

**Informational Material for Foreign Natural Persons
Transacting Business in the Czech Republic in Accordance
with the Small Business Act**

**Ministry of Industry and Trade
of the Czech Republic**

Informational Material for Foreign Natural Persons

**Integration of Citizens of Foreign Countries
Project no. 1/2011**

I. Business Activities

II. The Structure and Area of Jurisdiction of the Trades Licensing Offices

Prague - January 2011

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I. Business Activities

I. General Information

The right of each individual to transact business and to carry out a business activity, just as the right to own possessions, is guaranteed by Article No. 26 of the Charter of Fundamental Rights and Freedoms, which forms part of the Constitutional Order of the Czech Republic. Under the terms of this article, every individual has the right to transact business and to carry out other business activities. The conditions and limitations adhering to the performance of specific activities are determined exclusively in accordance with the law.

Act No. 455/1991 Coll., on business activities (Small Business Act), as amended, is the relevant public law that regulates the basic relationship between entrepreneurs and the state and the specific conditions relating to commercial activities in many of the entrepreneurial activities of both legal and natural persons.

The Act defines a business activity as a continuing activity, conducted independently, under an individual's own name and under his/her own responsibility, in order to achieve a profit and in accordance with the conditions stipulated in this Act. Although the main characteristics of this definition are identical to the definition of business activities in the Commercial Code, the application of the Small Business Act is more restricted due to its adherence to the conditions stipulated by the Small Business Act, and it does not cover business activities that are conducted on any other basis than a trade licence. Under the terms of the Small Business Act, every natural person and legal entity, domestic or foreign, who/which meets the conditions stipulated by this Act is defined as an entrepreneur. The trades licensing regulation relates to commercial activities carried out by both natural persons and legal entities. In principle, every activity that meets the attributes defined above and that is not expressly excluded from business activities (see Section 3 of the Small Business Act) is considered to be a trade. Under the terms of the definition referred to above, one-off work activities, a work activity which is not undertaken for the purpose of achieving a profit (here it is the purpose that is important; a profit does not necessarily have to be made) and work carried out on the basis of labour-law relations are not considered to be a trade; a trade is an activity intended for the market and offered on the market to fulfil the needs of others.

The Small Business Act regulates a range of specific responsibilities of the entrepreneur related to his/her business and also regulates in detail official proceedings concerning the declaration of a trade or the application for a licence and the issuance of the trade licence certificate. The Act regulates Trade Inspection Authorities and their performance and imposes penalties for violations of the Act, and deals with other specific issues, such as the administration of Trade Registers, the cooperation between individual state administration bodies in the field of business activities, etc.

The currently valid trades licensing regulation recognises declared trades, for which the right to pursue the trade commences immediately subsequent to notification of the trade to the Trades Licensing Office, and licensed trades, for which the right to pursue the trade commences after a licence has been granted. Declared trades are divided into:

- Free Trades for whose operation only general conditions are stipulated; the Free Trades and the areas of activity covered by these Free Trades are listed in Appendix No. 4 of the Small Business Act,
- Craft Trades, specified in Appendix No. 1 of the Small Business Act, which are specified in accordance with the traditional notion of the craft as a professional activity, carried out in a specific field, and for which a special qualification is required, as defined in Section 21 and the subsequent Section 22, and

- Regulated Trades specified in Appendix No. 2 of the Small Business Act for which a special qualification is required, as defined in Appendix No. 2 of the Small Business Act or which is regulated in accordance with the special legislation defined in this appendix.

Those activities whose operation is the particular subject of legislative authorisation by the competent state administrative body are deemed to be licensed trades, whose characteristics are defined in Appendix No. 3 of the Small Business Act. For a number of licensed trades proof is also required of those professional qualifications defined in Appendix No. 3 of the Small Business Act or which are regulated in accordance with the special legislation defined in this appendix. For certain specified trades other requirements are also imposed on entrepreneurs, such as requiring the demonstrated probity of all persons who perform the said activity for an entrepreneur or additional conditions are specified for carrying out the trade.

An entrepreneur is entitled to declare a trade or to apply for a licence in full or in part. An applicant is obliged to define the parameters of the type of business in the wording of the declaration with sufficient accuracy and explicitness. In the declaration for a free trade the applicant defines the types of activity, which he or she will pursue during his/her business transactions. For free trades, the form of business must be declared in accordance with the names of the types of businesses listed in Appendix No. 4 of the Small Business Act. The types of business for craft trades and licensed trades must be declared in accordance with Appendices Nos. 1 and 2 of the Small Business Act, in full or in part. In an application for a licence, the type of business should be stated in full or in part, in accordance with Appendix No. 3.

The Small Business Act has been drawn-up as a public law norm regulating the basic conditions for business activities. It does not contain any provisions regulating the specific performance of individual activities and assumes that the individual performance of particular activities is regulated by the relevant Special Regulations. An entrepreneur must fulfil all the duties attendant on both the Small Business Act and on the Special Regulations.

The Small Business Act, in the version valid as of the date of compilation of this guide, can be found on the website of the Ministry of Industry and Trade, www.mpo.cz.

II. Foreign Natural Persons

With regard to an individual declaring a trade or applying for a licence, the following section will focus on those foreign natural persons who are natural persons not domiciled within the Czech Republic. For the purposes of the Small Business Act, the domicile of the natural person is the location of his/her permanent address. In accordance with this regulation of the Small Business Act, both a foreigner and a Czech citizen are deemed to be a foreign person if they have no permanent address within the Czech Republic. A foreign natural person who intends to conduct a business must have an enterprise, or its organisational unit, located in the Czech Republic. Those foreign natural persons that select the Czech Republic as their place of business must have their enterprise in the Czech Republic. A foreign natural person may also operate a trade in the Czech Republic through an organisational unit of its enterprise located outside the Czech Republic. A natural person who has been granted asylum or additional protection in accordance with special legal regulations (Act No. 325/1999 Coll., on asylum, as amended) may carry out business activities in the Czech Republic under the same conditions as a citizen of the Czech Republic; the same applies to members of her/his family.

General conditions for a trade operated by foreign natural persons are as follows:

- Reaching the age of 18 years
- Competence to conduct legal activities
- Irreproachable character

Irreproachability is defined as an unblemished record, documented by an entry from the Criminal Register or a similar document. In accordance with the relevant provision, an individual who has been lawfully convicted for a crime that was intentionally committed, in the event that this crime was committed in connection with the conduct of business, or relating to the form of business for which he/she is applying or which he/she is declaring, is not considered an irreproachable person, unless the relevant individual is deemed to have had their sentence absolved.

A foreign natural person documents his/her irreproachable character to the relevant Trades Licensing Office in the event that:

- a) He or she is a citizen of another European Union member state – by an extract from the Criminal Register or an equivalent document issued by the relevant judicial or administrative body of the relevant state or of the member state of his/her most recent previous place of residence. In the event that the Czech Republic is this member state of most recent previous place of residence, this is acted on in accordance with Section 6, paragraph 3, sentence 2, which means that a Trades Licensing Office is entitled to require an extract from the Criminal Register in accordance with Act No. 269/1994 Coll., on the Criminal Register, as amended. In the event that the relevant state does not issue extracts from their Criminal Register or any equivalent document, the relevant natural person presents a declaration of irreproachable character in accordance with Section 6, paragraph 1 (c) of the Small Business Act, made before a notary public or before an authority of the member state which was the last residence of the relevant person. These documents must not be older than 3 months; a document relevant to this issue may be substituted by a specialised qualification certificate, in the event that this certificate also documents that the definition of irreproachable character has been met;

- b) He or she is a citizen of another state than those mentioned in paragraph (a) – by an extract from the Criminal Register or the relevant documents issued by the state of which the relevant natural person is a citizen. In the event that the relevant state does not issue extracts from the Criminal Register or any equivalent document, the relevant natural person presents a declaration of irreproachable character made before a notary public or in front of an authority of the member state which was the last residence of the relevant person. These documents must not be older than 3 months.

A foreign natural person who intends to operate a trade in the Czech Republic and who is required to have a residence permit for the Czech Republic in accordance with Act No. 326/1999 Coll., on the residence of foreigners in the Czech Republic, as amended, must, when declaring a trade or applying for a licence, present a certificate granting of a visa for a stay longer than 90 days or a long-term residence permit. The obligation to present this document does not apply to a foreign natural person who intends to operate a trade in the Czech Republic by means of an organisational unit of his/her enterprise. A foreign natural person who is a citizen of an European Union member state or of another state covered by the European Economic Area Treaty or of the Swiss Confederation does not need to present his/her residence permit to the Trades Licensing Office when declaring a trade or applying for a licence; if he or she intends to reside in the Czech Republic temporarily for a period longer than 3 months, the relevant administrative bodies issue, on his/her request, a certificate of temporary residence in the Czech Republic.

Apart from the general conditions, special conditions for conducting a trade must be met in the case of a craft trade, a regulated trade and the majority of licensed trades. These special conditions include professional or other qualification(s), in the event that they are required by the Small Business Act or in accordance with special regulations. Whoever intends to transact business as a natural person, but does not meet the special conditions for operating a trade, can, alternatively, satisfy these conditions by appointing a responsible representative. A responsible representative is a natural person, appointed by an entrepreneur, who is responsible for the proper operation of the trade and adherence to the Trades Licensing regulations and who is in a contractual relationship with the entrepreneur. No one may be appointed a responsible representative for more than four entrepreneurs. A responsible representative must meet all the conditions for operating a trade, i.e. he or she must be at least 18, competent to perform legal acts and of an irreproachable character and must also meet the special conditions for operating a business. In the event that the responsible representative is a citizen of an European Union member state, he or she submits for the assessment of his/her irreproachability an extract from the Criminal Register or an equivalent document, issued by the relevant judicial or administrative body of this state or of the member state of his/her most recent previous place of residence; in the event that the Czech Republic is this member state of most recent previous place of residence, the provisions of Section 6, paragraph 3 (2) are followed, which means that a Trades Licensing Office is entitled to require an extract from the Criminal Register in accordance with Act No. 269/1994 Coll., on the Criminal Register, as amended. In the event that the relevant state does not issue extracts from the Criminal Register or any equivalent document, the relevant natural person presents a declaration of irreproachable character made before a notary public or before an authority of the member state which was the most recent residence of the relevant person. These documents must be not be more than 3 months old.

