar days from the beginning of the calendar year in the event that all the receiver's obligations arising from the Contract on the Provision of Support or Decision on the Provision of Support have been met and data has been included into the Research and Development Information System in compliance with this Act and a special legal regulation.¹² The receiver shall be obliged to commence the project or research objective within the same period of time.

(2) The grantor shall provide the support only to the receiver, without implementing a budget measure, by direct transfer from the grantor's account to the receiver's bank account or by allowing the drawing funds from the grantor's budget expense account up to the limit set for the receiver. If any co-receiver participates in the project, the grantor shall provide to the receiver the targeted support including the portion intended for the co-receiver, without implementing a budget measure. The receiver shall record the support funds under special legal regulations.¹³

(3) The grantor shall provide to the receiver support for

¹² Act No.106/1999 Coll. on Free Access to Information, as amended.

¹³ Act No.218/2000 Coll., as amended.

Act No.250/2000 Coll.

Act No.563/1991 Coll., as amended.

- a) projects which are not public contracts, as a lump sum for a given calendar year, with the exception of a portion of the support as under paragraph 4;
- b) projects which are public contracts, on those dates stipulated by the Contract on the Provision of Support or Decision on the Provision of Support, or
- c) research objectives and other kinds of institutional support under Section 4 (4) and (5) on those dates stipulated by the Decision on the Provision of Support.

(4) The grantor shall be allowed to provide a portion of targeted support, but maximally 15 per cent of the total amount approved for the whole project, to the receiver only after the evaluation of project goals and project results, provided that such procedure is stipulated in the Contract on the Provision of Support or Decision on the Provision of Support.

(5) Should any co-receiver be a party to the project, the receiver shall provide such co-receiver the determined portion of targeted support. The grantor shall determine the manner and the date for providing the targeted support to the co-receiver pursuant to Section 9(1) (i). The receiver shall provide the specified portion of the targeted support to the co-receiver on the basis of an agreement concluded between them.

Section 11

Regulation of Ownership of the Results and Their Utilisation

(1) Support shall be provided subject to arrangements of rights of use and ownership of the results and their utilisation and availability between the grantor and receiver, between the receiver and third parties participating in the project, and if more than one receiver participate in the project then also between the receivers themselves. With regard to applied research and development, unless it is a public contract, the arrangement of rights of use and ownership of the results shall be the Contract on Utilisation of Results concluded between the grantor and receiver or between the receivers at least 180 calendar days prior to the termination of the Contract on the Provision of Support.

(2) Among those essential elements of the Contract on Utilisation of Results are particularly:

- a) the name and identification data of the project or research objective;
- b) the definition of results and their comparison with the goals of the project or research objective;
- c) the arrangement of rights of use and ownership of the results under Section 16;
- d) the manner of utilisation of results and date by which the results are to be applied;
- e) the scope of the data confidentiality level and the manner of data treatment in accordance with special legal regulations¹⁰;

f) sanctions for breaching the contract,;

g) the dates on which the contract comes into effect and on which it terminates.

(3) If not stipulated otherwise by this Act, the provisions of the Commercial Code shall apply to the Contract on Utilisation of Results.

(4) Should the targeted support receiver be an organisational body, the grantor shall issue a decision on utilisation of results. The essential elements of the decision on utilisation of results shall correspond to those requisites of the Contract on Utilisation of Results laid down in paragraph 2.

Section 12

Provision of Information

(1) Support shall be provided subject to the disclosure of true and timely information by both the receiver and grantor on the research and development carried out and on their results through the Research and Development Information System.

(2) For the purpose of this Act, data permitted for disclosure means the data for which a special legal regulation neither forbids nor limits their disclosure. This data may be entered into publicly accessible information systems, including international systems.

(3) If the subject of the project or research objective is a matter of a business secret, other type of secret or classified information under a special legal regulation¹⁴ or any other matter the disclosure of which could endanger the activities of the intelligence service, the grantor and receiver shall provide factual information on the research and development carried out and the results in such a way that the disclosure would be possible. If the subject of the project or research objective is a classified matter, both the grantor and receiver shall also deliver the complete data on the research and development carried out and the results using a procedure provided for in a special legal regulation.¹⁴

(4) The obligation of the grantor and receiver to provide information to the general public under a special legal regulation¹² on the support of research and development covered by public funds and on the results shall be met through the Research and Development Information System.

Section 13

Control

(1) The grantor shall be obliged to control how the goals of the project or research objective are being met, including control of how support funds are drawn and used, the effectiveness of allowable costs under the concluded Contract on the Provision of Support or Decision on the Provision of Support. The receiver shall be obliged to allow such monitoring and control.

¹⁴ Act No. 106/1999 Coll. on Free Access to Information, as amended.

(2) Controls under paragraph 1, including the evaluation of results achieved and their legal protection, shall be always carried out after the completion of the project or research objective. In the case that the period for which the support is provided exceeds two years, the grantor shall also be obliged to exercise control as described under paragraph 1 at least once during the project or research objective completion.

(3) The grantor shall be obliged to exercise financial control of the support receivers under special legal regulations¹⁵ taking into account at least five per cent of the total number of projects and research objectives supported by the grantor in a given calendar year, but always for one project at least.

Section 14

Consequences of a Breach of This Act

(1) The unauthorised use or retention of financial means provided for the support of research and development from public funds shall be judged as the breach of budget discipline under the budgeting rules.⁸

(2) When breaching conditions of the decision on dispensation from the ban on public support, the Act on Public Support shall apply.¹⁶

(3) When breaching obligations arising from the Contract on the Provision of Support or Contract on Utilisation of Results, the applicable contractual stipulations and Commercial Code shall apply.

(4) When breaching obligations stipulated by this Act or when breaching the conditions of the Decision on the Provision of Support issued under Section 9 (5) and (6) on the receiver's part or when breaching obligations arising from Contract on the Provision of Support or Contract on Utilisation of Results on the receiver's part, the grantor may exclude the receiver's draft project from public tender in research and development for a period up to 3 years from the date the breach is proved to the receiver or the date when the receiver admits such breach in writing.

TITLE IV

OWNERSHIP OF TANGIBLE ASSETS PROCURED FOR RESEARCH AND DEVELOPMENT, RIGHTS TO THE RESULTS AND THEIR UTILISATION

Section15

Ownership of Tangible Assets for Research and Development

The owner of tangible assets, in particular apparatus, machines or devices necessary for the completion of a given project or research objective and acquired with the aid of the support, shall be the receiver or co-receiver who procured the mentioned assets or made them during

¹⁵ Sec. 40 (1) and (2) of Act No. 218/2000 Coll.
Sec.15 of Act No. 250/2000 Coll.
Act No. 552/1991 Coll. on State Control, as amended.

¹⁶ Sections 10 and 11 of Act No. 59/2000 Coll.

the project completion. If the receiver and co-receiver or more receivers participate in the procurement of tangible assets, then the participation of the co-receiver in the ownership of such assets shall be provided for in the Contract on the Provision of Support or Decision on the Provision of Support in compliance with Section 9 (1) (h). If the receiver or co-receiver is an organisational body, the owner of assets procured or made by them shall be the Czech Republic or a territorial self-governing unit.

Section 16

Rights to the Results and Their Utilisation

(1) If the results are the fruit of a public contract and cannot be protected under special legal regulations¹⁷, the grantor shall be the owner of such results and their disclosure and utilisation is possible only with the prior written consent of the grantor.

