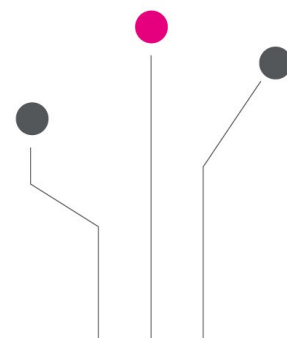


## to the point technology & digitalisation



March 2020

### Preface

When you are reading these words, there is a high chance that you are at home (office) for the following weeks or even months because your employer told you to do so. Do not worry if you did not see this happening a month ago, none of us did, and as they say "life is what happens when you are making other plans". With a little bit of luck (although this is your preference), despite most EU governments having shut down schools, restaurants and other popular public places, you are still able to work, educate yourself or your kids, visit a gallery, do shopping or order food from home just as well as you would have in the past.

Although modern technologies have made this "remoteness" possible for many years now, our traditional societies did not allow this option to go viral (mainstream). Where many technology geeks have failed, one tiny flexible Asian virus has succeeded. Now, even the biggest sceptics and workaholics are having to quickly learn how to operate from a distance without seeing or directly monitoring other team members. There are many new words for traditionalists to grasp and master in practice, such as cloud, remote desktop, Skype or smart office/home.

Lawyers working closely with politicians have started vigorously promoting cashless payments or home office as a way to operate from now on. This is not without irony in some CEE jurisdictions, such as the Czech Republic, where the same politicians have been struggling the past years to adopt a practical legal framework for distance work. And that is how our traditional two-way Law/Technology Street turned into a triangle by incorporating a new global pandemic. While health concerns dictate a certain pattern of behavior, which law subsequently articulates, it is technology alone which makes this new improvised present, and perhaps also bright remote future, possible.

If you want to get a quick CEE regulatory overview of new statutory measures adopted by CEE governments with their legal and also

technological implications, check out our website:

- <https://www.schoenherr.eu/coronavirus-info-corner/coronavirus-cee-legislation-trackers/>
- <https://www.schoenherr.eu/coronavirus-info-corner/>
- <https://www.schoenherr.eu/technology-digitalisation/>

Schoenherr's "technology & digitalisation" group ([tech.schoenherr.eu](https://www.tech.schoenherr.eu)) is made up of specialised lawyers from all over CEE, striving to improve the way technology-related challenges can be tackled. With our newsletter we want to give a brief outline of the current and important topics in this area. If you are interested follow us on [LinkedIn](#).



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This newsletter includes various updates in connection with the COVID-19 pandemic. For more legal information arising from the pandemic please visit our [coronavirus info corner](#).

**Note:** This newsletter is for information purposes only. Recipients of this newsletter should not treat the content as a substitute for obtaining specific advice on the topics addressed herein.

## To the Point:

- **We help start-ups!**

In an attempt to help start-ups during the current Corona situation in obtaining the much needed financial liquidity support from their shareholders or other investors, we have put together a short and simple equity agreement, the "Simple Equity Investment Contract (SEIC)". The SEIC can be the basis for allowing investors to invest into a start-up and to convert the investment at a later stage into equity of the company. The SEIC is currently available for two jurisdictions: Austria and Czech Republic. For questions on how to use the document, please refer to our SEIC manual. The Austrian SEIC can be found [here](#). The Czech SEIC can be found [here](#). It is free to use. Stay safe (and liquid)!

[Visit our blog to learn more!](#)  
[Thomas Kulnigg & Vladimír Čížek](#)

- **Austria: New COVID-19 laws allow online assemblies for Companies**

In accordance with the second COVID-19 law in Austria, Austrian companies will be able to hold shareholder assemblies and meetings of other corporate bodies (management board, supervisory board) without physical participation. The new regulation will thus finally allow online meetings for Austrian companies. Until now, online meetings were not possible or the rules were so strict that no one made use of them. This is supposed to change now. Details will be regulated in a directive to be published by the Austrian Minister of Justice. We will keep you updated on these developments. Hopefully, more laws will follow that allow digital solutions also in the corporate law-world.