It is possible to declare a trade or apply for a licence personally at every competent Trades Licensing Office – central registration point (CRP), or to write to this office by mail or electronically (with a certified electronic signature). Additionally it is possible to apply in person through a public administration contact point (Czech POINT).

Certificates of education issued outside the Czech Republic must be accompanied by a validation clause, in accordance with a special legal regulation, and documentation of university education must also be accompanied by a certificate of recognition in accordance with special legal regulations. The issuance of recognition of professional qualifications acquired outside the Czech Republic is regulated in the Czech Republic by a Decree of the Ministry of Education, Youth and Sports of the Czech Republic No. 12/2005 Coll., on the conditions for recognising the equivalency of validating reports issued by foreign schools; the Act also regulates the validation of specialised education certificates of a lower level than the graduation certificate. The recognition of university education which took place and qualifications which were granted outside the Czech Republic is regulated by Act No. 111/1998, Coll., on universities and on changes and amendments to other Acts (Universities Act), as amended.

If the duty to present a document proving certain facts arises within the law, this requires the presentation of the relevant document, including its translation into the Czech language by an interpreter listed in the register of experts and interpreters, unless the document was issued in the Czech language. The authenticity of the signature and/or the seal on the originals of submitted documents issued outside the Czech Republic must be verified. The verification of documents (super-legalisation) is not necessary when bilateral international treaties on legal assistance exist (including a treaty concluded between the CR and SR under no. 209/1993 Coll.) and under the Hague Treaty on cancelling the requirement for verifying foreign public documents stipulated in the Collection of Acts No. 45/1999 Coll. In accordance with the Hague Treaty, the relevant documents are verified only by issuance of an apostille in the state where the document was issued. Depending on the particular state, verification may involve a super-legalisation document, an apostille or a document issued by a specific body of a foreign state. The requirement of translation into the Czech language by an interpreter recorded in the register of experts and interpreters and the requirement of verifying a signature and/or the seal authenticity does not apply to documents presented by citizens of European Union member states, the European Economic Area member states and Switzerland, unless doubts exist concerning the accuracy of the translation or the authenticity of a signature or a seal.

In the case of foreign natural persons – citizens of a European Union member state (which also means citizens of another signatory state of the Agreement on the European Economic Area or citizens of the Swiss Confederation, including their family members, and citizens of third countries who have been granted permanent residence by a Member State, including their family members who have been granted long-term residence on the territory of the Czech Republic – see Section 70 of the Small Business Act), the trade licence for a declared trade becomes valid through its declaration. A trade licence for licensed trades becomes valid on the date when a decision on the granting of a licence comes into legal effect.

In the case of foreign natural persons with a permanent address in states other than those of the European Union, the European Economic Area or Switzerland, a trade licence becomes valid provided that compliance with all the requirements can be demonstrated, including residence requirements; the trade licence for a declared trade becomes valid through its declaration and for licensed trades on the date when a decision on the granting of a licence comes into legal effect. If they fail to provide proof of compliance with the requirements for a residence permit, the trade licence becomes valid on the date a document attesting to the issuance of a long-term visa or a long-term residence permit is submitted to the Trades Licensing Office at which the trade was declared (or an application for a licence was

submitted), provided this residence permit is submitted within 3 working days from the date on which its place of residence on the territory of the Czech Republic was declared (Section 93 of Act No. 326/1999 Coll. on residence of foreign nationals in the Czech Republic and on amendments to certain Acts, as amended) and also within 6 months from the date on which a certificate was issued for the purposes of completing the residence permit procedures.

A trade licence cannot be transferred to another person. A different person can execute a trade licence if this is stipulated by the law.

An entrepreneur verifies the validity of his/her trade licence by the certificate of the Trade Register, which has requisites either in accordance with Section 60 paragraph 4 (a) of the Small Business Act – a certificate with data which has earlier been recorded on a trade certificate or on a trade licence, or in accordance with Section 60 paragraph 4 (b) – a full certificate comprising all the data entered in the Trades Register except for private data (i.e. birth number; in the event no birth number has been allocated then the date of birth and the sanctions imposed), or in accordance with Section 60 paragraph 4 (c) – partial certification with data provided in the scope required, except for private data. The scope required is interpreted in accordance with the definition of the trades transacted by the entrepreneur (additionally, e.g., location of premises). A certificate pursuant to Section 60 paragraph 4 (a) can only be issued by the Trades Licensing Office; in addition to the Trades Licensing Office, a partial or complete certificate can also be issued by a public administration contact point–Czech POINT.

A trade can be operated in more places of business, based on the certificate of a trade licence, provided that the entrepreneur has the right of use or a proprietary right to these locations.

When declaring a trade or applying for a licence at the relevant Trades Licensing Office natural persons may also

- a) File an application for tax registration or the applicable declaration (Section 125 of Act No. 280/2009 Coll., the Tax Code);
- b) Report the commencement of self-employment (Sections 48 and 48d, of Act No. 582/1991 Coll., on the organisation and execution of social security, as amended);
- c) File an application for pension insurance (Sections 48a and 48d of Act No. 582/1991 Coll., as amended);
- d) File an application for sickness insurance (Sections 11 and 91a of Act No. 187/2006 Coll., on sickness insurance, as amended).
- e) Report an open or filled vacancy (Section 35 of Act No. 435/2004 Coll., on employment, as amended.),
- f) File a notification in accordance with the Act on public health insurance (Section 10 of Act No. 48/1997 Coll., on public health insurance and on changes and amendments to certain acts, as amended.)

A brief description of the procedures for declaring a trade or submitting an application for a licence by a foreign natural person who is a citizen of a European Union or EEA member state or a citizen of Switzerland (Attachment No. 1) and by a foreign natural person who is not a citizen of a European Union or EEA member state or a citizen of Switzerland (Attachment No. 2) are included in attachment to this material for further information.

**Submission of a declaration of a trade and an application for a licence by a physical person with no permanent address within the Czech Republic
(Foreign natural person – a citizen of a European Union or EEA member state or a citizen of Switzerland)**

In accordance with Section 2 of the Small Business Act a trade is a continuing activity carried out independently, under the name of an individual, based on that individual's responsibility, in order to achieve a profit and under the conditions stipulated in the Small Business Act. No special conditions (i.e. professional qualifications) are prescribed for free trades and entrepreneurs are required only to meet the general conditions for operating a trade. In the case of craft trades entrepreneurs must meet the conditions for professional qualification, in addition to the general conditions for operating a trade. (Craft trades are listed in Appendix No. 1 to the Small Business Act.) In the case of regulated trades, entrepreneurs must satisfy the conditions relating to professional qualifications, as regulated by Appendix No. 2 to the Small Business Act or as prescribed by the specific laws defined in this appendix, in addition to the general conditions for carrying out a trade. (Regulated trades are listed in Appendix No. 2 to the Small Business Act.) In the case of licensed trades, in addition to the general conditions for operating a trade, entrepreneurs must also meet additional specified conditions, i.e. professional competence, regulated for licensed trades by special regulations stipulated in Appendix No. 3 to the Small Business Act or determined by special laws defined in this Appendix.

Who can declare a trade or submit an application for a licence?

A natural person, who does not have a permanent address within the Czech Republic (“a foreign natural person”) can operate a trade in the Czech Republic under the same conditions and to the same extent as a Czech citizen, unless the Small Business Act or a specific Act stipulate otherwise. In accordance with Section 5 paragraph 5 of the Small Business Act, a foreign natural person who is a citizen of an European Union member state or a citizen of a member state covered by the European Economic Area Treaty or of the Swiss Confederation is not required to present a residence permit for the Czech Republic to the Trades Licensing Office when declaring a trade or applying for a licence.

What are the conditions for operating a trade?

The general conditions for operating a trade by natural persons are as follows:

- Minimum age of 18 years.
- Competence to conduct legal activities.
- Irreproachable character

Proof of professional competence is not a condition for operating a free trade. Operating a free trade is conditional on declaring a trade. Operating a craft, regulated or licensed trade is

additionally conditional on meeting the specific regulations for operating that trade, which are, for example, professional or other special competence.

Professional competence for operating craft trades is demonstrated by documentation of:

- Due completion of secondary education with a vocational certificate in the relevant field of education,
- Due completion of secondary education with a graduation examination in the relevant field of education or with special training in subjects in the relevant field,
- Due completion of advanced specialised education in the relevant field of education,
- Due completion of university education in the relevant field of study programmes and study areas,
- The recognition of professional qualifications, issued by a certification body (Ministry of Industry and Trade) in accordance with the Act on the recognition of professional qualifications,
- The authentication or acknowledgement of complete qualification achieved in the relevant field in accordance with the Act on verification and recognition of the results of further education.

A citizen of the Czech Republic or of other European Union Member States (including citizens of other Member States covered by the European Economic Area Treaty and citizens of Switzerland, their family members, individuals with the long-term residency status and their family members to whom long-term residence in the Czech Republic has been permitted) can also demonstrate his/her professional competence for trades listed in Appendix No. 1 of the Small Business Act by relevant documents in accordance with the Section 21, paragraph 2 of the Act, which verifies that he or she has carried out the relevant activity in another member state of the European Union.

Certificates of professional competence (as stated above for trade) may be substituted based on documentation demonstrating:

- Due completion of secondary education with vocational certificate in a related field of education and a certificate of one years experience in that field,
- Due completion of secondary education with a graduation examination in a related field of education and a certificate of one years experience in the field or a related field,
- Due completion of advanced specialised education in a related field of education and a certificate of one years experience in that field,
- Due completion of university education in relevant related fields of study programs and courses of study,
- Due completion of retraining for the relevant work activity, issued by a facility accredited in accordance with special legislation or facility accredited by the Ministry of Education, Youth and Sports, or by a Ministry, under whose jurisdiction the sector in which the business is operated falls, and a certificate of one years experience in the field,
- Evidence of six years practice in the field.

Professional competence for regulated trades is defined in Appendix No. 2 of the Small Business Act or regulated by specific legal regulations described in this Appendix. Citizens of

the Czech Republic or of other member states of the European Union (including citizens of other member states covered by the European Economic Area Treaty and citizens of Switzerland, their family members, individuals with long-term residency status and their family members to whom long-term residence in the Czech republic has been granted) can verify their professional qualifications using the document regarding the recognition of professional qualifications issued by the certification body (Ministry of Industry and Trade) in accordance with the Act on the recognition of professional skills.

