



MINISTERSTVO  
PRŮMYSLU A OBCHODU

**Information material for foreign  
natural persons engaging in business pursuant to the Trade Licensing Act  
within the territory of the Czech Republic**





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

## **Information material for foreign natural persons**

### **Integration of Foreign Nationals Project No. 1/2015**

#### **I. Trade Licensing**

#### **II. Structure and scope of trade licensing offices**

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## **I. Trade Licensing**

## I. General information

The right of every person to do business and engage in economic activity, just as the right to own property, is incorporated in Article 26 of the Charter of Fundamental Rights Freedoms, which is part of the constitution of the Czech Republic. Under this article, everyone has the right to do business and engage in other economic activity. The conditions and restrictions governing certain activities may only be defined by the law.

Act No. 455/1991 Coll., on Trade Licensing (Trades Licensing Act), as amended, is a fundamental public law that regulates the relations of entrepreneurs and the state, and the basic conditions governing business for the majority of entrepreneurial activities engaged in by legal entities and natural persons.

The law defines trade licensing as systematic activity engaged in autonomously, in one's own name, on one's own responsibility, for the purpose of making a profit and under the conditions specified by this law. Under the Trade Licensing Act, an entrepreneur is any natural person or legal entity, domestic or foreign, that meets the conditions specified by this law. The trade licensing regulations related to the business of natural persons as well as to the business of legal entities. A trade is essentially any activity that possesses the above characteristics and is not specifically excluded from business activities (see § 3 of the Trade Licensing Act). This definition of trade particularly does not include one-off work, work not performed for the purpose of making a profit (what is essential is that the purpose is to make a profit, although a profit is not necessarily made), work carried out on the basis of employment relations; business is activity intended for the market and offered on the market for hire or reward.

The Trades Licensing Act treats a series of specific obligations imposed on entrepreneurs in relation to their business and also describes in detail the official proceedings in cases relating to declaring a trade or applying for a licence and the procedure for the issuance of extracts from the Trade Register. It regulates trade inspections and the implementation of trade inspections and the imposition of penalties for violations of the law, and also covers other specific issues, such as the keeping of the Trade Register, cooperation amongst the various state administrative bodies in relation to business, etc.

The applicable trade licensing regulations distinguish between notifiable trades, for which the right to engage in the trade is granted when the trade is declared to the trade licensing office, and licensed trades, for which the right to engage in the trade is granted when the license is issued. Notifiable trades are divided up into:

- unqualified (notifiable) trade, for which only general conditions are stipulated for the trade; unqualified (notifiable) trades and fields of activity classed as part of unqualified trades are specified in Annex No. 4 of the Trade Licensing Act,
- craft trades, specified by Annex No. 1 of the Trade Licensing Act, based primarily on the traditional view of craft as a professional activity in a specific field requiring special professional competence, as specified in § 21 and subsequently in § 22, and
- professional trades, specified by Annex No. 2 of the Trade Licensing Act, for which professional competence is defined by Annex No. 2 of the Trade Licensing Act or is governed by special legislation specified in this Annex.

Licensed trades whose fields of activity are listed in Annex No. 3 of the Trade Licensing Act primarily include activities which under special legislation require a permit issued by the materially competent state administration body. Licensed trades also require proof of professional competence as defined by Annex No. 3 of the Trade Licensing Act or are governed by special legislation specified in this Annex. With certain trades, the entrepreneur is also subject to additional requirements, such as assuring the integrity of all persons performing the activity in question for the entrepreneur, or the conditions governing the trade are specified.

With entrepreneurs (or their responsible representatives) there must be no impediment to engaging in a trade (§ 8 of the Trade Licensing Act).

An entrepreneur may declare a trade or apply for a licence in full or in part. The declarant is obliged to describe the subject of business given in the declaration with adequate clarity and detail. When declaring an unqualified trade, the declarant must state the activities in which he will engage in the course of his business. The subject of business of an unqualified trade must be declared in accordance with the activity names as given in Annex No. 4 of the Trade Licensing Act. The subject of business of a craft trade and professional trade must be declared in accordance Annexes No. 1 and 2 of the Trade Licensing Act in full or in part. In a licence application the subject of business must be stated in full or in part pursuant to Annex No. 3.

