

Electronic Appendix to AML-related Mandate Agreements for Legal Services Provided by Attorneys in the Law Firm ŠINDELÁŘ KOVAŘÍK SÝKORA, ADVOKÁTNÍ KANCELÁŘ

(The version of the document valid from 01/02/2025)

Attorneys in the association ŠINDELÁŘ KOVAŘÍK SÝKORA, ADVOKÁTNÍ KANCELÁŘ (hereinafter referred to as "attorneys") are obligated entities under Act No. 253/2008 Coll., on Certain Measures Against the Legalisation of Proceeds of Crime and Financing of Terrorism, as amended (hereinafter referred to as the "AML Act" and "obligated entities"), and are required under this AML Act to implement measures, including, but not limited to, the identification and verification of clients and other parties to property transactions (hereinafter referred to as "identified persons"), to whom they provide legal services. For this purpose, attorneys are obligated to collect and retain personal data of identified persons and make copies of the documents used for verification.

The attorneys' obligations under the AML Act are generally defined as follows:

1. Definition of the Scope of Data Processing

Attorneys are required to process all names, surnames, birth registration numbers, or, if not assigned, dates of birth and gender, as well as places of birth, addresses of permanent or other residence, and citizenship. In the case of self-employed individuals, this also includes their business names, distinguishing addenda or other designations, registered offices, and identification numbers.

2. Determination of Data Retention Period

Attorneys are required to process this data for 10 years after the conclusion of a transaction outside of a business relationship or the termination of a business relationship.

3. Definition of the Purpose of Data Processing

The data is processed by attorneys to fulfil their statutory obligations as obligated entities in the area of combating the legalisation of proceeds of crime and financing of terrorism under the AML Act and specific regulations of the Czech Bar Association (see especially the resolution of the Czech Bar Association's Board No. 2/2008 of the Bulletin, setting forth details on the attorneys' obligations and the Czech Bar Association's Supervisory Board's procedures concerning the AML Act, as amended, hereinafter referred to as "AML Regulations").

Clients of attorneys and other identified persons must be informed about the attorneys' obligation to properly identify and verify the identified person, to retain information, to report suspicious transactions to the competent authorities (Czech Bar Association), to postpone the execution of an identified person's instructions, and to breach confidentiality in connection with fulfilling their reporting obligation.

As part of the mandatory identification process, attorneys are required to examine, among other things, the sources of funds or other assets involved in the transaction or business relationship (see Section 9, Paragraph 2, Letter e) of the AML Act).

4. Notice on the Form of Data Processing (Recording, Copying Documents, Evaluation, Archiving)

The materials provided may be retained by attorneys in paper or digitised form, and they are entitled, as obligated entities, to evaluate them independently.

5. Notice on the Rights of Data Subjects and Options to Restrict or Exclude Data Processing

In connection with fulfilling the attorneys' obligations as obligated entities under Section 2, Paragraph 1, Letters e) and g) of the AML Act, the identified person has no ability to restrict or exclude the processing and evaluation of the collected data.

6. Notice on the Transfer of Personal Data

Personal data may be transferred by attorneys solely to supervisory authorities, namely:

- Czech Bar Association (<https://cak.cz>)
- Financial Analytical Office of the Ministry of Finance of the Czech Republic (<https://fau.gov.cz>)

Personal data may, of course, also be provided to third parties (contracting parties, courts, and public authorities) to the extent necessary for the proper fulfilment of the attorney's mandate in relation to the identified persons.

Personal data may also be provided by lawyers to another obligated person in accordance with Section 11(10) of the AML Act.

7. Notice on Supervisory Authorities

Supervisory authorities are the institutions mentioned in Section 6 of this notice. Their decisions and instructions must be respected and implemented by attorneys as obligated entities, in compliance with the AML Act and AML Regulations.

8. Apology from Attorneys

Compliance with the above obligations brings no satisfaction to attorneys, but they are required to adhere to these obligations. Failure to do so would expose them to the risk of financial penalties from supervisory authorities or, in extreme cases, a ban on practising law.

These obligations are imposed by the AML Act on other obligated entities as well (other attorneys, tax advisors, notaries, financial advisors, banks, etc.).

Attorneys firmly believe that, with the combined efforts of attorneys and identified persons, the challenges posed by the AML Act and AML Regulations can be overcome so that the requested legal service can be provided to the required extent and quality.

For the aforementioned inconveniences, Mgr. Petr Šindelář, LL.M., attorney/managing partner of the law firm, sincerely apologises to clients on behalf of the attorneys.