Professional competencies for licensed trades are stipulated in Appendix No. 3 of the Small Business Act or regulated by special legal regulations defined in this Appendix. Citizens of the Czech Republic or another member state of the European Union (including citizens of other member states covered by the European Economic Area Treaty and citizens of Switzerland, their family members, individuals with status of long-term resident and their family members to whom long-term residence in the Czech republic has been granted) can verify their professional qualifications using the document regarding the recognition of professional qualifications issued by the certification body (Ministry of Industry and Trade) in accordance with the Act on the recognition of professional skills. The Trades Licensing Office stipulates or amends conditions for conducting a trade, in accordance with the Small Business Act or in accordance with special legal regulations.

How do I declare a trade or apply for a licence?

A declaration or an application for a licence may be submitted in person at any local Trades Licensing Office – central registration point (CRP) or sent to this authority by mail or by e-mail (with a verified electronic signature or to the office's electronic mailboxes). Additionally it is possible to submit a declaration (application) through a public administration contact point (Czech POINT).

To which Trades Licensing Office should a declaration or an application for a licence be submitted?

A declaration or an application for a licence can be submitted at any local Trades Licensing Office in the Czech Republic or through a public administration contact point (Czech POINT).

Which documents should be submitted to the Trades Licensing Office when declaring a trade or applying for a licence?

- A declaration of a trade or an application for a licensed trade (completed in advance or directly at the Trades Licensing Office).
- An extract from the Criminal Register, or an equivalent document issued by the relevant judicial or state body of a state of which the natural person is a citizen, or the member state of the most recent place of residence (in the event that the most recent place of residence is the Czech Republic, the Trades Licensing Office itself requests an extract from the Criminal Register). If the relevant state does not issue this type of a document, the natural person submits a declaration of irreproachable character, made before a notary public or an administrative body of a member state of which he/she is a citizen, or before a notary public or an administrative body of the member state of the most recent previous place of residence (not more than 3 months old). This

document may be substituted by a certificate of professional qualification, in accordance with the Act on the recognition of professional qualifications, provided this demonstrates that the condition of irreproachable character has been satisfied.

- In the event that a responsible representative is appointed, if the responsible representative is a citizen of an European Union member state or a citizen of a member state covered by the European Economic Area Treaty or the Swiss Confederation, his/her family members, an individual with long-term residency status and his/her family members to whom long-term residence in the Czech Republic has been granted, he/she will submit an extract from the Criminal Register or an equivalent document issued by the relevant judicial or state body of this state or the member state of the most recent place of residence; in the event that member state of the most recent place of residence is the Czech Republic, the Trades Licensing Office itself requests an extract from the Criminal Register. These documents may not be more than 3 months old. If the state does not issue this type of a document, the natural person submits a declaration of irreproachable character, made before a notary public or an administrative body of a member state of which he/she is a citizen, or before a notary public or an administrative body of the member state of the most recent previous place of residence (not more than 3 months old). This document may be substituted by a certificate of professional qualification, in accordance with the Act on the recognition of professional qualifications, provided this demonstrates that the condition of irreproachable character has been satisfied.
- A declaration by a responsible representative (if a representative is appointed) accepting the appointment; the signature attached to this statutory declaration must be officially attested, unless the responsible representative signs the declaration in person at the Trades Licensing Office.
- A document supporting the professional qualifications of the entrepreneur or of his responsible representative. This does not concern declared free trades.
- A certificate of the legal basis for the use of the premises stated by the natural person as the place of business (if the applicant intends to establish an organisational unit of the enterprise, the same documents must also be submitted for the organisational unit).
- If an organisational unit of the enterprise is established in the Czech Republic, a document proving that the applicant has an enterprise outside the Czech Republic must also be submitted.
- Receipt for the payment of the administration fee.
- If the Trades Licensing Office has no doubts concerning the accuracy of the translation or of the authenticity of a signature or a seal, the documents presented, if not issued in Czech, do not need to be officially translated into Czech (i.e. by a translator listed in the register of experts and interpreters) and neither does the authenticity of the signature or seal on the documents need to be verified.

The required forms and where they may be obtained:

The form required is the "Unified Registration Form for Natural Persons" (JRF), which permits individuals to submit documents for other authorities at any Trades Licensing Office, including the Revenue Authority, the Social Security Administration, a health insurance company and the Labour Office. This form may be obtained from any Trades Licensing

Office - central registration point (CRP), or it is freely available from the website of the Ministry of Industry and Trade at www.mpo.cz.

The following details should be included in trade declaration or licence application forms for natural persons:

- Name and surname, and possibly also the commercial company, if it has already been recorded in the Commercial Register.
- Citizenship.
- Birth number, if one has been assigned.
- Date of birth.
- Permanent address outside the Czech Republic, place of residence in the Czech Republic (if a residence permit has been granted), name and location of the organisational unit of the enterprise in the Czech Republic (name of the town, town district, street name, description and reference number, and, if applicable, post code) and details concerning the head of the organisational unit of the enterprise (name and surname, citizenship, place of residence, birth number, if one has been allocated, date of birth).
- If the trade is operated through a responsible representative, details relating to this person are given (name and surname, citizenship, place of residence, birth number, if one has been allocated, date of birth, place of birth and family name).
- Subject of the enterprise. In the case of free trades – the subject of the enterprise, indicating the fields of business activities which will be undertaken, in accordance with Appendix No. 4. In the event of craft trades – the subject of the enterprise in accordance with Appendix No. 1, in full or in part. For regulated trades – the subject of the enterprise, stated in accordance with Appendix No. 2, in full or in part. In the case of licensed trades - subjects of enterprise, referred to in full or in part, in accordance with Appendix No. 3 of the Small Business Act.
- Place of business (name of the town, town district, street name, description and reference number and, if one has been allocated, the post code).
- Identification number, if this number has been allocated.
- Business premise or premises where trading operations will commence, immediately after the issuance of a trade licence, except for mobile premises and automats.
- The entrepreneur can also include information needed for submission to the other authorities listed above in the Unified Registration Form.

The basic administrative fees and how they may be paid:

- 1,000 CZK for declaring a trade when commencing business operations.
- 500 CZK for every subsequent declaration of a trade, regardless of whether one or more trades are declared at the same time.
- 1,000 CZK for the acceptance of the application for a licence when commencing business operations.
- 500 CZK for acceptance of every subsequent licence application.

The fee is collected only once, if more trades are declared at the same time or if a trade is declared and an application for a licence is submitted at the same time. It is possible to pay the fee in cash at the Trades Licensing Office or via a postal payment or through a bank transfer.

- 50 CZK for acceptance of a submission by a contact point, in the event that the submission has been conducted via a public administration contact point (in addition to the above mentioned administrative fee).

What are the deadlines for registering on the Trades Register:

The Trades Licensing Office is obliged to make an entry in the Trades Register within 5 days of receipt of a declaration and to provide an extract to the entrepreneur provided the applicant complies with the conditions stipulated in the legislation.

The Trades Licensing Office decides on the granting of a licence within 30 days of receipt of the application, provided all requirements have been met. The Trades Licensing Office makes an entry in the Trades Register and issues an extract of the licence deed to the entrepreneur within 5 days of the legal validity of the decision to grant the licence.

The following electronic service is available for your use:

Contacts to the Trades Licensing Offices in the City of Prague and in individual regions of the Czech Republic are available on the server <http://portal.gov.cz/>, link – Directory (divided according to regions).

The procedure is carried out in accordance with the following legal regulation:

Act No. 455/1991 Coll., on business activities (Small Business Act), as amended.

What are the other related regulations:

The Small Business Act is closely associated with the following Acts and legal regulations:

- Act No. 513/1991 Coll., the Commercial Code, as amended;
- Act No. 40/1964 Coll., the Civil Code, as amended;
- Act No. 552/1991 Coll., on State Supervision, as amended;
- Act No. 40/2009 Coll., the Penal Code, as amended;
- Act No. 200/1990 Coll., on Misdemeanours, as amended;
- Act No. 500/2004 Coll., the Administrative Procedure Code, as amended;
- Act No. 634/2004 Coll., on Administrative Fees, as amended;
- Act No. 280/2009 Coll., the Tax Code;
- Act No. 589/1992 Coll., on Social Security and Contributions to the State Employment Policy, as amended;
- Act No. 586/1992 Coll., on Income Tax, as amended;

- Act No. 18/2004 Coll., on recognising qualifications and other competences of citizens of EU member states and on changes to certain acts (Recognising Qualifications Act), as amended;
- Act No. 435/2004 Coll., on Employment, as amended;
- Act No. 182/2006 Coll., on bankruptcy and methods of its resolution (Insolvency Act), as amended;
- Act No. 179/2006 Coll., on verification and recognition of further education results and on amendments to certain Acts, as amended;
- Act No. 365/2000 Coll., on public administration information systems, as amended;
- Act No. 300/2008 Coll., on electronic acts and authorised conversion of documents, as amended;
- Act No. 326/1999 Coll., on residence of foreign nationals in the Czech Republic and on amendments to certain Acts, as amended;
- A range of other legal regulations of a technical character, dependent on the relevant business activity.

Procedure of the Trades Licensing Office after the declaration of a trade or after an application for a licence has been submitted:

In the case where a trade is being declared it is stipulated that if a declaration does not include all the required particulars, the Trades Licensing Office will request that the entrepreneur correct the deficiencies within 5 days from the date of the declaration of the trade. In the request, the Trades Licensing Office specifies a reasonable time limit for correction of these faults, with a maximum duration of 15 days. The deadline for entry into the Trades Register is not operative during the period specified in the request. If justifiable reasons persist, the Trades Licensing Office may prolong the deadline repeatedly at the entrepreneur's request. If the entrepreneur corrects the detected deficiencies within the set or the prolonged time limit, the declaration is deemed correct from its initiation. If the entrepreneur fails to correct the detected deficiencies within the set or prolonged time limit, the Trades Licensing Office commences proceedings and decides that the trade licence did not originate from the declaration. If the applicant corrects the faults prior to the issuance of that decision and the Trades Licensing Office concludes that all the conditions for granting a trade licence have been met, the Trades Licensing Office terminates the proceedings by making an entry in the Trades Register and issuing a trade licence.