[Thomas Kulnigg](#)

- **A new global trend has reached Austria: The police are using drones in their fight against the corona pandemic**

The corona pandemic is putting our world to an unexpected stress test. In order to contain the spread of the virus, states are increasingly relying on new technologies. In particular, China demonstrated that drones can serve very practical purposes in the fight against the virus. Even Austria is now deploying drones to monitor compliance with curfews.

[Visit our blog to learn more!](#)  
[Maximilian Trautinger & Veronika Wolfbauer](#)

- **Your computer can help to fight COVID-19**

There is no doubt that the fight against COVID-19 has already become a common global struggle. Each individual can now directly support the fight against the virus with his/her unused computer power. Folding@home Consortium and the Memorial Sloan-Kettering Cancer Center offer a free client, which can be downloaded and will connect your computer to a massive distributed computational network. [NVIDIA](#), one of the largest graphics cards/chips manufacturers, has also called on scientists to follow this project and make the computing power of their computers available to scientists.

Why do we need to provide our computing power: COVID-19 attacks human's lungs using a viral spike protein. In order to get a better understanding of the virus, scientists need to study not only one shape of this viral spike protein, but rather the more shapes the better the chance to design a helpful antibody. Your computer can help to solve larger computational tasks and to carve out the work to computers around the world, which leads to unencumbered computers of scientists, making them faster in the design of antibodies. You can download the Folding@home client for Linux, Mac and Windows devices: [Fight COVID-19](#)

#letsfighttogether  
#yourcomputeragainstCOVID-19  
[Maximilian Nutz](#)

- **The coronavirus is putting IT projects at risk**

The success of IT projects typically does not only depend on the ability of the provider to perform, but also on the ability of the customer to cooperate with the provider during a project. The coronavirus may thus negatively affect projects on both sides: the provider's side and the customer's side. If you need to understand what legal consequences arise from the lack of cooperation of your contractual partner check out [this article](#) and our coronavirus [FAQ](#).

[Wolfgang Tichy & Peter Ocko](#)

- **Cyberattacks in light of the corona crisis**

Hard to believe, but cyber criminals are trying to take advantage of the coronavirus crisis as many employees now use home office which increases IT security risks. Companies are therefore well advised to sensitise employees as well as to set up organisational and technical measures to counter these risks. In case of a cyber-attack it is crucial that companies react quickly but in a considered way as there are specific legal questions to be answered. For further information see our latest [guide to decreasing risks in connection with cyberattacks](#).

[Michael Lindtner](#)

- **Sued via WeChat?**

The current COVID-19 situation has led to disruptions in public life in many countries, especially in China and Italy. In Austria, most court hearings have been postponed on short notice and procedural deadlines have been suspended. China introduced "cyber-space courts" in Hangzhou in 2017 and in Beijing and Guangzhou in 2018, where entire proceedings, even hearings, are conducted online. During the current crisis, court hearings can take place via the Yunshenpan online platform and the Supreme People's Court of China has also promoted internet trials via the mobile court option on WeChat.

In Austria, a court hearing via a social network app is unimaginable, even though the general procedure is advanced in comparison with other countries. However, the recent restrictions on freedom of movement and social contacts due to COVID-19 also lead to changes in Austrian

civil courts: hearings shall only be held in urgent cases and even if a hearing is absolutely necessary, it may be conducted by using suitable technical means such as video conferences or, due to the exceptional situation, even telephone conference.

