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Fact Sheet

Standard Terms & Conditions (ST) on a B-to-B level Czech Republic (September 2012)

1. How must ST be made applicable on business contracts?	The Czech Business Code provides for two types of STs - ST drawn up by professional or special-interest organizations, and ST drawn up by one of the contracting parties. It is sufficient to refer to ST drawn up by professional or special-interest organization in the contract. In case of ST drawn up by a contracting party the reference in the contract is sufficient if the ST are known to both contracting parties due to their long-term business relationship. Otherwise ST have to be enclosed to the contract.
2. Is there a requirement to highlight unusual, or particularly onerous clauses in ST in order for these clauses to be valid?	No. The only condition is that ST have to be consistent with the mandatory provisions and public policy. Otherwise it depends on the contracting party which clauses the ST will contain.
3. Can clauses in ST be challenged by the contract partner once the contract has been entered into?	Yes. The contracting party has the possibility to challenge the ST by the court after the signing of the contract. The court decides about the validity of ST.
4. Must the ST be registered at the Chamber of Commerce or other authority?	No.
5. What if the contract is concluded electronically?	By concluding the contract electronically, the contracting party wishing its ST to become a part of the contract must ensure that the other party knows the ST and accepts them. In case of a dispute, the proof of ST acceptance is upon the party including the ST in the contract.
6. How does the law deal with a "battle of the forms", meaning a situation in which both parties seek to incorporate their own ST into the contract?	Although the courts apply usually "last shot rule", the tendency is towards "knock out rule". The new Civil Code which enters in force on January 1, 2014 provides for the knock out rule.

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