If the Trades Licensing Office concludes that an application for a licence does not include all the required particulars, the Trades Licensing Office requests that the entrepreneur correct the deficiencies within 30 days of receiving the application. If justifiable reasons exist, the Trades Licensing Office may, at the entrepreneur's written request, prolong the deadline, and may do so repeatedly. The time limit for issuing a decision on granting a licence is not operative during the period specified in the request. If the entrepreneur corrects the detected deficiencies within the set or prolonged time limit, the Trades Licensing Office commences processing the application. If the entrepreneur fails to correct the deficiencies within the time limit, the Trades Licensing Office discontinues the proceedings.

If you desire more information about this subject please contact:

Your local Trades Licensing Office – central registration point (CRP) directly, or their website.

Related procedures, guidelines for addressing these procedures and other documents:

See the commercial activities guide (life situations) at www.mpo.cz.

The entity responsible for the accuracy of the guidelines:

Matters related to trades licences fall within the scope of the Trades Department of the Ministry of Industry and Trade of the CR

tel. +420 224 85 2665

These guidelines have been drafted in accordance with the legislation valid to:

1st January 2011

These guidelines were most recently updated and their accuracy was verified as of:

1st January 2011

The validity of these guidelines

Alterations to and expiration of the validity of these guidelines are contingent upon the legally adopted regulations relating to small businesses.

**Submitting a declaration of a trade and an application for a licence by a natural person who has no permanent address within the Czech Republic
(Foreign natural person who is not a citizen of a European Union nation nor of an EEA member state nor a citizen of Switzerland)**

According to Section 2 of the Small Business Act, a trade is a continuing activity carried out independently, under an individual's own name, at his/her own responsibility, to achieve a profit, and subject to the conditions specified by the Small Business Act. No special conditions (i.e. professional qualifications) are prescribed in the case of free trades, and entrepreneurs need only to meet the general conditions for operating a trade. In the case of craft trades, entrepreneurs must meet the conditions for professional qualification, in addition to the general conditions for operating a trade. (Craft trades are listed in Appendix No. 1 to the Small Business Act.) In the case of regulated trades, entrepreneurs must meet the conditions for professional qualification, as regulated by Appendix No. 2 to the Small Business Act or as prescribed by the special laws defined in this appendix, in addition to the general conditions for operating a trade. (Regulated trades are listed in Appendix No. 2 to the Small Business Act.) In the case of licensed trades, in addition to the general conditions for operating a trade, entrepreneurs must meet the special conditions for operating a trade, i.e. professional competence, as regulated for licensed trades by the special regulations stipulated in Appendix No. 3 to the Small Business Act or as determined by the special laws defined in this appendix. The state's permission to operate a trade (hereinafter a "licence") is required only in such cases as are determined according to the Small Business Act.

Who can declare a trade or submit an application for a licence?

A natural person who has no permanent address within the Czech Republic ("a foreign natural person") may operate a trade in the Czech Republic under the same conditions and to the same extent as a Czech citizen, unless the Small Business Act or a special act stipulate otherwise. A foreign natural person which intends to operate a business in the Czech republic and who is not a citizen of a European Union member state or a citizen of a member state included in the European Economic Area Treaty or the Swiss Confederation, must, for this purpose have a residence permit for the Czech Republic, with the exception that he/she intends to operate the business in the Czech Republic through an organisational unit of the company. A natural person who obtains asylum in the Czech Republic, in accordance with special regulations, can operate a business under the same conditions as a citizen of the Czech Republic with a permanent address in the Czech Republic.

What are the conditions for operating a trade?

The general conditions for operating a trade by natural persons are as follows:

- Minimum age of 18 years.
- Competence to undertake legal acts.

- Irreproachable character.

Proof of professional competence is not a requirement for operating a free trade. Operating a free trade is conditional on declaring a trade. Operating a craft, regulated or licensed trade is, in addition, conditional on meeting the special regulations for operating a trade, which are, for example, professional or other special competencies.

Professional competence for operating craft trades is demonstrated by a document proving:

- Due completion of secondary school, with a vocational certificate in a relevant area of education,
- Due completion of secondary school with a graduation examination in relevant area of education or with special training in subjects in the relevant field,
- Due completion of advanced specialised studies in the relevant area of education,
- Due completion of university education in relevant related fields of study programmes and courses of study,
- Authentication or recognition of a completed qualification, achieved in a relevant field, in accordance with the Act on the verification and recognition of the results of further education.

Certificates of professional competence (as stated above for craft trade) may be substituted by documents concerning:

- Due completion of secondary education with vocational certificate in a related field of education and a certificate of one years experience in that field,
- Due completion of secondary education with a graduation examination in a related field of education and a certificate of one years experience in that field,
- Due completion of advanced specialised education in a related field of education and a certificate of one years experience in that field,
- Due completion of university education in relevant related fields of study programs and courses of study,
- Due completion of retraining for the relevant work activity, issued by a facility accredited in accordance with special legislation or facility accredited by the Ministry of Education, Youth and Sports, or by a Ministry, under whose jurisdiction the sector in which the business is operated falls, and a certificate of one years experience in the field,
- Evidence of six years practice in the field.

Professional competence for regulated trades is stipulated in Appendix No. 2 of the Small Business Act or governed by the special legal regulations described in this Appendix. Members of families of citizens of the member states of the European Union and of other member states covered by the European Economic Area Treaty and citizens of Switzerland, individuals with the status of long-term resident and their family members to whom long-term residence in the Czech Republic has been permitted, can prove their professional qualification with a document concerning the recognition of a professional qualification issued by a

certification body (Ministry of Industry and Trade) in accordance with the Act on the recognition of professional competence.

Professional competence for licensed trades is regulated by special legal regulations listed in Appendix No. 3 of the Small Business Act or stipulated in this Appendix. The Trades Licensing Office stipulates or amends the conditions imposed on the entrepreneur for conducting a trade in accordance with the Small Business Act or in accordance with special legal regulations. Members of families of citizens of the member states of the European Union and of other member states covered by the European Economic Area Treaty and citizens of Switzerland, individuals with the status of long-term resident and their family members to whom long-term residence in the Czech Republic has been permitted, can prove their professional qualification with a document recognising the professional qualification issued by a certification body (Ministry of Industry and Trade) in accordance with the Act on the recognition of professional competence.

How do I declare a trade or apply for a licence?

A declaration may be submitted in person at any local Trades Licensing Office – central registration point (CRP) or sent to this authority by mail or by e-mail (with a verified electronic signature or to the office's electronic mailboxes). It is also possible to submit a declaration (application) through a public administration contact point (Czech POINT).

To which Trades Licensing Office should a declaration or an application for a licence be submitted?

A declaration can be submitted at any local Trades Licensing Office in the Czech Republic or through a public administration contact point (Czech POINT).

Which documents should the declarer or applicant submit to the Trades Licensing Office when declaring a trade or applying for a licence?

- A declaration of a trade or application for a licensed trade (completed in advance or directly at the Trades Licensing Office).
- An extract from the Criminal Register or an equivalent document issued by the state of which the natural person is a citizen. If the relevant state does not issue extracts from the Criminal Register or an equivalent document, the declarer submits a declaration of irreproachable character, made before a notary public or an administrative body of a member state of which he/she is a citizen, or before a notary public or an administrative body of the member state of the most recent previous place of residence. These documents must not be more than 3 months old. In the case of a family member of a citizen of an European Union member state or a citizen of a member state covered by the European Economic Area Treaty or the Swiss Confederation, an individual with the status of a long-term resident and his/her family members to whom long-term residence in the Czech Republic has been granted, an extract from the Criminal Register or an equivalent document issued by the relevant judicial or administrative body of the state of which he is a citizen, or the member state of the most recent previous place of residence (in the event that the most recent

previous place of residence is the Czech Republic, the Trades Licensing Office itself requests an extract from the Criminal Register). If the relevant state does not issue this type of a document, the natural person submits a declaration of irreproachable character made before a notary public or a body of the relevant member state of which he/she is a citizen, or before a notary public or a body of the member state of the most recent previous place of residence (not more than 3 months old).

- If a responsible representative is appointed, who is a citizen of a European Union member state or a citizen of a member state covered by the European Economic Area Treaty or the Swiss Confederation, his/her family members, an individual with long-term residency status and his/her family members to whom long-term residence in the Czech Republic has been granted, she/he submits an extract from the Criminal Register or an equivalent document issued by the relevant judicial or administrative body of this state or a member state of the most recent previous place of residence; in the event that the most recent previous place of residence is the Czech Republic, the Trades Licensing Office itself requests an extract from the Criminal Register. These documents must not be more than 3 months old. If the relevant state does not issue this type of a document, the natural person submits a declaration of irreproachable character made before a notary public or a body of the relevant member state of which he/she is a citizen, or before a notary public or a body of the member state of the most recent previous place of residence (not more than 3 months old). This document may be substituted by a certificate of professional qualification, provided this also demonstrates that the condition of irreproachable character has been satisfied. If the responsible representative is a citizen of a state other than those listed above, the Trades Licensing Office itself requests an extract from the Criminal Register.
- A declaration by the responsible representative (if a representative is appointed) accepting the appointment; the signature attached to this statutory declaration must be officially attested, unless the responsible representative signs the declaration in person at the Trades Licensing Office.
- A document proving the professional qualification of the entrepreneur or of his responsible representative. This does not concern free trades.
- A certificate of the legal basis for the use of the premises stated by the natural person as the place of business (if the applicant intends to establish an organisational unit of the enterprise, the same documents must be submitted for the organisational unit).
- If an organisational unit of an enterprise is established in the Czech Republic, a document proving that the applicant has an enterprise outside the Czech Republic must also be submitted in addition to documents concerning its operation.
- Certificate of payment of the administrative fee.
- Proof of a residence permit in the Czech Republic in accordance with Section 5, paragraph 5 of the Small Business Act.
- All documents, which have not been issued in the Czech language, must be submitted together with their official translation (this does not apply for documents in the Slovak language). The authenticity of the signature or seal on the document must be verified.

The forms required and where they can be obtained:

The “Unified Registration Form for Natural persons“ (URF), which allows individuals to file documents for other relevant authorities at any Trades Licensing Office, including the Revenue Authority, the Social Security Administration, health insurance company and Labour Office. This form can be obtained from any Trades Licensing Office – central registration point (CRP) or it is freely available on the web pages of the Ministry of Industry and Trade at www.mpo.cz.