The Trades Licensing Act is designed as a public law treating the basic conditions governing business. It contains practically no provisions regulating the specific performance of the various activities and assumes that the specific performance of certain activities is covered by the appropriate special legislation. Entrepreneurs must comply with all the obligations stipulated by both the Trade Licensing Act and the special legislation.

The Trades Licensing Act applicable as of the date of this manual can be found on the Ministry of Industry and Trade website [www.mpo.cz](http://www.mpo.cz).

## II. Foreign natural persons

From the viewpoint of persons declaring a trade or applying for a licence, the next section will focus on a foreign natural person who is an individual with no address within the territory of the Czech Republic. For the purposes of the Trade Licensing Act a natural person's address is their permanent registered address. Under the Trade Licensing Act, foreigners and citizens of the Czech Republic are classed as foreign entities if they do not have permanent residency within the Czech Republic. In order to engage in a trade as foreign natural person must have a plant or an organisational unit located within the territory of the Czech Republic. A foreign natural person who specifies a registered office in the Czech Republic is classed as having a plant within the territory of the Czech Republic. A foreign natural person may also engage in trade within the territory of the Czech Republic through an organisational unit of its plant located outside the territory of the Czech Republic. A natural person who has been granted asylum or subsidiary protection under special legislation (Act No. 325/1999 Coll., on Asylum, as amended) may engage in trade within the territory of the Czech Republic like a citizen of the Czech Republic; the same applies to their family members.

The general conditions governing trade for foreign natural persons are:

- Full legal capacity, which may be replaced by court assent to consent granted by the legal guardian of a minor for the independent performance of entrepreneurial activity.
- Integrity.

Integrity means criminal integrity, which is documented by presenting an extract from the Criminal Register or similar document. Under the provisions in question, integrity does not apply to a person who has been convicted of a crime committed intentionally, if that crime was committed in relation to the business or subject of business the person is applying for or declaring, assuming that the person is not seen as having been convicted.

A foreign natural person must submit the following proof of his Integrity to the trade licensing office if he is

- a) a member of a different member state of the European Union, an extract from the Criminal Register or equivalent document issued by the appropriate judicial or administrative authority of that state or the member state in which the person last resided, or an extract from the Criminal Register with an attachment containing the information entered in the Criminal Register of the member state of which he is a citizen, or the member state in which he last resided; if the member state in which he last resided is the Czech Republic, the procedure is that defined in the second sentence of 6 Para. 3, i.e. the trade licensing office is entitled to request an extract from the Criminal Register pursuant to Act No. 269/1994 Coll., on the Criminal Register, as amended. If this state does not issue an extract from the Criminal Register or equivalent document, the natural person presents a statutory declaration of integrity made before a notary or other competent authority of the member state in which he last resided. These documents must not be more than 3 months old; the document specified under this point may be replaced by a document confirming



the recognition of professional qualifications, assuming proof of compliance with the conditions relating to integrity,

- b) a citizen of a state other than that specified in a) and does not have a permanent residency permit within the territory of the Czech Republic, an extract from the Criminal Register or equivalent document issued by the state of which the natural person is a citizen. If this state does not issue an extract from the Criminal Register or equivalent document, the natural person presents a statutory declaration of integrity made before a notary or other competent authority of the state of which that person is a citizen, or before a notary or other competent authority of the state in which that person last resided. These documents must not be more than 3 months old.

A foreign natural person who intends to engage in business within the territory of the Czech Republic and who is, pursuant to Act No. 326/1999 Coll., on the Residency of Foreign Nationals within the territory of the Czech Republic and on the amendment of certain acts, as amended, obliged to have a permit to reside within the territory of the Czech Republic, must submit a residency permit valid for the territory of the Czech Republic in order to declare a trade or apply for a license. The duty to submit this document does not apply to foreign natural persons who intend to engage in business within the territory of the Czech Republic through the organisational unit of a plant. A foreign natural person who is a national of a member state of the European Union or another state party to the Agreement on the European Economic Area or the Swiss Confederation does not have to present a residency permit in order to declare a trade or apply for a license; if the person intends to remain in the territory temporarily, for a period longer than 3 months, the competent authorities will issue confirmation of temporary residency on request.