(2) If the results are the fruit of a public contract and can be protected under special legal regulations¹⁷, the receiver, if not provided otherwise by the grantor, shall exercise the ownership rights to the results, ensure their legal protection, and after protection is awarded transfer these to the grantor. The receiver shall be entitled to reimbursement of provable related costs, if these were not a part of allowable costs. In order to disclose and utilise the results the written consent of the grantor shall be required.

(3) All rights to the results, with the exception of provisions under paragraphs 1 and 2, shall be owned by the receiver. The copyrights and rights of the originators of the results and owners of protective rights to them shall be provided for in special legal regulations.¹⁸

(4) For utilisation of the results, with the exception of provisions of paragraphs 1 and 2, it shall apply that

- a) in the case of research and development results covered by public funds in an amount exceeding 50 per cent of allowable costs the receiver shall be obliged to make the results available under the same conditions as stipulated in the Contract on Utilisation of Results to all persons interested in their utilisation;
- b) in the case of research and development results co-financed from public funds in an amount of 50 per cent or less of allowable costs, the Contract on Utilisation of Results

¹⁷ Act No. 527/1990 Coll. on Inventions and Innovation Proposals, as amended.
Act No. 529/1991 Coll. on the Protection of Topographies of Semiconductor Products as amended by Act No. 116/2000 Coll.

Act No. 478/1992 Coll. on Utility Models as amended by Act No. 116/2000 Coll.

Act No. 206/2000 Coll. on the Protection of Biotechnological Inventions and on the Amendment to Act No. 132/1989 Coll. on the Protection of Rights to New Plant Species and Animal Breeds as amended by Act No. 93/1996 Coll.

Act No. 207/2000 Coll. on the Protection of Industrial Designs and on the Amendment to Act No. 527/1990 Coll. on Inventions, Industrial Designs and Innovation Proposals, as amended.

Act No. 408/2000 Coll. on the Protection of Rights to Plant Species and on the Amendment to Act No. 92/1996 Coll. on Species, Seeds and Seedlings of Cultivated Plants, as amended (Act on the Protection of Rights to Species).

¹⁸ For example Act No. 121/2000 Coll. on Copyright and Related Rights and on the Amendment to Some Other Acts (the Act on Copyright), Act No. 527/1990 Coll. amended, Act No. 529/1991 Coll. as amended by Act No. 116/2000 Coll., Act No. 478/1992 Coll. as amended by Act No. 116/2000 Coll., Act No. 206/2000 Coll. as amended by Act No. 93/1996 Coll., and Act No. 408/2000 Coll. as amended.

shall contain an agreement on the manner of and time limits for utilisation of the results;

- c) in the case of research and development results co-financed from public and other funds and not utilised in the manner and time limit stipulated in the Contract on Utilisation of Results, the receiver shall be obliged to make the results achieved available for utilisation under regular non-discriminatory conditions to all interested persons.

(5) If the research and development funded from public funds results in a registered invention, it shall be subject to provisions on the employee's inventions and the patent owner shall be obliged to make a licence offer under special legal regulations.¹⁹

TITLE V PUBLIC TENDER IN RESEARCH AND DEVELOPMENT

Section 17

Publication, Contents and Terms and Conditions of a Public Tender in Research and Development

(1) If not stipulated otherwise by this Act, the provisions of the Commercial Code shall apply to a public tender in research and development.

(2) A public tender in research and development, its content and terms and conditions, or its cancellation, if appropriate, shall be published by the grantor in the Commercial Journal and through the Research and Development Information System and at the same time the grantor may publish it in any other way. The grantor is not permitted to modify the published terms and conditions of a public tender in research and development. The terms and conditions of a public tender in research and development shall contain in particular:

- a) the programme approved by the Government under Section 5 (2) or the type of grant project and the expected period of their duration;
- b) requirements for proving the applicants' qualification capacity;
- c) the method and criteria for draft project evaluation;
- d) the time limit of the tender as stipulated herein;
- e) the time limit for evaluation as provided for in this Act;
- f) the place where tender documentation shall be collected, the place where and the manner in which draft projects shall be submitted, and the period of time during which these draft projects may be submitted;
- g) the name, seat, telephone and fax numbers, and e-mail address of the grantor.

¹⁹ Act No. 527/1990 Coll., as amended.
Act No. 408/2000 Coll., as amended.

(3) In the case that any repeated public tender in research and development relating to the programme approved by the Research and Development Council of the Government of the Czech Republic prior to this Act comes into effect, the terms and conditions of a public tender in research and development hereunder must be fulfilled and the programme must be, prior to the publication of this tender, submitted to the Research and Development Council for its opinion. If under a special legal regulation⁵ an exception from the ban on public support is approved for this programme or a decision issued that this programme is not a subject for public support, permission for this exception shall not be asked for again.

(4) In the case that any repeated public tender relating to research and development published for the programme approved by the Government under Section 5 (2) and to which an exception from the ban on public support was approved or a decision issued that it is not a subject for public support, under a special legal regulation⁵, this programme shall neither be submitted in subsequent years for Government approval, nor to the Research and Development Council or the Ministry for their opinions and no approval of the exception from the ban on public support shall be asked for again.⁵

(5) The grantor may also specify other conditions of a public tender in research and development, which are published at the same time as the terms and conditions of the tender referred to in paragraph 2. The grantor may specify the manner as to how draft projects shall be submitted under a special legal regulation²⁰ as being exclusive only in the case of not restricting any other applicants.

(6) In the event that publication of terms and conditions of a public tender in research and development could endanger the protection of classified information or the defence of the state or national security¹⁴, the grantor shall award the project on the basis of a written invitation to selected legal persons, natural persons, or organisational bodies. The prior written consent of the Research and Development Council shall be required for this procedure.

(7) A draft project shall be the applicant's application for targeted support to be provided in the form of a subsidy under a special legal regulation.⁸

(8) For the purposes of a public tender in research and development the grantor shall be authorised to collect necessary data on draft projects and applicants, including personal data, both in written and electronic forms. Such data is not publicly accessible information under a special legal regulation.¹² When collecting, disclosing and otherwise processing data the grantor shall be obliged to proceed as provided for in special legal regulations.²¹ The range of data on draft projects and data on applicants intended for disclosure shall be defined by the grantor in the tender documentation in compliance with this Act and special legal regulations.²² With regard to personal data the grantor may disclose only the name, surname

²⁰ Act No. 227/2000 Coll. on the Electronic Signature and on the Amendment to Some Other Acts (the Act on the Electronic Signature).

²¹ Act No. 148/1998 Coll., as amended.

Act No. 101/2000 Coll. on the Protection of Personal Data and on the Amendment to Some Other Acts, as amended.

The Commercial Code.

²² Act No. 148/1998 Coll., as amended.

Act No. 101/2000 Coll., as amended.

and academic or scientific degrees, if any, of the Project Manager and other staff participating in the proposed project.

Section 18

Proof of the Applicant's Capacity

(1) Applicants shall be obliged to prove their capacity to complete the proposed project. If several applicants compete for completion of one project, the obligation to prove their capacity shall apply to all of these applicants.