Natural persons state the following details on the declaration of trade or application for licence forms:

- Name and surname, possibly also the commercial company if it has already been recorded in the Commercial Register.
- Citizenship.
- Birth number, if one has been allocated.
- Date of birth.
- Permanent address outside the Czech Republic, place of residence in the Czech Republic (if a residence permit has been granted), name and location of the organisational unit of the enterprise in the Czech Republic (name of the town, district of the town, street name, description and reference number, if applicable, post code) and details concerning the head of the organisational unit of the enterprise (name and surname, citizenship, place of residence, birth number, if allocated, date of birth).
- If the trade is operated through a responsible representative, details concerning this person are stated (name and surname, citizenship, place of residence, birth number, if allocated, date of birth, place of birth and maiden name).
- Subject of the enterprise. In the case of free trades – the subject of the enterprise indicating the fields of business activity which will be transacted, in accordance with Appendix No. 4. In the event of craft trades – the subject of the enterprise in accordance with Appendix No. 1, in full or in part. For regulated trades – the subject of the enterprise stated in accordance with Appendix No. 2, in full or in part. In the event of licensed trades – the subject of the enterprise, referred to in full or in part, in accordance with Appendix No. 3 of the Small Business Act.
- Place of business (name of the town, district of the town, street name, description and reference number, if applicable, post code).
- Identification number, if this number has been allocated.
- Business premise or premises where the trade operation will commence immediately after the origination of a trade licence, except for mobile premises and automats.
- Period of the licensed residence.

The entrepreneur can also include information needed for submission to the other authorities listed above in the Unified Registration Form.

The basic administrative fees and how they may be paid:

- 1,000 CZK for declaring a trade for the purpose of commencement of business operation.
- 500 CZK for every subsequent declaration of a trade regardless of whether one or more trades is (are) declared at the same time.
- 1,000 CZK for acceptance of the application for a licence for the purpose of commencement of business operation.
- 500 CZK for acceptance of every subsequent application for a licence, regardless of whether this is for one or several concurrent trades.

The fee is collected only once, regardless of whether more trades are declared at the same time or whether a trade is declared and an application for a licence is submitted at the same time. It is possible to pay the fee in cash at the Trades Licensing Office or via a postal payment or through a bank transfer.

- 50 CZK for acceptance of the submission by a contact point, in the event that the submission has been carried out through a public administration contact point (in addition to the above mentioned administrative fee).

What are the time factors for registering on the Trades Register

The Trades Licensing Office is obliged to make an entry to the Trades Register within 5 days from receiving a declaration and to issue an extract for the entrepreneur, providing the entrepreneur meets the conditions determined by law. For foreign entities which have demonstrated compliance with all the requirements, with the exception of the requirement for a residence permit, the Trades Licensing Office issues an extract for the purposes of completing the residence permit procedures. For these entities the business licence originates on the date a document attesting to the issuance of a long-term visa or a long-term residence permit is submitted to the Trades Licensing Office at which the trade was declared, provided this foreign entity has submitted a residence permit within 3 working days from the date on which its place of residence on the territory of the Czech Republic was declared (Section 93 of the Act on residence of foreign nationals).

The Trades Licensing Office decides on the granting of a licence within 30 days of receipt of the application by the local Trades Licensing Office, in the event that all conditions have been met. The Trades Licensing Office makes an entry in the Trade Register and issues a licence deed to the entrepreneur within 5 days of the legal effectiveness of the decision on granting a licence. For foreign entities that have demonstrated compliance with all the requirements, with the exception of the requirement for a residence permit, the Trades Licensing Office issues a certificate for the purposes of completing the residence permit procedures. For these entities the business licence originates on the date a document attesting to the issuance of a long-term visa or a long-term residence permit is submitted to the Trades Licensing Office at which the trade was declared, provided this residence permit is submitted within 3 working days from the date on which its place of residence on the territory of the Czech Republic was declared (Section 93 of the Act on residence of foreign nationals).

The following electronic service may be utilised:

Contacts to the Trades Licensing Offices in the City of Prague and in individual regions of the Czech Republic are available on the server <http://portal.gov.cz/>, link – Directory (divided according to regions).

The procedure is carried out in accordance with the following legal regulation:

Act No. 455/1991 Coll., on commercial activities (Small Business Act), as amended.

What are the other related regulations:

The Small Business Act is closely associated with the following Acts and legal regulations:

- Act No. 513/1991 Coll., the Commercial Code, as amended;
- Act No. 40/1964 Coll., the Civil Code, as amended;
- Act No. 552/1991 Coll., on State Supervision, as amended;
- Act No. 40/2009 Coll., the Penal Code, as amended;
- Act No. 200/1990 Coll., on Misdemeanours, as amended;
- Act No. 500/2004 Coll., the Administrative Procedure Code, as amended;
- Act No. 634/2004 Coll., on Administrative Fees, as amended;
- Act No. 280/2009 Coll., the Tax Code;
- Act No. 589/1992 Coll., on Social Security and Contributions to the State Employment Policy, as amended;
- Act No. 586/1992 Coll., on Income Tax, as amended;
- Act No. 18/2004 Coll., on recognising qualifications and other competences of citizens of EU member states and on changes to certain acts (Recognising Qualifications Act), as amended;
- Act No. 435/2004 Coll., on Employment, as amended;
- Act No. 182/2006 Coll., on bankruptcy and methods of its resolution (Insolvency Act), as amended;
- Act No. 179/2006 Coll., on verification and recognition of further education results and on amendments to certain Acts (Act on the recognition of further education results), as amended;
- Act No. 365/2000 Coll., on public administration information systems, as amended;
- Act No. 300/2008 Coll., on electronic acts and authorised conversion of documents, as amended;
- Act No. 326/1999 Coll., on residence of foreign nationals in the Czech Republic and on amendments to certain Acts, as amended;
- A range of other legal regulations of a technical character, dependent on the relevant business activity.

Procedure of the Trades Licensing Office after the declaration of a trade or after an application for a licence has been submitted:

In a case where a trade is being declared it is stipulated that if a declaration does not include all the required particulars, the Trades Licensing Office will request that the entrepreneur correct the deficiencies within 5 days from the date of the declaration of the trade. In the

request, the Trades Licensing Office specifies a reasonable time limit for correction of these faults, with a maximum duration of 15 days. The deadline for entry into the Trades Register is not operative during the period specified in the request. If justifiable reasons persist, the Trades Licensing Office may prolong the deadline repeatedly at the entrepreneur's request. If the entrepreneur corrects the detected deficiencies within the determined or the extended deadline, the declaration is deemed correct from its initiation. If the entrepreneur fails to correct the detected faults within the determined or extended deadline, the Trades Licensing Office commences proceedings and decides that the trade licence did not originate within the declaration. If the applicant corrects the faults prior to the issuance of that decision and the Trades Licensing Office concludes that all the conditions for granting a trade licence have been met, the Trades Licensing Office discontinues the proceedings by an entry into the Trades Register and issues a trade certificate. If a foreign natural person, who has been issued a certificate for the purposes of the residence permit proceedings, fails to submit a residence permit document within 3 working days of the date on which the place of residence on the territory of the Czech Republic was declared, the Trades Licensing Office decides that the declarer has not met the conditions for granting a trade licence. The Trades Licensing Office will make the same decision if this person fails to submit a residence permit within 6 months of the date on which the certificate is delivered.

If the Trades Licensing Office concludes that an application for a licence does not include all the required particulars, the Trades Licensing Office requests that the entrepreneur correct the faults within 30 days of receipt of the application. If justifiable reasons exist, the Trades Licensing Office may, at the entrepreneur's written request, prolong the time limit, and do so repeatedly. The time limit for issuing a decision on granting a licence is not operative during the period specified in the request. If the entrepreneur corrects the detected faults within the determined or prolonged time limit, the Trades Licensing Office commences processing the application. If the entrepreneur fails to correct the faults within the time limit, the Trades Licensing Office discontinues the proceedings (or, in the event that the applicant does not meet the conditions for granting a licence, the Trades Licensing Office rejects an application for a licence). If a foreign natural person, who has been issued a certificate for the purposes of the residence permit proceedings, fails to submit a residence permit within 3 working days of the date on which the place of residence on the territory of the Czech Republic was declared, the Trades Licensing Office decides that the applicant has not met the conditions for granting a trade licence. The Trades Licensing Office will make the same decision if this person fails to submit a residence permit document within 6 months of the date on which the certificate is delivered.

If you wish to know more about this subject please contact:

Directly - any Trades Licensing Office – central registration point (CRP), or their Internet pages.

Related procedures, guidelines for addressing these procedures and other documents:

Refer to the commercial activities guide (“life situations”) at www.mpo.cz.

The entity responsible for the accuracy of the guidelines:

Matters related to trades licences fall within the scope of the Trades Department of the Ministry of Industry and Trade of the CR

tel. +420 224 85 2665

These guidelines have been drafted in accordance with the legislation valid to:

1st January 2011

The guidelines were most recently updated or their accuracy verified as of:

1st January 2011

The validity of these guidelines

Changes to and the expiration of the validity of these guidelines are connected with the adoption of legal regulations relating to small businesses.

II. Structure and Area of Jurisdiction of the Trades Licensing Offices

III. Network of Trades Licensing Offices

Public administration of commercial activities is executed through a system of Trades Licensing Offices, comprising, in accordance with the provision of Section 1 of Act No. 570/1991 Coll., on Trades Licensing Offices, as amended (Act No. 286/1995 Coll., Act No. 132/2000 Coll., Act No. 320/2002 Coll., Act No. 284/2004 Coll., Act No. 70/2006 Coll., Act No. 214/2006 Coll. And Act No. 223/2009 Coll.):

- Local Trades Licensing Offices
- Regional Trades Licensing Offices
- The Trades Licensing Office of the Czech Republic.

Local Trades Licensing Offices are departments of municipal authorities of municipalities with extended authority¹ and, in the City of Prague, the trades licensing departments of the city district authorities, as defined by the Statutes of the City of Prague².

Regional Trades Licensing Offices are departments of regional authorities³ and, in the City of Prague, the trades licensing department of the City Council of the City of Prague⁴.

