**RULES FOR PARTICIPATION OF**

**THE ACADEMY OF ARTS, ARCHITECTURE & DESIGN IN PRAGUE**

**IN LEGAL ENTITIES**

of 25 July 2017

*The Ministry of Education, Youth and Sports registered pursuant to Section 36 (2) of the Act No. 111/1998 Coll., on Higher Education Institutions and on Amendments and Supplements to Some Other Acts (The Higher Education Act) on 25 July 2017 under Ref. No. MSMT-20295/2017 Rules for participation of the Academy of Arts, Architecture & Design in Prague in legal entities.*

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*Mgr. Karolína Gondková*

*Director of the Department of Higher Education Institutions*

*Academic Senate of the Academy of Arts, Architecture & Design in Prague
pursuant to Section 9 (1) (b) point 3 and Section 17 (1) (k) of the Act No. 111/1998 Coll., on Higher Education Institutions and on Amendments and Supplements to Some Other Acts (The Higher Education Act),*

*as amended, adopted this internal regulation of the Academy of Arts, Architecture & Design in Prague:*

**RULES FOR PARTICIPATION OF**

**THE ACADEMY OF ARTS, ARCHITECTURE & DESIGN IN PRAGUE IN LEGAL ENTITIES**

# Article 1

# Opening provisions

1. These Rules for participation of the Academy of Arts, Architecture & Design in Prague in legal entities (hereinafter referred to as ‘‘Rules’’) are issued in accordance with Act No. 111/1998 Coll. on Higher Education Institutions and on Amendments and Supplements to Some Other Acts (The Higher Education Act) and relate to all types of participation of the Academy of Arts, Architecture & Design in Prague (hereinafter referred to as ‘‘UMPRUM’’) in legal entities, unless this participation was established directly by Act.
2. These rules relate in accordance with Article 1 (1), in particular, to
	1. establishment and dissolution of legal entities with the participation of UMPRUM,
	2. the establishment, change and termination of UMPRUM’s participation in legal entities,
	3. UMPRUM’s monetary and non-monetary contributions into legal entities;
	4. transformations[[1]](#footnote-1) of legal entities with the participation of UMPRUM.

(hereinafter jointly referred to as ‘‘Participation in legal entity’’).

# Article 2

**Basic principles of UMPRUM’s participation in legal entities**

1. UMPRUM may participate in a legal entity only if the subject of activity or scope of business of such a legal entity is in accordance with the subject matter of the UMPRUM activity, as defined by the UMPRUM Statutes or generally binding legal regulations.
2. UMPRUM may, in accordance with Section 19 (3) of the Act acquire only securities issued by the State or securities, for which the State has guaranteed repayment, or securities of a business corporation, into which the public higher education institution has contributed assets.
3. As a public higher education institution, UMPRUM is not entitled to become a partner of a general partnership or a general partner to a limited partnership. Furthermore, UMPRUM is not entitled to contribute in a company or cooperative immovable property acquired into the ownership of public higher education institutions from state ownership, provided contribution pursuant to Section 18 (3) of the Act and the subsidy granted pursuant to Section 18 (4) of the Act.
4. All legal proceedings, by which UMPRUM
	1. intends to establish, abolish or transform another legal entity,
	2. make a contribution with monetary or non-monetary subject to a legal entity established or transformed by UMPRUM,
	3. make a contribution with monetary or non-monetary subject to a legal entity of another founder, establisher, partner or shareholder,

are subject to a prior written consent given by the Board of Trustees of UMPRUM. Without the consent of the Board of Trustees of UMPRUM and without notification to the Ministry of Education, Youth and Sports (hereinafter referred to as the ‘‘Ministry’’) this legal acting is invalid.

# Article 3

**Procedure to establish legal entity**

1. Proposal of the intention to establish a legal entity with participation of UMPRUM shall be submitted to the Academic Senate of UMPRUM by the Rector for opinion. The Academic Senate of UMPRUM is obliged to voice an opinion to the Rector’s proposal at its earliest sitting.
2. The proposal to establish legal entity under participation of UMPRUM contains at least:
	1. Name of legal entity,
	2. Registered office of a legal entity,
	3. The scope of business of the legal entity;
	4. Legal entity’s statutory body,
	5. Description of the legal entity’s ownership structure,
	6. Information, whether the voting rights in a legal entity correspond to a contribution or a share in a legal entity or are established differently,
	7. Amount of UMPRUM’s contribution to legal entity,
	8. Stating resources, from which the UMPRUM’s contribution to the legal entity will be paid up and the repayment term,
	9. Designation of the contribution’s administrator,
	10. Draft founding documents of a legal entity (memorandum of association, articles of association, statutes etc.),
	11. Designation of UMPRUM legal representative in the legal entity or method of selection,
	12. Detailed description of the contribution of the establishment of a legal entity to UMPRUM, including an assessment of potential risks (in the form of SWOT or similar analysis),
	13. Business plan of a legal entity.
3. The Rector shall submit the proposal to establish a legal entity with participation of UMPRUM along with the opinion of the Academic Senate to the Board of Trustees of UMPRUM.
4. The Board of Trustees of UMPRUM shall not, in accordance with the law, approve legal proceedings if it is contrary to the requirement of the proper use of UMPRUM assets or if it would jeopardise the performance of UMPRUM’s tasks. The Board of Trustees of UMPRUM is obliged to notify the Ministry of the issue of the previous written consent within seven days of its issue.
5. The procedure referred to in paragraphs 1 to 3 shall apply mutatis mutandis to all forms of UMPRUM participation in legal entities.
6. In the case of monetary or non-monetary contribution to a legal entity, the proposal within the meaning of paragraph 2 shall also contain:
	1. in the case of monetary contribution, its amount and method and time limit for repayment,
	2. in the case of a non-monetary contribution, its detailed description and valuation of the subject matter of the non-monetary contribution by two independent judicial experts or one expert institution.

# Article 4

**Control of legal entities’ economic activities with the participation of UMPRUM**

1. In the case of participation in a legal entity UMPRUM acts in accordance with generally binding legislation as an entity with participation in a legal entity and continuously checks whether the statutory body of the legal entity acts with due professional care and diligence.
2. The Bursar shall, at least once a year, draw up a report on the economic activities of legal entities with participation of UMPRUM. The Bursar submits a report to the Academic Senate of UMPRUM usually by the end of October of the calendar year for the accounting period of the previous calendar year.
3. The economic activities of a legal entity with the participation of UMPRUM is independent of economic activities and accounting of UMPRUM. The statutory body of such a legal entity is responsible for keeping accounts and other obligations laid down by generally binding legislation.

# Article 6

**Final provisions**

(1) These Rules were approved pursuant to Section 9 (1) (b) of the Act by the Academic Senate of the UMPRUM on 26 June 2017.

1. These Rules come into legal force pursuant to Section 36 (4) of the Act on the day of registration by the Ministry.
2. These rules take effect as of 1 September 2017.

# Prof. academic architect Jindřich Smetana, m.p.

Rector

1. Act No. 125/2008 Coll., on Transformations of Commercial Companies and Cooperatives, as amended. [↑](#footnote-ref-1)