(2) The eligible applicant is an applicant who

- a) possesses the professional qualifications required for the project completion;
- b) possesses an appropriate licence to carry out the activity, if so required by a special legal regulation;²³
- c) has not filed a proposal for settlement, or against whom no bankruptcy petition on his/her property has been filed, or such bankruptcy petition was denied for lack of property,²⁴ or who is not in liquidation;
- d) has settled all due liabilities in relation to the state budget or budget of a territorial self-governing unit and other due liabilities payable to the state, a state fund, a health insurance company or the Czech Administration of Social Security;
- e) has not been lawfully sentenced for a crime²⁵ which relates to the scope of the applicant's business activities if the applicant is an entrepreneur, or for an economic crime or a crime against property;
- f) has not received within the last three years any disciplinary punishment under special legal regulations on the execution of professional activities²⁶ if such activities relate to the subject of the respective public tender in research and development;
- g) is not in industrial or any other relations with any legal entity charged with organising the public tender in research and development under Section 23 (2).

(3) The manner of proving and assessing capacity under paragraph 2 (a) shall be specified by the grantor when publishing a public tender in research and development with respect to the nature of the published tender and expected financial scope of projects.

Act No. 106/1999 Coll., as amended.

Act No. 121/2000 Coll.

The Commercial Code

²³ For example the Act on Trade Licenses, Act No. 246/1992 Coll. on the Protection of Animals Against Cruelty, as amended, and Decree No. 311/1997 Coll. on the Breeding and Use of Animals used in Experiments Animals.

²⁴ Act No. 328/1991 Coll. on Bankruptcy and Settlement, as amended.

²⁵ The Criminal Code

²⁶ For example Act No. 246/1992 Coll., as amended, and Decree No. 311/1997 Coll.

(4) Applicants shall prove satisfaction of their capacity when submitting the draft project as follows:

- a) capacity under paragraph 2 (b) by documentation evidencing a trade licence or by any other requested authorisation;
- b) capacity under paragraph 2 (c) to (f), and with regard to physical persons also under paragraph 2 (g), by affidavit; capacity under paragraph 2 (e) and (f) in case of legal persons shall be proved by the statutory body of an applicant or its members.

(5) The applicant with whom the Contract on the Provision of Support is to be entered into for targeted support to be provided under Section 9 or for whose benefit the Decision on the Provision of Support is to be issued, shall prove his/her capacity prior to the Contract conclusion or the issuance of the Decision as follows:

- a) the applicant who is not established by a special legal regulation or if the grantor is not at the same time the founder of the applicant, shall prove capacity under 2 (b)
 - 1. by submitting an authenticated copy of a trade license not older than 90 calendar days²⁶, or/and an establishment deed, foundation deed, or any other document on establishment or foundation, or
 - 2. by an extract, not older than 90 calendar days, from the company register or any other records specified by law;
- b) with regard to members of the statutory body of an applicant, capacity under paragraph 2(e) shall be proved by an extract from the Criminal Register, not older than 180 calendar days, under a special legal regulation²⁷;

(6) The applicant with whom under Section 9 a Contract on the Provision of Support is to be concluded or in favour of whom the Decision on the Provision of Support is to be issued, shall prove his/her capacity under paragraphs 2 and 5 only once within one public tender in research and development.

(7) The grantor may require the fulfilment of other demands proving the applicant's capacity, which relate to the nature and terms and conditions of the published programme. The grantor shall specify these demands on the capacity and the manner of how they should be proved in advance in the terms and conditions of the public tender in research and development

(8) The applicant shall be obliged to provide the grantor written information on any modifications which occur in the period from the submission of the applicant's draft project until the Contract on the Provision of Support is entered into or Decision on the Provision of Support issued and which affects the applicant's legal position, or data required for proving the capacity and which could affect the grantor's final decision, within seven calendar days from the day the applicant learns of such facts.

²⁷ Act No. 269/1994 Coll. on the Criminal Register.

(9) A legal person having its seat in a Member State of the European Union or any other country forming the European Economic Area or a citizen of such state may participate in the public tender in research and development also provided that such participant

- a) satisfies the capacity conditions under paragraph 2, whilst proving such capacity under paragraph 2 (b) to (f) by affidavit;
- b) does not apply for support from public funds of the Czech Republic;
- c) satisfies the requirements specified in the international treaty, by which the Czech Republic and the Member States of the European Union or any other countries forming the European Economic Area are bound.²⁸

(10) Failure to satisfy the requirements for capacity, obligations to prove such capacity or obligations under paragraph 8 shall be a reason for excluding a draft project from a public tender in research and development for which the grantor is responsible. When publishing a public tender in research and development the grantor may provide an exception for an applicant who does not satisfy capacity under paragraph 2 (c) and (d) and at the same time proves that he/she has been included in the public support programme approved by the Government of the Czech Republic in compliance with a special legal regulation.⁵

Section 19

Tender Documentation

(1) For publication of a public tender in research and development the grantor shall draw up tender documentation as a set of documents and information necessary for processing and submitting a draft project. The grantor shall be responsible for the completion of the tender documentation. The tender documentation requirements shall be specified in an implementing legal regulation.

(2) When publishing a two-level public tender in research and development the grantor shall be liable for drawing up tender documentation both for the first and second levels of the public tender in research and development.

(3) The tender documentation shall be provided to anybody who asks for it, at the place and at the time announced in the public tender in research and development.

Section 20

Time Limit of a Tender and Time Limit for Its Evaluation

(1) The time limit of a tender shall be the period during which draft projects may be submitted. It shall start running from the day following the day of publication of the public

²⁸ Communication No. 96/2000 Coll. on arranging Decision No. 1/99 of the Accession Council between the European Communities and their Member States on one side and the Czech Republic on the other side as of 30 July 1999, on the acceptance of conditions for the participation of the Czech Republic in the programmes of the Community in the field of research, technological development, and demonstrations (1998 - 2002), and in programmes for research and education (1998 - 2002).

tender in research and development in question in the Commercial Journal and shall end on the day when the submission of draft projects is terminated. The time limit of tender duration for a one-level public tender in research and development or for the first level of a two-level public tender in research and development shall be at least 36 calendar days.

(2) The time limit for tender evaluation shall be the period during which the grantor assesses submitted draft projects, makes a decision and announces the results of the public tender in research and development. It shall start on the day following the end of the time limit of the tender in question and shall end on the day when the results of the public tender in research and development are announced. The time limit for tender evaluation shall be 240 calendar days at the most and shall end 30 calendar days prior to the date scheduled for conclusion of the Contract on the Provision of Support or issuing the Decision on the Provision of Support at the latest.

Section 21

Receiving, Accepting and Evaluating Draft Projects

(1) The grantor shall appoint a commission for receiving draft projects. The composition of the commission for receiving draft projects, the methods of its work and other requirements shall be provided for in an implementing legal regulation.

(2) The commission for receiving draft projects shall assess whether the conditions of the public tender in research and development under Section 17 (2) (b), (d) and (f) and the conditions of the public tender in research and development for acceptance of draft projects under Section 17 (5) have been satisfied and shall draw up a protocol containing especially the list of recommended draft projects, data on their delivery within the time limit of the tender, on the completeness of draft projects, and on draft projects not meeting the conditions thereof, together with giving reasons for their exclusion. The protocol shall also contain data on draft projects delivered after the expiration date of the tender, including the time of their delivery.