The Trades Licensing Office of the Czech Republic is currently under the jurisdiction of the Ministry of Industry and Trade of the Czech Republic. The Ministry of Industry and Trade is the central administrative authority for commercial activities.

IV. The Scope of Authority of Trades Licensing Offices

The extent of the competence and authority of Trades Licensing Offices is determined by the law.

According to the provisions of Section 2 of the Act on Trades Licensing Offices, a local Trades Licensing Office conducts activities within the extent stipulated by Act No. 455/1991 Coll., on commercial activities (Small Business Act), carries out other tasks stipulated by special legal regulations and operates as a central registration point:

- a) Accepts registration of applications or declarations in accordance with special legal regulations (Section 125 of Act No. 280/2009 Coll., the Tax Code) from natural persons who carry out a trade under a trade licence;
- b) Accepts notifications and declarations related to social security from natural persons who carry out a trade under a trade licence, to the extent stipulated by special legal regulations (Section 10a of Act No. 582/1991 Coll., on organisation and execution of social security, as amended);

¹ Section 66 of Act No. 128/2000 Coll., on municipalities (municipal system), as amended. Act No. 314/2002 Coll., on determining municipalities with an appointed municipal authority and determining municipalities with extended authority.

² Section 17, paragraph 1 (a) of Act No. 131/2000 Coll., on the City of Prague.

³ Section 68, paragraph 2 of Act No. 129/2000 Coll., on regions (regional system), as amended.

⁴ Section 81, paragraph 4 of Act No. 131/2000 Coll., as amended by Act No. 145/2001 Coll.

- c) Accepts notifications of open or filled vacancies from persons who carry out a trade under a trade licence (Section 35 of Act No. 435/2004 Coll., on employment, as amended);
- d) Accepts notifications and declarations of natural persons who carry out a trade under a trade licence addressed to health insurance companies, to the extent stipulated by a special legal regulation (Section 10a of Act No. 48/1997 Coll., on public health insurance and changes and amendments to some related acts, as amended).

Furthermore, local Trades Licensing Offices pass on accepted submissions to the relevant administration authorities (Section 45a, paragraph 4 of the Small Business Act) within the deadlines stipulated by a special legal regulation (Section 45a, paragraph 6 of the Small Business Act) and the relevant state administration authorities proceed in accordance with the relevant special legal regulations. Furthermore, local Trades Licensing Offices are administrators (Section 2 of Act No. 365/2000 Coll., on public administration information systems and on amendments to certain other Acts, as amended) of the Trades Register. Local Trades Licensing Offices act as single contact points (Act No. 222/2009 Coll., on the free movement of services). A list of the single contact points is published in Decree No. 248/2009 Coll.

While carrying out their activities, local Trades Licensing Offices are obliged to comply with the generally binding legal regulations, government decrees, decrees of the Ministry of Industry and Trade published in the prescribed manner, and measures taken by regional authorities during inspections of public administration activities carried out by municipalities.

The territorial districts of local Trades Licensing Offices are determined by a Decree of the Ministry of Interior No. 388/2002 Coll., on determining the administrative districts of municipalities with an appointed municipal authority and administrative districts of municipalities with extended authority, as amended.

In accordance with the provisions of Section 3 of the Act on Trades Licensing Offices regional Trades Licensing Offices control, coordinate, supervise and carry out methodical activities, including acting as central registration points and single contact points for the activities of local Trades Licensing Offices in their relevant administrative districts; regional Trades Licensing Offices can instruct local Trades Licensing Offices in their administrative districts to carry out trade inspections, issue decisions on appeals against the decisions of local Trades Licensing Offices in their administrative districts, cooperate in commercial activities with the competent administrative authorities for the individual fields to which the commercial activities relate, cooperate with chambers of commerce and unions and associations of entrepreneurs, are entitled to request all necessary statements and communications from the central administrative authorities, are the operator (Section 2 of Act No. 365/2000 Coll., on public administration information systems and on amendments to certain other Acts, as amended) of the Trades Register, and carry out other tasks determined by special legal regulations.

While carrying out their activities, regional Trades Licensing Offices are obliged to comply with generally binding legal regulations, decrees of the government and decrees of the Ministry of Industry and Trade published in the prescribed manner. Regional Trades Licensing Offices are supervised by the Ministry of Industry and Trade.

The Ministry of Industry and Trade performs the role of the Trades Licensing Office of the Czech Republic until the establishment thereof (Section 7 of the Act on Trades

Licensing Offices) and within its defined sphere of authority, in accordance with Section 5 of the Act on Trades Licensing Offices, defines concepts for commercial activities, controls, coordinates, supervises and carries out methodical activities for regional Trades Licensing Offices; the Trades Licensing Office of the Czech Republic may instruct Trades Licensing Offices to carry out a trade inspection, acts as the administrative authority of first recourse in cases determined by the law, adjudicates appeals against the decisions of regional Trades Licensing Offices, cooperates in commercial activities with the competent administrative authorities for individual fields related to commercial activities, cooperates with chambers of commerce and unions and associations of entrepreneurs, is entitled to request all necessary statements and communications from the central administrative authorities, is the operator (Section 2 of Act No. 365/2000 Coll., on public administration information systems and on amendments to certain Acts, as amended) of the Trades Register, and performs other tasks determined by special legal regulations.

An administrative action, in accordance with Section 65 et seq. of Act No. 150/2002 Coll., the Administrative Procedure Code, can be filed against a final decision of a regional Trades Licensing Office, or the Ministry of Industry and Trade.

The territorial jurisdiction of Trades Licensing Offices for declaring a trade (Section 45, paragraph 1 of the Small Business Act) or for submission of an application for a licence (Section 50, paragraph 1 of the Small Business Act):

Any natural person entity intending to operate a declared or a licensed trade may submit a declaration or an application for a licence to any Trades Licensing Office. The same applies to the notifications of changes and amendments to information and documents that are required for the declaration of a trade and as requirements for an application for a licence (and for submission of the above mentioned documents) – compare Section 71, paragraph 1, of the Small Business Act.

In proceedings regarding administrative offences committed by legal entities and natural persons conducting a trade and in proceedings in connection with the cancellation of a trade licence or to impose sanctions by suspending commercial operations, the territorial jurisdiction of the Trades Licensing Office is determined by the Administrative Procedure Code – compare Section 71 paragraph 2 of the Small Business Act. Specifically this means that the territorial jurisdiction of the Trades Licensing Office, such as the sanctioning of unauthorised business activities, is governed by the location in which the offence is committed i.e. the location where activities relating to the actual unauthorised activities were performed (Section 11 paragraph 1(a) of Act No. 500/2004 Coll. the Administrative Procedure Code, as amended, hereinafter referred to as the “Administrative Procedure Code”).

In proceedings regarding administrative offences committed in connection with administrative acts (e.g. unreported changes of residence, domicile, commencement and discontinuation of operations in premises, etc.), the territorial jurisdiction of the Trades Licensing Office is, in the case of natural persons (Section 11, paragraph 1 (c) of the Administrative Procedure Code), determined according to the place of business, in the case of a legal entity it is determined according to the location of its registered office and in the case of a foreign legal entity the territorial jurisdiction is determined by the address of its organisational unit established in the Czech Republic (Section 11, paragraph 1 (e) of Administrative Procedure Code).

In cases where the cancellation of a trades licence is requested by the entrepreneur, this can be done at any Trades Licensing Office.

In proceedings regarding misdemeanours, the territorial jurisdiction of the Trades Licensing Office is determined in accordance with Act No. 200/1990 Coll., on misdemeanours, as amended; which means the location where a misdemeanour was committed (Section 55 of the quoted Act).

List of activities on the first level carried out by local Trades Licensing Offices

Act No. 455/1991 Coll., on commercial activities (Small Business Act),
as amended

1.	Section 6 para. 3	Requesting of extracts from the Criminal Register
2.	Section 8 para. 2	Possibility of condoning obstructions as defined in Section 8 paragraph 2, sentences 1 and 2
3.	Section 10 para. 4	Validation of fulfilment of conditions for conducting a business by the issuance of a certificate
4.	Section 10 para. 5	Decision of a Trades Licensing Office that an applicant has not met the conditions for the issuance of trade licence (Section 47 para. 6)
5.	Section 11 para. 7	Approval of responsible representatives for licensed trades
6.	Section 13 para. 4	Making an entry to the Trades Register and issuance of certificates of a trade licence to statutory and/or testamentary heirs and/or the surviving spouse or partner, or a trustee in bankruptcy
7.	Section 17 para. 3	Requiring an entrepreneur to prove ownership or usufruct of the objects in and rooms of his/her premises; for a mobile premise requiring proof of the legality of the location of the premises
8.	Section 17 para. 6	Registration of the premises to the Trades Register and notifying the entrepreneur about the registration undertaken
9.	Section 27 para. 3	Determining or amending the conditions for the conduct of commercial activities
10.	Section 28 para. 3	Issuance of decisions on the scope of a trade licence in doubtful cases
11.	Section 31 para. 2	Requiring proof of the proprietary right or the right for the use of a business location, other than the residence, or the registered office, or the seat of the organisational unit of the enterprise (for foreign persons)
12.	Section 31 para. 3	Requiring documentary evidence concerning the method of acquiring goods or materials used to provide services
13.	Section 31 para. 8	Examining whether the knowledge of Czech or Slovak of an individual selling goods or providing services to customers in business premises meets the required standard
14.	Section 31 para. 10	Requiring proof of identity from an entrepreneur or a natural person operating a business which is the subject of a trade, of individuals dealing on their behalf and of responsible representatives
15.	Section 31 para. 13	Recording of an interruption in the conduct of a trade and/or continuance in the conduct of a trade to the Trades Register prior to the end of the period during which the trade was interrupted, and informing the entrepreneur of this entry
16.	Section 31 para. 15	Requiring information as to whether the entrepreneur is operating a business and the submission of documents