[Visit our blog to learn more!](#)  
[Sara Khalil](#)

- **AWS corona bridging loans: potential relief for SMEs (including start-ups)**

The Austrian state announced that it will provide guarantees via its funding agency AWS to Austrian companies who have insufficient liquidity to finance current operations or service existing credit lines due to the current coronavirus crisis. AWS guarantees for 80 % of working capital financings or credit extensions up to EUR 2.5 million, if a bank takes the remaining 20 % default risk. Tourism companies (different rules apply to them) and restructurings of pre-existing debt are excluded. Eligible for these state guarantees are Austrian companies that were economically "healthy" before the crisis as measured by either their equity ratio (at least 8 %) or debt repayment period (max. 15 years). The guarantees might also be interesting for start-ups that have been founded only recently, as the mentioned financial ratios are not calculated if there are no annual statements available for a company (i.e. founded later than 31 December 2018 and if no 2019 annual statements available). The guarantee fee will regularly be zero, and no collateral is needed unless the bank requires it for its 20 % share (in such case, AWS' share is also covered by the collateral). More details: [AWS – Bridging Guarantee](#)  
[Andreas Lengger](#)

- **Croatia stepped into the regulation of virtual currency business**

As of 1 January 2020 the new Croatian Anti-Money Laundering Act (that implemented the 5th EU Anti-Money Laundering Directive) sets forth the new requirements to service providers with respect to virtual currencies. It is the first time that Croatia has regulated activities related to virtual currencies. It will be described (i) to whom exactly the new obligation applies; (ii) what the content of the obligation is; (iii) what the consequences of non-compliance to the Croatian Anti-Money Laundering Act are. [Visit our blog to learn more!](#)  
[Gina Grancaric](#)

- **Testing autonomous vehicles in Slovenia – a winding road**

A draft amendment to the Slovenian Road Traffic Rules Act will permit testing of autonomous vehicles (AVs) on selected road corridors in Slovenia. A human driver will need to sit in the AV at all times during testing, while the top speed will be limited to 100 km/h on the highway and 50 % elsewhere. Read a longer

summary of the Draft Act – including how it regulates data protection and liability – [here](#), or visit [The Lawyer website](#), where the article was originally published (registration required).  
[Jurij Lampič](#)

- **Sustainable and digital Europe – new plans and strategies**

On 10 March 2020 the European Commission introduced another global strategy, this time referring to climate neutrality and digital leadership. The Commission plans to empower industry and small to medium-sized enterprises by three main drivers: (i) the Green transition (with the European Green Deal as Europe's new growth strategy); (ii) the Digital transition (allowing industry and SMEs to be more proactive, providing workers with new skills, and supporting decarbonisation of the economy); and (iii) competitiveness on a global level. The Commission aims to make Europe climate-neutral by 2050. The transition will also cover areas such as EU competition rules, intellectual property, support for various sectors, education, space technologies and data, as well as many others. The new strategy proposed by the Commission involves a number of planned actions leading Europe towards climate neutrality and digital leadership. For more information on the newest changes and ideas, please visit the [website of the European Commission](#).  
[Daria Rutecka](#)

- **Future of digital assets**

The European Union Blockchain Observatory & Forum recently published its new report [Blockchain and the future of digital assets](#) and analysed a wide range of key blockchain themes. Today, digital assets can represent almost everything from physical assets, securities and property to other more intangible items like rights or identity. [Blockchain technology](#) enables these digital rights to be tokenized, making them easier to trade, among other things. Due to smart contract technology, digital assets (i.e. tokens) can be "programmed" and customized. Digital assets can be divided into three (3) basic categories: (a) payment/exchange/currency tokens; (b) investment/security tokens; and (c) utility/consumption tokens (i.e. [Vienna Culture Tokens](#)). In order to better structure and understand the tasks and risks associated with new digital assets, a uniform (i) understanding of digital assets and (ii) regulatory framework within Europe is required. Find out more about the current advantages and obstacles of new digital assets within the European Union: [Blockchain and the future of digital assets](#).  
[Maximilian Nutz](#)

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For further information, please contact any of the individuals named above, your usual contacts at Schönherr or any member of our [technology & digitalisation group!](#)