(3) A draft project delivered contrary to the conditions laid down in paragraph 2 shall not be accepted to the public tender in research and development or be evaluated under paragraphs 4 to 9. It is the grantor who shall make the decision on the acceptance of draft projects to the public tender in research and development.

(4) The grantor shall establish an Expert Advisory Body for the evaluation of draft projects accepted for the public tender in research and development. The expert advisory body composition, methods of its work, conditions for unbiased opinions of its members, the manner of treating the data contained in draft projects and all other requirements shall be provided for in an implementing legal regulation.

(5) With regard to each draft project the grantor shall be obliged to provide the opinions of at least two opponents as a ground for assessing a draft project by the Expert Advisory Body. The conditions of the opponents' unbiased opinion relating to a draft project and applicant and the manner of treatment of the data contained within draft projects shall be laid down in an implementing legal regulation.

(6) The Expert Advisory Body shall guarantee an objective and unbiased evaluation of draft projects in compliance with published rules and criteria of the respective public tender in research and development on the basis of the opponents' opinions. The Expert Advisory Body shall draw up a protocol listing the results of evaluation of each draft project.

(7) Protocols on evaluation of draft projects and a final proposal showing the ranking of all draft projects in the public tender in research and development shall be delivered by the Expert Advisory Body to the grantor, who shall be obliged to make a decision on the preferred draft projects and publish the results of the public tender in research and development within the scheduled time limit for project evaluation. The grantor may decide contrary to the recommendation given by the Expert Advisory Body, provided that the grantor explains such a decision in writing in the protocol and properly discloses his decision. The grantor shall inform the applicants upon their written request on the result of evaluation of their draft projects in the public tender in research and development, including the reasoning given and provision of opponent's opinions on the project without disclosing the personal data of the opponents.

(8) The draft project must not be modified during the course of the public tender in research and development, with the exception of completing a draft project for the second level of the two-level public tender in research and development. It shall not be considered a modification if the grantor does not accept a certain portion of the total project costs proposed by the applicant and does not include such costs among the allowable project costs or reduces, by virtue of this Act, the authorised total amount of support from public funds. A reduction in the proposed total project costs or amount of support covered by public funds shall be mentioned in the protocol in accordance with paragraphs 6 and 7.

(9) The evaluation of the draft grant projects shall be performed by relevant commissions of the Grant Agency of the Czech Republic or relevant councils of the Grant Agency of the Academy of Sciences of the Czech Republic under paragraphs 1 to 8.

(10) The Code of Administration Procedure²⁹ shall not apply to decision-making under paragraph 7.

Section 22

Two-level Public Tender in Research and Development

(1) The grantor may publish a two-level public tender in research and development hereunder only if it is necessary or useful to separate the evaluation of usefulness of the proposed project and its comparison with the published goals and conditions of the programme (first level), and the evaluation of the professional level and feasibility of the draft project (second level), or in the event that it is necessary to clarify the method of meeting the published goals and conditions of the programme.

(2) The grantor shall be obliged to provide information on the publication of a two-level public tender in research and development when preparing and approving the relevant programme of research and development and when publishing the public tender in research and development alongside the conditions of that tender laid down in Section 17 (2).

²⁹ Act No. 71/1967 Coll. on Rules of Administrative Procedure (the Code of Administrative Procedure), as amended.

(3) Whilst publishing the two-level public tender in research and development the grantor shall specify, in addition to conditions laid down in Section 17 (2), the following:

- a) the time limit of the tender, the method of evaluation of draft projects and the manner of announcement of the results of the first level of the public tender in research and development to the applicants, as well as the place and time of collection of tender documentation for the second level of the public tender in research and development, if appropriate;
- b) time limits for and methods of evaluation of draft projects in the second level of public tender in research and development.

(4) The provisions of Section 21 shall apply to the acceptance and evaluation of draft projects in the first level of the public tender in research and development, and the Expert Advisory Body shall submit to the grantor the protocols on the evaluation of draft projects and the final proposal listing the sequence of all draft projects evaluated within the first level of the public tender in research and development and the grantor shall decide about the draft project acceptance and its transfer to the second level of that tender.

(5) Only such draft projects may be transferred to the second level of the public tender in research and development as those which are evaluated and approved within the first level of the public tender in research and development in accordance with the published terms and conditions and rules laid down herein and meet the conditions specified for the second level of the public tender in research and development. The provisions of Section 21 (1) to (4), (6) to (10) shall apply similarly to the acceptance and evaluation of draft projects within the second level of the public tender in research and development, including the grantor's decision-making process on the selection of draft projects and publication of results of the public tender in research and development.

(6) The grantor shall be entitled to require a selected applicant to complete the draft project for the second level of the public tender in research and development on the basis of specifications included in the published terms and conditions and to satisfy other necessary conditions, particularly the amount of allowable costs of the project, deadlines and utilisation of results. In the draft project the project objectives must not be modified between the first and second levels of the public tender in research and development.

(7) The procedure to which the grantor is obliged to adhere at the second level of the public tender in research and development, particularly the method of documentation completion, invitations for applicants and draft project processing for the second level of the public tender in research and development, including the option to cancel the second level of public tender in research and development, shall be provided for in an implementing legal regulation.

(8) The Code of Administrative Procedure ²⁹ shall not apply to the decision-making process under paragraphs 4 and 5.

Section 23

Organisation of a Public Tender in Research and Development

(1) The grantor shall be responsible for organising a public tender in research and development as provided for herein. The grantor may in the public tendering procedure² select a legal person and enter with them into the Agreement on Assistance in Organising the Public Tender in Research and Development.

(2) The legal person with whom the grantor enters into the Agreement under paragraph 1 shall be excluded from participation in that tender, they must not participate in elaborating the draft project and must not have a provable personal interest in the results concerning the evaluation of the draft project.

(3) The requirements concerning the capacity of the legal person with whom the grantor enters into the Agreement under paragraph 1 shall be laid down in an implementing legal regulation.

Section 24

Cancellation of a Public Tender in Research and Development

(1) The grantor may cancel the public tender in research and development

- a) if no draft projects were submitted;
- b) if there has occurred a material change in the circumstances under which the public tender in research and development was published and which were neither foreseen by the grantor nor caused by the grantor, or if the reasons for fulfilling the subject of the public tender in research and development have ceased to exist, or
- c) with regard to the two-level public tender in research and development, also in the event that no draft project proceeds to the second level of the public tender in research and development.

(2) A material change in circumstances as laid down in paragraph 1(b) shall be considered a such reduction in the amount of targeted expenditures on research and development in the budget chapter of the grantor as that which does not enable the funding of newly initiated projects since preference is given to the support of projects already under way.

(3) The grantor shall immediately publish the decision on cancellation of the public tender in research and development in the same manner and at the same place as where the relevant tender was published.

(4) The applicant may withdraw from the public tender in research and development at any time. The applicant shall be obliged to advise the grantor within seven calendar days of his/her withdrawal from the public tender in research and development.

Section 25

Time Limit for Entering into the Contract on the Provision of Support or Issuing the Decision on the Provision of Support

(1) The time limit for entering into the Contract on the Provision of Support or issuing the relevant Decision on the Provision of Support under Section 9 shall be set to a maximum of 60 calendar days

- a) from the date on which the Act on the State Budget of the Czech Republic comes into effect for the particular year in which the project is to be commenced and the support for the project is to be provided under a special legal regulation⁸, if the result of the public tender in research and development was announced prior to its adoption, or
- b) from the date on which the results of the public tender in research and development were announced, if the results of the respective tender were published after the date on which the Act on the State Budget of the Czech Republic comes into effect for the particular year in which the project is to be commenced and the support for the project is to be provided under a special legal regulation⁸.