		proving the operation of a trade
17.	Section 45a para. 4 (a)	Handing over to the relevant tax administrator carrying out the administration of income taxes details obtained in accordance with Section 45a, para. 1(a) and in accordance with Section 45a, para. 2 (a); to the relevant social security authority details obtained in accordance with Section 45a, para. 1 (b) to (d); to the relevant Labour Office details under Section 45a, para. 1 (e) and in accordance with Section 45a, para. 2 (b); and to the relevant health insurance company details obtained under Section 45, para. 1 (f)
18.	Section 45a para. 6	Handing over details, including notification of their change to the relevant authorities
19.	Section 47 para. 1	Making an entry in the Trades Register and issuing a trade certificate
20.	Section 47 para. 4	Requesting entrepreneurs to correct errors in their declarations
21.	Section 47 para. 5	Issuing a decision that a trade licence did not originate from submission of a declaration; in the event of an entrepreneur not correcting the deficiencies of the declaration within the prescribed time limit, issuing a decision that the applicant did not fulfil the conditions for the issuance of the trade licence; if prior to the issuance of a decision it is concluded that the conditions for a licence have been met, the proceedings are terminated by an entry in the Trades Register and issuance of the certificate
22.	Section 47 para. 6	Issuing decisions stating that a trade licence was not issued on the basis of submission of a declaration, when an entrepreneur fails to meet the conditions defined by the Small Business Act; issuing decisions concerning an entrepreneur's failure to meet the conditions for issuance of a trade licence
23.	Section 47 para. 7	Issuing a certificate containing the information set forth in Section 47 para. 2, with the exception of the data required in sub-paragraph e), to foreign natural persons who are also obliged to present proof of a residence permit – for the purposes of obtaining such residence permit; should the foreign natural person fail to meet the general and special conditions for operating a trade, the Trades Licensing Office decides that the applicant did not meet the conditions for issuance of a trade licence
24.	Section 47 para. 8	Issuing a certificate in accordance with Section 47, para. 2 to those foreign natural persons stated in Section 47 para. 7, or, should such persons fail to submit a residence permit within the prescribed period, a decision that the applicant has failed to meet the conditions for the issuance of a trade licence. It will issue the same decision if this person fails to submit a residence permit document within 6 months of the date on which the certificate is delivered, in accordance

		with para. 7.
25.	Section 47 para. 9	Requesting from a superior authority a prolongation of the time limit for issuance of a trade certificate; informing applicants about the prolongation of the time limit and the reasons for this prolongation
26.	Section 47 para. 10	If the entry in the Trades Register was conducted in violation of the law - the procedure of cancellation of the trade certificate, conducting a new registration and issuance of a new statement or decision concerning the cancellation of the trade licence and issuance of a statement
27.	Section 47 para. 11	Undertaking the correction of an entry in the Trades Register and issuance of a new statement
28.	Section 48 para. 1	Sending copies of a certificate or changes in the Trades Register, details of other decisions and measures to the relevant income tax administrator, the Czech Statistics Office, the labour office, the relevant social security administration, the relevant health insurance company, if known, and to the authorities or organisations that maintain a register of all people insured by public health insurance, according to a special regulation and to the registration court in the case of persons entered in the Commercial Register
29.	Section 48 para. 2	Immediate notification to relevant bodies of the Foreigners and Border Police concerning the issuance of certificates under Section 47, para. 7 of the Small Business Act to foreign natural persons, decisions on issuing a licence, suspension or cancellation of a trade licence, decisions regarding non-issuance, postponement of the issuance or cancellation of a trade licence due to the applicant's failure to meet the conditions for issuance of a trade licence, decisions on suspension of proceedings for granting a licence, and decisions on rejection of an application for a licence
30.	Section 49 para. 2	Making entries to the Trades Register and, according to the circumstances of individual cases, issuing a certificate or informing an entrepreneur about the entry made; requesting entrepreneurs to present documents if a change or addition has not been reported or has not been proved by evidence, in accordance with paragraph 1, notification regarding submission of documents, assignment of time-limits, not making a record in the Trades Register prior to submission; in the event that a change of scope affects the subject of business and that this is not proved by documents, issuing the decision that the trade licence was not issued in the scope set out in the amended declaration
31.	Section 49 para. 3	Recording of changes of a responsible representative in the Trades Register and informing entrepreneurs about the change; commencement of proceedings for suspending a

		trade, in the event that the responsible representative appointed by the entrepreneur does not meet the conditions for operating a trade, or if an entrepreneur failed to appoint a representative
32.	Section 51 para. 1	In the event that the requirements for the application for a licence are not met, requesting entrepreneurs to correct errors in their licence applications
33.	Section 51 para. 2	Commencing proceedings for an application for a licence; terminating the proceedings if the entrepreneur fails to correct detected faults within the agreed time limit
34.	Section 52 para. 1	Presenting applications for a licence together with all necessary documents submitted by the applicant to a state administration authority for making a statement of their decision
35.	Section 52 para. 2	Possibility of asking other authorities for their statements concerning the nature of a trade as required or in the event of any doubt
36.	Section 52 para. 3	Appropriate course of action according to Section 47, paragraphs 7 and 8 for foreign natural persons who are obliged to present their residence permits
37.	Section 53 para. 1	Examining whether the general and special conditions for operating a trade have been met and whether any impediment exists to undertaking a trade
38.	Section 53 para. 2	Rejecting applications for a licence
39.	Section 53 para. 3	Issuing decisions on appointing a responsible representative, as part of the decision on granting a licence
40.	Section 53 para. 4	Granting of a licence for the authorised period of residence of the person defined in Section 5 paragraph 5
41.	Section 53 para. 5	Stipulating conditions for operating a trade, as part of the decision to grant a licence
42.	Section 54 para. 1	Making an entry to the Trades Register and issuing a certificate
43.	Section 54 para. 2	Issuing a certificate
44.	Section 55 para. 1	Similar reporting obligations pursuant to Section 48
45.	Section 55 para. 2	Sending copies of final decisions on granting a licence, its amendment or cancellation, information on the interruption or suspension of the operation of a trade by a certificate or other agreed method and providing details of a licensed trade and of the entrepreneur to the authority that provided its approval of a licence according to Section 52, paragraph 1
46.	Section 56 para. 2	Changes in decisions on granting a licence, making entries of changes to the Trades Register; issuing a certificate or informing entrepreneurs about making an entry or issuing a decision concerning the suspension of business operations or the cancellation of a trade licence
47.	Section 56 para. 3	Issuing decisions concerning changes of the scope of the subject of business and of the conditions for operating a business by a change of decision on granting a licence, making an entry to the Trades Register and issuance of a

		certificate
48	Section 57 para. 2	Notifying a foreign natural person of the requirement to submit a new residence permit and establishing a reasonable deadline for the same
49.	Section 57 para. 3	Informing the authorities described in Section 48 and Section 55, paragraph 2 of the termination of a trade licence
50.	Section 58 para. 1(a)	Cancelling a trade licence in the event that an entrepreneur no longer meets the relevant conditions according to Section 6, paragraph 1 (b) or (c)
51.	Section 58 para. 1(b)	Cancelling a trade licence if impediments occur based on Section 8, in the event that this does not concern impediments to free trade in accordance with Section 8 paragraph 5
52.	Section 58 para. 1(c)	Cancelling a trade licence at the request of the entrepreneur
53.	Section 58 para. 1(d)	Cancelling a trade licence in the event that the entry in the Trades Register is based on a declaration contrary to the law
54.	Section 58 para. 2	Cancelling a trade licence or suspending the operation of a trade, based on a requirement by a state administration authority, which issues a statement according to Section 52 paragraph 1; a similar course of action takes place in the case of a foreign natural person, if this person does not have a residence permit in the Czech Republic, according to the terms of Section 5 paragraph 5
55.	Section 58 para. 3	Possibility of cancelling a trade licence or suspending an operation of a trade to the appropriate extent, if an entrepreneur has seriously breached or continues to breach the conditions contained in the decision on granting a licence, in this Act and in special legal regulations; the possibility of cancelling a trade licence based on a requirement by the relevant social security administrative body or in the event that an entrepreneur has not operated the trade for more than 4 years; this does not apply in the event that an entrepreneur has given notice of suspension of his/her business operation pursuant to Section 31 paragraph 11
56.	Section 58 para. 4	Possibility of cancelling a trade licence or demanding the suspension of trade operations in the appropriate measure if an entrepreneur fails to correct defects within one year from the expiration of the set deadline, or, if no deadline has been set, within one year after the issuance of the decision
57.	Section 58 para. 5	Notification of the cancellation of a trade certificate on the public notice board of a relevant Municipal Office
58.	Section 59	Enforcing the prohibition of illegal activities during the conducting of the “Operation of a travel agency” or “Operation of a travel office” trades. Violation of this prohibition is a reason for cancellation or suspension of a

		trade licence.
59.	Section 60 para. 1	Maintaining the Trades Register
60.	Section 60 para. 2	Recording relevant data, including their amendments, to the Trades Register
61.	Section 60 para. 3	A Trades Licensing Office communicates a list of penalties imposed and birth numbers solely to an entrepreneur, and only in cases defined by special legal regulations.
62.	Section 60 para. 4	Issuing a certificate pursuant to Section 47 paragraphs 2 and 3; full certificates, partial certificates or validation of a specific entry in the Trades Register or validation that a relevant record is not in the Trades Register either as a document or in electronic form.
63.	Section 60 para. 5	Providing data from the Trades Register to the administrative bodies described in Section 48, in electronic form, in a manner permitting remote access or to an address of the central register; in the case of transmission of data in accordance with Section 45a paragraph 4, the process is conducted in a similar manner.
64.	Section 60a	Carrying out trades inspections, possibility of requiring from an entrepreneur documentation confirming the meeting of obligations arising from special regulations
65.	Section 60b	Possibility of also creating audio and video recordings during inspection activities
66.	Section 60d para.1	Possibility of imposing a duty to correct faults detected in trade operations through a decision
67.	Section 61 para. 4	Possibility of imposing a fine against a natural person for a misdemeanour as defined by Section 61 paragraphs 1, 2 and 3 in misdemeanour proceedings
68.	Section 61 para. 5	Possibility of imposing a fine against a natural person for a misdemeanour as defined by Section 61 paragraph 1 in a block proceeding
69.	Section 62 para. 4	Imposing a fine on a legal entity or natural person transacting business, for an administrative offence as defined in Section 62 paragraphs 1 to 3, through an administrative procedure
70.	Section 62 para. 5	Imposing a fine on a legal entity or natural person transacting business, for an administrative offence as defined in Section 62 paragraph 1, through a block procedure
71.	Section 63 para. 2	Imposing a fine on a legal entity or natural person transacting business, for an administrative offence as defined in Section 63 paragraph 1 (transacting business without a Trades Certificate), through a administrative procedure
72.	Section 64 para. 6	Collection and requisition of fines
73.	Section 68 para. 2	Informing individual specialised administrative bodies about breaches of relevant special regulations by persons carrying out activities which are the subject of a trade
74.	Section 69a para. 6	Verification that the obligation to notify the certification

		body in written form about the provision of services has been met; also verification that the meeting of the obligation of an individual who provides services to guarantee that the performance of activities which are the subject of a trade as defined in Appendix No. 5 of the Act, is carried out only by natural persons who meet the required professional qualifications
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Act No. 634/1992 Coll., on consumer protection, as amended

