

## **AmCham Position on the Draft Cybersecurity Act**

Sent to government On July 11, 2024

The Czech government is scheduled to address the proposed Act on Cybersecurity at its July 10th meeting. Members of the American Chamber of Commerce are concerned that, as currently proposed, the act will increase costs without commensurate improvements in security and will make investing into secure systems less predictable for public authorities and companies providing strategic services for the economy and population. We would request the government delay passage to consider further the consequences of the act on national security and public finance.

The concern arises from two aspects of the bill.

First, the bill delegates a significant part of regulatory authority to decrees issued by the National Cybersecurity Office (NUKIB). While decrees might be necessary to adjust the act for rapid changes in technology, the fact that decrees are easier to modify than a parliamentary act introduces a degree of uncertainty that will impact necessary investment in technology. We would ask the government to consider whether the degree of delegation is necessary.

Second, the bill requires that the public sector and strategic service providers have a plan to enable the provision of these strategic services from within Czech Republic within a set time. For strategic services using multinational information technology networks (particularly the cloud), this would increase the cost of these services by imposing the implementation of a plan that would likely necessitate the purchase of a partial or full infrastructure in the Czech Republic. The costs of this requirement would be borne by Czech citizens either as taxpayers or consumers of private strategic services. We would ask the Czech government 1) to determine if this proposed method of implementing the EU NIS 2 Directive is usual in other member states or exceptional, and, if exceptional, if it is more effective than other solutions, and 2) to calculate whether the additional cost would result in any substantive increase in the cybersecurity of these systems.

The American Chamber of Commerce recognizes the vital importance of cybersecurity to the country's prosperity and overall security. A secure strategic service infrastructure is also an essential factor in increasing investments into an innovative economy. We respectfully ask the government to take more time to consider whether the proposed act increases the regulation beyond the scope outlined in NIS2 as well as the costs to government and economic competitiveness without a commensurate improvement in security.

We are ready to discuss this with you at your convenience.