(2) Failure to observe the time limit for entering into the Contract on the Provision of Support or issuing the relevant Decision on the Provision of Support under Section 9 caused by the receiver gives the grantor the right to conclude a Contract on the Provision of Support with another applicant following in rank the winner of the tender on the basis of the results of the public tender in research and development, or issue a Decision on the Provision of Support to the benefit of such another applicant.

Section 26

Document Keeping

(1) Documents concerning the public tender in research and development, including all accepted draft projects, shall be kept by the grantor for at least five years from the publication of results of the public tender in research and development.

(2) The grantor shall be obliged to keep the documents on each project with targeted funding for at least five years from the termination of the Contract on the Provision of Support or enforceability of the Decision on the Provision of Support under Section 9.

(3) If a Contract on Utilisation of Results was entered into, the period of five years determined for keeping the documents on the project shall start running from the date of termination of that Contract.

TITLE VI

EVALUATION OF RESEARCH OBJECTIVES

Section 27

Submission of Draft Research Objectives

(1) The grantor shall be obliged, at least 90 calendar days prior to the date for submission of draft research objectives laid down in paragraph 3, to specify and disclose all requirements for submitting draft research objectives, in particular the contents and division of a draft research objective, the place and time for the collection of draft research objectives, the method of delivery and the manner of draft research objective submission. The grantor may specify the manner of submission of a draft research objective according to a special legal regulation²⁰ as an exclusive one only if no applicant is at all restricted by this. Requirements necessary for the submission of a draft research objective shall be laid down in an implementing legal regulation.

(2) For the purpose of the evaluation of draft research objectives and fulfilment of other grantor's duties, the grantor shall be entitled to collect necessary data on draft research objectives and applicants, including personal data. Both written and electronic formats of data collection shall be permitted. This data shall not be publicly accessible information under a special legal regulation.¹² Whilst collecting, publishing, or processing in any other manner this data the grantor shall be obliged to proceed in compliance with special legal regulations.²¹ The scope of data on the draft projects and data on applicants intended for publication shall be defined by the grantor in the tender documentation in compliance with this Act and special legal regulations.²² With regard to personal data the grantor may disclose only the name, surname, academic and scientific degrees, if any, of the Project Manager or any other individuals participating in the draft research objective.

(3) The draft research objective shall be submitted by an applicant to the grantor within 60 calendar days from the beginning of the calendar year preceding the first year for which the institutional support is applied for.

(4) The draft research objective shall form the application of an applicant for institutional support provision in the form of a subsidy under a special legal regulation.⁸

(5) The applicant shall submit the draft research objective to the grantor under Section 4 (3).

(6) The grantor shall be responsible for collecting all draft research objectives and their registration. The method of collection and registration of all draft research objectives shall be provided for in an implementing legal regulation.

Section 28

Proof of the Applicant's Capacity

(1) The applicant shall prove his/her capacity to complete the given research objective. With regard to the applicant's capacity and proof thereof the provision of Section 18 shall apply similarly, and in addition any applicant also needs to satisfy the conditions provided for in paragraphs 2 and 3.

(2) To receive institutional support for a research objective each applicant shall meet the following conditions:

- a) the applicant must be a legal person having their seat in the Czech Republic or an organisational body and
- b) the applicant must be involved in research, and such activity is referred to in the establishment or foundation deed, partnership agreement, articles of association or in any other founder's document of the applicant required by law or is specified by a special act, if the applicant is established by its virtue.

(3) To receive institutional support an applicant not being an organisation partially covered from the state budget, public university, or an organisational body shall satisfy the following conditions to prove their capacity for the completion of the research objective:

- a) activities different from research and conditions for their performance are referred to in the establishment or foundation deed, partnership agreement, articles of association or in any other founder's document of the applicant required by law;
- b) conditions for performing activities other than research activities under point (a) must include the duty of an applicant to perform such activities only for the purpose of more effective utilisation of property and in such a way that the research activity itself is not jeopardized, and the obligation to compensate for the loss, if any, caused by activities other than research activities until the end of the given accounting period or to take measures to cease such activities prior to the beginning of another accounting period;
- c) activities different from research are booked separately;
- d) the entire profit of the applicant is after taxation and mandatory allotment into the general reserve used only for the support of research;
- e) the applicant keeps double-entry bookkeeping and records allowable costs for research objectives separately;
- f) the applicant, on an annual basis, draws up and discloses the annual report under a special legal regulation,⁹
- g) the applicant does not guarantee and shall not guarantee the liabilities of other persons;
- h) the applicant has a Supervisory Board³⁰ or an auditing body.

(4) The applicant shall prove their capacity qualifications referred to in paragraph 2, unless the applicant is established by law or unless the grantor is simultaneously the establisher of the applicant, using an authenticated copy not older than 90 calendar days of the establishment deed, foundation deed or any other document on establishment or foundation. The applicant shall prove the capacity qualifications referred to in paragraph 3 (a) to (c) and (g), if these qualifications are not stipulated by a special act, by an authenticated copy, not older than 90 calendar days, of a document referring to the establishment of the applicant as a legal person. Other qualifications laid down in paragraph 3 shall be proved by affidavit.

³⁰ For example the Commercial Code, Act No. 248/1995 Coll. on Benevolent Societies and on the Amendment and Supplement to Some Other Acts.

(5) The applicant shall be obliged to inform the grantor in writing about any changes which occur in the period following submission of the draft research objective until the Decision on the Support Provision is issued, if such changes affect the applicant's legal position or data required for proving capacity and which could affect the grantor's decision, within seven calendar days from the day upon which the applicant learns of such facts.

(6) In the case of failure to satisfy the capacity requirements, the obligation to prove capacity or the obligation contained under paragraph 5, the grantor shall exclude the draft research objective from the evaluation.

Section 29

Evaluation of Research Objectives

(1) In order to evaluate proposals or the results of research objectives the grantor shall be obliged to appoint an evaluation commission or commissions, which shall be the Expert Advisory Body(ies) of the grantor. For the evaluation of research objectives the provisions of Section 21 (5) to (8) shall apply correspondingly.

(2) The composition of the evaluation commission, the method of its work, conditions for unbiased opinions of its members, the manner of treating the data contained in the draft research objectives and other requirements shall be provided for in an implementing legal regulation.

(3) The conditions for the opponents' unbiased opinion relating to the draft research objective and the manner of treatment of data contained in the draft research objectives shall be laid down in an implementing legal regulation.

(4) In order to evaluate the research objectives of applicants who have asked different grantors for their support whilst completing the projects focused on the same issues within the same department, the Ministry shall establish as its advisory body the interdepartmental evaluating commission or commissions and each of the grantors shall suggest the same number of members of the evaluating commission and the Ministry shall propose its Chairperson. The grantor may ask the Ministry to establish the interdepartmental commission or the Ministry may establish it without any request. The provisions of Section 21 (5) to (8) apply correspondingly to the evaluation of similar research objectives by the interdepartmental evaluating commission.

(5) The method of establishing the interdepartmental evaluating commission for evaluating similar research objectives supported by various grantors under paragraph 4, the method of its work and other requirements shall be provided for in an implementing legal regulation.