1.	Section para. 5	23	Supervision of compliance with the law
2.	Section para. 1	23a	Issuance of binding instructions for the elimination of detected deficiencies in the event of direct risk to the life, health or assets of individuals; authorisation to interrupt the sale of goods or the provision of services or to close down business premises
3.	Section para. 3	23a	Issuing written consent to the continuance of the sale of products or provision of services or the reopening of business premises
4.	Section para. 9	24	Imposition of fines in administrative procedures for a breach of law (administrative offences)
5.	Section para. 10	24	Imposition of fines by an order issued in situ for a breach of law (administrative offences)
6.	Section para. 2	24a	Imposition of fines for a breach of law (misdemeanours)
7.	Section para. 5	24b	Competency for proceedings concerning administrative offences
8.	Section para. 6	24b	Collection of fines

Act No. 353/2003 Coll., on consumer tax, as amended

1.	Section para. 1	115	Inspection of markings on tobacco products in storage or on sale
2.	Section para. 3	115	Issuance of a decision on a preliminary measure, by which the Trades Licensing Office orders that unmarked tobacco products are seized
3.	Section para. 1	134	Inspection of adherence to the prohibition against offering or selling alcohol and/or tobacco products in accordance with Section 133
4.	Section para. 2	134	If an inspection carried out in accordance with paragraph 2 discovers alcohol and/or tobacco products, the Trades Licensing Office issues a decision for a preliminary measure and orders seizure of these products
5.	Section para. 2	135	Imposing a fine for a misdemeanour in accordance with paragraph 1
6.	Section para. 2 (a)	135a	Imposing a fine on a legal entity or a natural person transacting business for an administrative offence in accordance with paragraph 1(a)
7.	Section para. 3 (a)	135b	Imposing a fine on a legal entity or a natural person transacting business for an administrative offence in accordance with paragraph

		1(a)
8.	Section 135b para. 3 (b)	Imposing a fine on a legal entity or a natural person transacting business for an administrative offence in accordance with paragraphs 1 (b) to (e)
9.	Section 135b para. 3 (c)	Imposing a fine on a legal entity or a natural person transacting business for an administrative offence in accordance with paragraph 1 (i) and paragraph 2
10.	Section 135b para. 3 (d)	Imposing a fine on a legal entity or a natural person transacting business for an administrative offence in accordance with paragraph 1 (h)
11.	Section 135b para. 4	Imposing a fine on a legal entity or a natural person transacting business for an administrative offence in accordance with paragraph 1 (g)
12.	Section 135c para.2	Imposing a fine on a legal entity or a natural person transacting business in breach of the ban on the sale of alcohol and tobacco products in accordance with Section 133
13.	Section 135d para. 1	Imposing the forfeiture of unmarked tobacco products seized during inspection in accordance with Section 115 or of tobacco products and/or alcohol seized during inspection in accordance with Section 134, in the event that: a) the products belong to the perpetrator of the administrative offence and b) that they have been used for or are intended for the committing of an administrative offence
14.	Section 135d para. 2	Imposition of seizure, in the event that forfeiture of the goods defined in paragraph 1 has not been imposed, in the event that: a) the goods belong to a perpetrator who cannot be prosecuted for an administrative offence, b) the goods do not belong to the perpetrator of the administrative offence or do not belong solely to him/her, or c) that their owner is unknown and that an injury to the economic interests of the state, protected by this law, would be caused by their sale
15.	Section 135d para. 3	Imposition of the obligation to compensate the state for the costs incurred in connection with the administration and liquidation of forfeited or seized alcoholic and/or tobacco products from an entity who has committed an administrative offence, subject to forfeiture, or from an entity who has been found to be in possession of the seized tobacco and/or alcoholic products
16.	Section 135d para. 6	If the seized tobacco and/or alcohol products are not declared as forfeited or seized, the relevant items must be returned to their owner or to the entity who was in possession of these products at the time of their seizure, without delay
17.	Section 135l para. 4 (a)	Administrative offence proceedings in accordance with Section 135, Section 135a paragraph 1(a), Section 135b paragraphs 1(a) – (e), (g) – (i), Section 135(b) paragraph 2 and Section 135c

Act. No. 247/2006 Coll., on limitation of the services of pawnshops and some other workplaces during night hours

1.	Section 2	Imposing fines for breach of the obligations defined in Section 1
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Act No. 552/1991 Coll., on state supervision, as amended

1.	Sections 11, 12	Rights and obligations of inspection employees
2.	Section 16	Obligation of inspection employees to inform controlled individuals of the content of the protocol and to present them with a copy of the protocol
3.	Section 18	Decision about proceedings concerning objections by individuals who have been inspected
4.	Section 19	Decision on the imposition of a disciplinary penalty
5.	Section 22	Transmission of findings concerning deficiencies to the relevant administrative bodies
6.	Section 24	Satisfying the obligation to notify the authorities in respect of penal proceedings

Act No. 500/2004 Coll., Administrative Procedure Code, as amended

1.	Section 67 a n.	Issuance of the decision of an administrative proceeding (administrative body of the 1 st level)
2.	Section 62	Decision concerning imposition of a disciplinary penalty
3.	Section 150	Issuance of an order (including an order in situ)
4.	Section 100	Decisions concerning a renewal of proceedings
5.	Section 101	Conducting new proceedings and issuing a decision concerning the case

List of activities carried out on the first level by regional Trades Licensing Offices

Act No. 455/1991 Coll., on commercial activities (Small Business Act), as amended

1.	Section 60 para. 1	Operating the Trades Register
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Act No. 40/1995 Coll., on advertising regulation, as amended

1.	Section 7 para. 1 (g)	Supervision of compliance with the law
2.	Section 7a para. 2	Requirement by a supervisory authority of the submitter of an advertisement, to communicate information concerning the propagator and the compiler of an advertisement submitted by him/her, for the purpose of an administrative proceeding.
3.	Section 7a para. 3	Requirement by a supervisory authority of the compiler of an advertisement, to communicate information concerning the submitter and the propagator of an advertisement, for the purpose of an administrative proceeding
4.	Section 7a	Requirement by a supervisory authority of the propagator of an

	para. 4		advertisement, to communicate information concerning the individual who has requested the propagation of an advertisement, for the purpose of an administrative proceeding
5.	Section para. 1	7b	Procedure of the supervisory authority in accordance with a special legal regulation for the assessment of whether a specific advertisement constitutes an unfair trade practice
6.	Section para. 2	7b	Authorisation to require proof of the accuracy of factual claims made in an advertisement from the person placing the advertisement, providing that this requirement is reasonable, in terms of the circumstances of the relevant case, or the justifiable interests of the entity who commissioned the advertisement or the justifiable interests of another individual, during the assessment of whether this constitutes a disallowed comparative advertisement, which is an unfair trade practice
7.	Section para. 1	7c	Possibility of ordering the removal or withdrawal of an advertisement that is in conflict with the law and of determining reasonable time limits for carrying out of this order, the possibility to prohibit a disallowed comparative advertisement or an advertisement which constitutes an unfair trade practice, or the possibility to prohibit the propagation of an unauthorised comparative advertisement or an advertisement which constitutes an unfair trade practice
8.	Section para. 2	7c	Publication of a decision issued in accordance with paragraph 1 or in accordance with Section 8a, in the event that due to continuing propagation of an advertisement the life or health of individuals may be endangered; the authorisation to order the submitter or the compiler of the advertisement to publish a corrective announcement concerning the advertisement
9.	Section para. 1	7d	Possibility of imposition of a disciplinary penalty
10.	Section para. 4	8	Possibility of imposition of a penalty against natural persons for a misdemeanour in a misdemeanour proceeding; for a misdemeanour in accordance with paragraphs 1 - 3 of Section 8 it is also possible to impose a fine of up to 5,000 CZK in a block proceeding
11.	Section para. 5	8a	Imposition of a fine for an administrative offence according to paragraph 1 against a legal entity or a natural person transacting business
12.	Section para. 6	8a	Imposition of a fine for an administrative offence according to paragraph 2 against a legal entity or a natural person transacting business
13.	Section para. 7	8a	Imposition of a fine for an administrative offence according to paragraph 3 against a legal entity or a natural person transacting business
14.	Section para. 8	8a	Imposition of a fine for an administrative offence according to paragraph 4 against a legal entity or a natural person transacting business
15.	Section para. 9	8a	Imposition of a fine of up to 5,000 CZK in a block proceeding pursuant to paragraphs 1 to 4
16.	Section para 6	8b	Collection of block fines

Act No. 500/2004, Administrative Procedure Code, as amended

1.	Section 94 a n.	Decision in a review proceeding
2.	Section 100	Decision to renew proceedings
3.	Section 101	Conducting new proceedings and issuing a new decision concerning a case

List of activities carried out on the first level by the Ministry of Industry and Trade

Act No. 455/1991 Coll., on commercial activities (Small Business Act), as amended

1.	Section 60 para. 1	Activities of the Trades Register administrator
3.	Section 60 para. 6	Provision of details from the Trades Register to authorities, except for a list of fines imposed or of birth identification numbers by the Trades Licensing Office of the Czech Republic in an electronic form and in a manner allowing remote access to this data

Act No. 500/2004, Administrative Procedure Code, as amended

1.	Section 94 a n.	Decision in a review proceeding
2.	Section 100	Decision to renew proceedings
3.	Section 101	Conducting new proceedings and issuing a new decision concerning the case

Act No. 18/2004 Coll., on recognising professional and other qualification of citizens of European Union member states and amendments to certain acts (Act on Recognising Professional Qualifications), as amended

1.	Sections 29, 29a	Recognition of professional qualifications
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