(6) After a decision on the result of evaluation is made the grantor shall issue a Decision of the Provision of Support under Section 9.

(7) The grantor shall be obliged to keep all documents concerning the process of evaluation and completion of objectives in compliance with provisions of Section 26.

(8) The Code of Administrative Procedure²⁹ shall not apply to the decision-making under paragraph 6.²⁹

Section 30

Research and Development Information System

(1) The Research and Development Information System is an information system of public administration³¹ ensuring the collection, processing, provision and utilisation of data on research and development supported from public funds. It consists of four mutually linked parts: a central register of research and development projects, a central register of research objectives, a register of information on research and development results, and a register of public research and development tenders. Data from these four sections of the Research and Development Information System are shared and used for goals laid down in paragraph 2.

(2) The purpose of the Research and Development Information System is to provide information on research and development supported from public funds to the professional and general public, including international communities, and to the grantors with the aim of

- a) informing the public and applicants of published public tenders in research and development and their results;
- b) informing the public of projects and research objectives supported from public funds and their results;
- c) informing other entities listed in special legal regulations³² or international treaties;
- d) monitoring targeted or institutional support;
- e) preparing the draft state budget and ensuring other activities carried out by grantors or research and development authorities hereunder and laid down in a special legal regulation;³²
- f) evaluate the results and providing information to the Government and general public.

(3) The operator and administrator of data elements and codes of the Research and Development Information System (hereinafter referred to as the “Operator”) shall propose the selection of technical and programme means and other products for the operation of the Research and Development Information System³¹, its coding and data elements³¹, the manner of checking up on data completeness and links among it and the conceptual target of the Research and Development Information System³¹ in accordance with a special legal regulation³¹. These shall be approved by the administrator of the Research and Development Information System, who carries out assignments laid down in a special legal regulation.³¹

Section 31

Rights and Duties with respect to the Delivery and Provision of Data of the Research and Development Information System

³¹ Act No. 365/2000 Coll. on Information Systems of Public Administration and on the Amendment to Some Other Acts.

³² For example Act No. 123/1998 Coll. on the Right to Information on the Environment as amended by Act No.132/2000 Coll.

(1) The provision of support in a given calendar year shall be conditional upon the grantor's delivery of the valid data on projects and research objectives which is entered into the Research and Development Information System by the operator under conditions specified by the administrator in compliance with provisions of Section 30 (3). After delivery of personal data the grantor and after its inclusion into the System the operator shall be obliged to observe conditions laid down in special legal regulations.²²

(2) In order to register public research and development tenders the grantor, prior to the publication of a public tender in research and development, shall deliver data relating to the relevant tender to the operator. The grantor shall deliver data on the evaluation of such a tender to the operator within 50 calendar days from the termination of a public tender in research and development. The procedure through which the grantor delivers to the operator the data concerning disclosed public tenders in research and development and their evaluation shall be provided for in an implementing legal regulation.

(3) The receiver shall be obliged to deliver the data on projects and research objectives and their results to the grantor in the form and on the dates specified by the grantor in compliance with paragraphs 4 to 6. The procedure through which the receiver delivers of the data on projects and research objectives and their results to the grantor shall be laid down in an implementing legal regulation.

(4) The grantor shall deliver the applicable data on projects and research objectives supported from the grantor's budget chapter to the operator within 50 calendar days

- a) from the beginning of the calendar year with respect to projects or research objectives commenced in previous years and being solved in the year in question, or
- b) from the date on which the Contract on the Provision of Support comes into effect or from the date on which the Decision on the Provision of Support becomes enforceable with regard to newly launched projects or research objectives.

(5) If any change in the data delivered under paragraph 4 occurs during the calendar year, the grantor shall deliver to the operator new valid data on projects and research objectives being solved within 30 calendar days since the day the change occurred or was communicated to the grantor at the latest.

(6) The grantor shall deliver to the operator valid data concerning the results of projects and research objectives supported from the grantor's budget chapter, including data on their disclosure, their protection pursuant to special legal regulations, or their implementation (hereinafter referred to as "application of result"), within 250 calendar days after termination of the support provided from public funds at the latest. In the case that the results were not applied within the specified time limit, the grantor shall present data concerning the expected application of the results and after the results are applied or not applied the grantor shall deliver the valid data to the operator without any undue delay.

(7) The procedure through which the grantor delivers to the operator the valid data on the projects and research objectives and their results under paragraphs 4 to 6 shall be provided for in an implementing legal regulation.

(8) The operator shall include in the Information System data presented by the grantor which satisfies requirements referred to in special legal regulations²² and this Act, and shall inform the grantor within the following specified time limits:

- a) with regard to data concerning public research and development tenders, within five calendar days from the data delivery;
- b) with regard to projects and research objectives, within ten calendar days from the data delivery;
- c) with regard to data concerning the results of projects and research objectives, within 60 calendar days from the data delivery.

(9) Data shall be considered to be included in the System only after the operator confirms its inclusion in the Research and Development Information System on the basis of control of data completeness and links among it. The procedure for inclusion of the data delivered by the grantor to the Research and Development Information System under paragraph 8 shall be provided for in an implementing legal regulation.

(10) The operator shall be obliged to carry out at the latest within 30 calendar days from the beginning of the calendar year following the year when the data was entered into the Research and Development Information System checks on compliance with the data of different grantors, including the control whether the data included in previous years correspond to the current data. In the case any discrepancy which makes it impossible to meet the objectives of the Information System referred to in Section 30 (2), or if any change in codes or data elements of the Research and Development Information System under Section 30 (3) occur due to the alteration of a special legal regulation, the operator shall be authorised to require from the grantor the correction of data delivered, in compliance with provisions of Section 12 and Section 31 (5).

(11) On the basis of the Research and Development Information System the operator shall provide

- a) to the general public all valid data resulting from the Research and Development Information System, which is not protected under special legal regulations,²² in user-friendly form via remote access through a reference interface under a special legal regulation³¹ or via the public information network;
- b) exclusively to the grantor, upon written request, all valid data resulting from the Research and Development Information System which the grantor itself provided or which relates to organisational bodies, legal or natural persons within the grantor's responsibility;
- c) to the receiver, upon written request, all valid data resulting from the Research and Development Information System on the receiver's projects and research objectives and results thus attained;
- d) to the Ministry and administrator all valid data resulting from the Research and Development Information System;

- e) to other entities referred to in special legal regulations³² or international covenants of the Czech Republic the data specified in these regulations or covenants.

(12) The method of and time limits for providing data resulting from the Research and Development Information System shall be provided for in an implementing legal regulation.

Section 32

The Contents of the Research and Development Information System

(1) The Central Register of Research and Development Projects shall contain in particular information denoting the project; the name and the scope of the project; its receiver; the Project Manager; the co-receiver and the person responsible to the co-receiver for project completion (hereinafter referred to as “Assistant Project Manager”); the time limit for the project completion and the period during which the Contract on the Provisions of Support is in effect or the Decision on the Provision of Support is enforceable; allowable project costs and their classification; the amount of support covered by public funds; projects investigating similar problems; the level of data confidentiality; and after the end of the project, its evaluation by the grantor. Data to be contained in the central register of research and development projects shall be provided for in an implementing legal regulation.

(2) The Central Register of Research Objectives shall contain similar information as the central register of research and development projects contains, with the exception of data concerning the co-receiver and the Assistant Project Manager. The data to be contained in the central register of research objectives shall be provided for in an implementing legal regulation.

(3) The Register of Information on Results shall contain in particular information specifying the results and project or research objective, by completion of which the results were borne, the receiver, the authors of the results, the types of results, the title of the results and its annotation, the year of results application and the level of data confidentiality. Data in the register of results shall be provided for in an implementing legal regulation.

(4) The data included in the Register of Public Research and Development Tenders shall contain in particular the conditions of a public tender in research and development under Section 17 and data on its evaluation under Section 31. Data of the Register of Public Research and Development Tenders shall be provided for in an implementing legal regulation.

(5) As regards personal data the Research and Development Information System may contain only the name, surname, birth registration number and academic and scientific degrees, if any, of the Project Manager or other individuals participating in the project or research objective or authors of its results; if the Project Manager or any other individual is not a citizen of the Czech Republic then the System shall contain this person’s name, surname, nationality and identification code according to the standards of information systems of public administration, the academic and scientific degrees, if any, of the Project Manager and of other staff participating in the project or research objective or authors of its results.

TITLE VIII

RESEARCH AND DEVELOPMENT AUTHORITIES

Section 33

Central Administration Authority Responsible for Research and Development

(1) The central administration authority responsible for the research and development shall be the Ministry.

(2) The Ministry shall ensure in particular the following:

- a) the drawing up of the National Research and Development Policy of the Czech Republic in compliance with international treaties and the subsequent control of its implementation through issuing an opinion, prior to the adoption of these programmes by the Government, on whether the research and development programmes submitted by the grantors comply with the National Research and Development Policy of the Czech Republic;
- b) the determination of priorities in the form of the National Research Programme;
- c) the implementation of research priorities in areas not falling into the competence of the grantors, by implementing some parts of the National Research Programme;
- d) the drawing up of legal regulations concerning research and development and the evaluation of the impact of other legal regulations on research and development;
- e) international co-operation of part of the Czech Republic in research and development, including negotiations with bodies and institutions of the European Communities and individual Member States of the European Communities having competence for research and development, with the exception of international co-operation in defensive research and development, for which the Ministry of Defence shall be responsible.

(3) In cases where the representation of the Czech Republic in relevant international bodies and organisations is ensured by the Ministry, the Ministry shall submit the Report on the Course and Results of International Co-operation to the Government after it is discussed with the Research and Development Council, and shall disclose the Report after it is considered by the Government.

Section 34

Central and Other Administration Authorities Responsible for Research and Development within the Scope of Their Powers

(1) Central and other administration authorities, including the Ministry, which are authorised to provide support from the state budget for research and development, shall be responsible within their scope of powers in particular for:

- a) the drawing up of research and development strategies and their implementation;
- b) the drawing up and implementing of programmes within the grantor's competence and other research and development activities not included in the National Research

Programme;

- c) the implementation of research priorities by ensuring some parts of the National Research Program;
- d) public tenders in research and development published under this Act and awarding public contracts under a special legal regulation² for providing targeted support from their budget chapters;
- e) the monitoring of the use of targeted or institutional support provided from their budget chapters;
- f) international co-operation on the part of the Czech Republic in research and development, if they ensure the representation of the Czech Republic in relevant foreign and international bodies and organisations.

(2) The central administration authorities or institutions which ensure the representation of the Czech Republic in international bodies and organisations and targeted or institutional support for the international co-operation in research and development which is provided from their research and development expenditures, shall submit to the Ministry by the end of May of each calendar year a report on the course and results of co-operation in the past year.

Section 35

Research and Development Council

(1) The Research and Development Council is an expert and advisory body to the Government in the field of research and development.

(2) The Research and Development Council shall meet assignments under this Act and shall in particular:

- a) draw up long-term fundamental trends and schemes for the development of research and development of the Czech Republic through its advisory bodies, being the professional commissions for respective trends of research and development;
- b) process regular annual analyses and assessments of the research and development situation in the Czech Republic and compare them with foreign countries and submit these to the Government;
- c) play the role of administrator and operator under Section 30 and approve the rules for operation of the Research and Development Information System;
- d) process opinions concerning research and development documents submitted to the Government;
- e) ensure negotiations with the advisory bodies of the European Communities for research and development and with research and development councils of individual

Member States of the European Communities and other countries;

- f) meet other tasks and duties set out herein, special legal regulations or those imposed by the Government;
- g) process the medium-term draft outlook³³ for research and development support;
- h) estimate the total costs of research and development covered from individual budget chapters and propose their allocation under Section 5 (5).

(3) The Research and Development Council shall consist of 15 members including the Chairperson. The members of the Research and Development Council, with the exception of the Chairperson, shall be appointed by the Government on the basis of a proposal given by the Chairperson of the Research and Development Council. The members shall be appointed from

- a) the representatives of grantors;
- b) the representatives of institutions engaged in research and development, particularly the Academy of Sciences of the Czech Republic, the Grant Agency of the Czech Republic, public universities and ministerial research institutes engaged in development;
- c) representatives of the professional public nominated by individuals involved in research and development.

(4) The members of the Research and Development Council, with the exception of its Chairperson, shall be removed by the Government on the proposal of the Chairperson of the Research and Development Council. Any member of the Research and Development Council may ask the Chairperson of the Research and Development Council in writing for submission to the Government of a proposal on their own removal from this office. Until the Government decides on the proposal for such removal, the person concerned shall remain a member of the Research and Development Council.

(5) The bodies of the Research and Development Council shall be the Chairperson and the Board. The Chairperson of the Research and Development Council shall be a member of the Government. The Chairperson of the Research and Development Council shall be appointed and removed on the basis of a proposal made by the Prime Minister. The Board of the Research and Development Council shall consist of the Chairperson of the Research and Development Council and three Vice-Chairmen elected among the members of the Research and Development Council. The Board shall monitor the activities of the Research and Development Council in between its sessions and co-ordinate activities carried out by the expert commissions as advisory bodies to the Research and Development Council which draw up proposals of long-term basic trends and schemes of development for research and development in the Czech Republic.

(6) Membership of the Research and Development Council shall be a public office, which does not constitute any labour-law relation to the Czech Republic. Remuneration to the members of the Research and Development Council shall be specified by the Government. The Research and Development Council members shall be eligible for the reimbursement of their expenses connected with the execution of the office of a member of the Research and Development Council. Research and Development Council members shall hold their office

for a period of four years. A member of the Research and Development Council may be appointed for only two successive periods.

Section 36

Grant Agency of the Czech Republic

(1) The Grant Agency of the Czech Republic is an organisational body of the state and administrator of a budget chapter. The Grant Agency of the Czech Republic is an independent accounting entity and independently manages targeted and institutional resources allocated by the Act on the State Budget of the Czech Republic. The seat of the Grant Agency of the Czech Republic is Prague.

(2) The Grant Agency of the Czech Republic shall

- a) draw up and publish public tenders in research and development to support grant projects;
- b) assess and select draft grant projects;
- c) provide targeted support for grant projects on the basis of Contracts on the Provision of Support or Decisions on the Provision of Support;
- d) monitor whether Contracts on the Provision of Support or Decisions on the Provision of Support are met and targeted support drawn;
- e) evaluate and check up on the course of projects and the fulfilment of grant project targets, and check their results;
- f) process estimates of expenditures of the Grant Agency of the Czech Republic and draw up reports on its activities.

(3) The bodies of the Grant Agency of the Czech Republic are the Chairperson, Presidium and Auditing Board. The office of the Chairperson and members of the Presidium of the Grant Agency of the Czech Republic shall be a public office, which does not constitute any labour-law relation to the Czech Republic. The Chairperson and the members of the Presidium of the Grant Agency of the Czech Republic shall be entitled to the reimbursement of their expenses connected with the execution of their offices. The Chairperson of the Grant Agency of the Czech Republic and members of the Presidium of the Grant Agency of the Czech Republic may receive compensation for the execution of their offices. The amount of compensation shall be determined by the Government on the basis of a report on activities carried out by this body.

(4) The Chairperson of the Grant Agency of the Czech Republic shall represent the Grant Agency of the Czech Republic in external affairs and act on its behalf in all matters. The Chairperson of the Grant Agency of the Czech Republic shall be appointed from among the members of the Presidium of the Grant Agency of the Czech Republic and removed by the Government upon the proposal of the Research and Development Council.

(5) The Presidium of the Grant Agency of the Czech Republic is an executive body of the Grant Agency of the Czech Republic that approves the publication of public tenders in research and development, makes decisions on the conclusion of Contracts on the Provision of Support or issues Decisions on the Provision of Support, submits for the approval of the Government the draft statute of the Grant Agency of the Czech Republic and its amendments, and presents the draft budget of the Grant Agency of the Czech Republic. The Presidium of the Grant Agency of the Czech Republic consists of five members. Members of the Presidium of the Grant Agency of the Czech Republic shall hold their office for a period of four years, with the possibility of being appointed for two successive periods at the most. The members of the Presidium of the Grant Agency of the Czech Republic shall be appointed and removed by the Government upon the proposal of by the Research and Development Council. The Presidium of the Grant Agency of the Czech Republic shall co-ordinate the activities carried out by ministerial commissions as advisory bodies of the Grant Agency of the Czech Republic, which assess and evaluate draft projects of applied research together with applications for support provision.

(6) The Auditing Board of the Grant Agency of the Czech Republic is a control body of the Grant Agency of the Czech Republic that checks up on the allocation of funds provided by the Grant Agency of the Czech Republic, supervises activities performed by the Grant Agency of the Czech Republic, and submits opinions to the Presidium of the Grant Agency of the Czech Republic. The opinions, which are issued within the competence of the Auditing Board of the Grant Agency of the Czech Republic, are binding on the Presidium of the Grant Agency of the Czech Republic. The Auditing Board of the Grant Agency of the Czech Republic consists of ten members who are appointed by the Chamber of Deputies from among professionals upon the proposal of legal persons engaged in research and development. Members of the Control Board of the Grant Agency of the Czech Republic shall hold the office for a period of four years with the possibility of being appointed for two successive periods at the most. The Auditing Board of the Grant Agency of the Czech Republic shall submit to the Chamber of Deputies an annual report on its activities. The Chamber of Deputies may recall the Auditing Board of the Grant Agency of the Czech Republic if the annual report is not repeatedly approved. The members of the Auditing Board of the Czech Republic may be remunerated for the execution of their office. The amount of remuneration shall be determined on the basis of a report on the activities made by the Control Board of the Grant Agency of the Czech Republic by the Chamber of Deputies.

TITLE IX

TERRITORIAL SELF-GOVERNING UNITS

Section 37

Territorial self-governing units may support the research and development within their scope of powers under conditions laid down herein.

TITLE X

TRANSITIONAL AND AUTHORISATION PROVISIONS

Section 38

Transitional Provisions

(1) The currently valid legal regulations shall apply to the legal relations in the field of research and development which have commenced prior to the date as from which this Act comes into effect and now they are regulated by this Act.

(2) For draft research objectives with a proposed date of commencement after 1 January 2004 the grantor shall specify the requirements for submission of a research objective under Section 27(1) within 30 calendar days from the date on which the Regulation of the Government on institutional support for research and development and evaluation of research objectives under Section 39 comes into effect. The applicants shall submit to the grantors draft research objectives with the proposed date of commencement after 1 January 2004 within 90 calendar days from the date on which the grantor specifies the conditions for submission of research objectives.

(3) Members of the Supervisory Board of the Grant Agency of the Czech Republic elected prior to the date on which this Act comes into effect, shall become members of the Auditing Board of the Grant Agency of the Czech Republic. The term of their office shall remain unaffected.

Section 39

Authorisation Provisions

The Government shall implement Section 3 (4), Section 4 (7), Section 7 (4) and (5), Section 8 (1) and (4), Section 9 (7), Section 19 (1), Section 21 (1), (4) and (5), Section 22 (7), Section 23 (3), Section 27 (1) and (6), Section 29 (2), (3) and (5), Section 31 (2), (3), (7), (9) and (12), Section 32 (1) to (4) by Government Regulations.

TITLE XI

JOINT AND REPEALING PROVISIONS

Section 40

Joint Provisions

If the provisions of any international treaty which bind the Czech Republic and which were adopted by the Parliament and published in the Collection of Laws or Collection of International Treaties, stipulate otherwise than in this Act, the provisions of the international treaty shall apply.

Section 41

Repealing Provisions

1. Act No. 300/1992 Coll. on State Support of Scientific Work and Development of Technologies; and
2. Act No.1/1995 Coll. amending and supplementing Act of the Czech National Council No. 300/1992 Coll. on State Support of Scientific Work and Development of Technologies, shall be repealed.

P A R T T W O

Amendment to Act No. 199/1994 Coll. on Awarding Public Contracts

Section 42

Section 1 (2) (a) including footnote No. 2 of Act No. 199/1994 Coll. on Awarding Public Contracts, as amended by Act No. 148/1996 Coll., Act No. 93/1998 Coll., Act No. 28/2000 Coll., Act No. 256/2000 Coll. and Act No. 39/2001 Coll. shall have the following wording:

"a) targeted support for research and development under a special legal regulation², except for cases where the only user of research and development results is the Czech Republic or a territorial self-governing unit,

2) Section 8 (3) of Act No. 130/2002 Coll., on Research and Development Support from Public Funds and on the Amendment to Some Relating Acts (the Act on Research and Development Support)."

P A R T T H R E E

Amendment to Act No. 59/2000 Coll. on Public Support

Section 43

Part Two of Annex to Act No. 59/2000 Coll. on Public Support shall be repealed.

P A R T F O U R

The amendment to Act No. 220/2000 Coll. on the amendments to some other acts in connection with adoption of the Act on the Property of the Czech Republic and its Representation in Legal Relations.

Section 44

Part Ten of Act No. 220/2000 Coll. on the amendments to some other acts in connection with adoption of the Act on the Property of the Czech Republic and its Representation in Legal Relations as amended by Act No. 364/2000 Coll. shall be repealed.

P A R T F I V E

EFFECT OF THIS ACT

Section 45

(1) This Act shall come into effect on 1 July 2002.

(2) Provisions of Section 4 (6) and Section 18 (9) (b) and (c) shall expire with effect from the date of entry into force of the Agreement on Accession of the Czech Republic to the European Union.

Klaus m.p.

Havel m.p.

Per procuracionem Rychetský m.p.