Besides, the general conditions, craft trades, professional trades and most licensed trades require compliance with special conditions governing trades and there must be no impediment to engaging in a trade as specified in the provisions of § 8 of the Trade Licensing Act (e.g. a penalty or sanction of disqualification imposed by a court or other administrative body in relation to trade in the field or in a related field for the duration of the penalty). Special conditions governing trades are professional qualifications or other competence, if required by the Trades Licensing Act or special legislation. If some intends to do business as a natural person yet does not meet the special conditions governing that trade, those conditions may be met by appointing a responsible representative. The responsible representative je a natural person appointed by the entrepreneur, who is responsible for the proper operation of the trade and compliance with the trade licensing regulations and is under a contract with the entrepreneur. No one may be appointed as responsible representative for more than four entrepreneurs. The responsible representative must comply with the general conditions governing the trade, i.e. full legal capacity and integrity and the special conditions governing the trade. The responsible representative cannot be a person hampered by an impediment to trade as defined by § 8. The responsible representative in the field or in a related field cannot be a person whose trade licence has been withdrawn pursuant to § 58 Para. 2 or 3 of the Trade Licensing Act, for the period of 1 year from the date on which the decision to withdraw the trade licence entered into force; this does not apply if the trade licence was withdrawn due to the fact that the trade had not been engaged in for more than 4 years. If the responsible representative is a citizen of a member state of the European Union, to prove his integrity he must submit an extract from the Criminal Register or equivalent document issued by the appropriate judicial or administrative authority of that state

or the member state in which the person last resided, or an extract from the Criminal Register with an attachment containing the information entered in the Criminal Register of the member state of which he is a citizen, or the member state in which he last resided; if the member state in which he last resided is the Czech Republic, the procedure is that defined in the second sentence of 6 Para. 3, i.e. the trade licensing office is entitled to request an extract from the Criminal Register pursuant to Act No. 269/1994 Coll., on the Criminal Register, as amended. If this state does not issue an extract from the Criminal Register or equivalent document, the natural person presents a statutory declaration of integrity made before a notary or other competent authority of the member state in which he last resided. These documents must not be more than 3 months old. If the responsible representative is a citizen of another state (not a citizen of the EU member states of the EEA and Switzerland) and does not have a permanent residency permit within the territory of the Czech Republic, an extract from the Criminal Register is required, or an equivalent document issued by the state of which that person is a citizen. If this state does not issue an extract from the Criminal Register or equivalent document, the natural person presents a statutory declaration of integrity made before a notary or other competent authority of the state of which that person is a citizen, or before a notary or other competent authority of the state in which that person last resided. These documents must not be more than 3 months old.

The declaration of a trade or an application for a license may be submitted in person to any municipal trade licensing office - central registration point (CRP), or sent to that office by post or electronic mail (with a guaranteed electronic signature or to the data box of that office). The declaration of a trade or an application for a license may also be submitted in person via a public administration contact point (Czech POINT).

Education-related documents issued abroad must be accompanied by a validation clause pursuant to special legislation; in the case of documents concerning higher education, a certificate of recognition is required pursuant to special legislation. The recognition of professional competence acquired abroad and elementary, secondary and higher vocational education is regulated by Ministry of Education, Youth and Sports Decree No. 12/2005 Coll., on conditions for the recognition of equivalence and validation of certificates issued by foreign schools. The recognition of foreign higher education and qualifications is governed by Act No. 111/1998 Coll., on Higher Education and on changes and amendments to other acts (Higher Education Act), as amended.

If the law requires that a document proving a certain fact be submitted, this requires the submission of the document including a translation of that document into Czech made by an interpreter registered in the register of experts and interpreters, if this document was not issued in the Czech language. The authenticity of signatures and stamps on the originals of submitted documents issued abroad must be verified. Documents (super-legalisation) do not need to be verified in cases where there exist bilateral international treaties on legal assistance (also the treaty concluded between the Czech Republic and the Slovak Republic under No. 209/1993 Coll.) and also under the Hague Convention abolishing the requirement for legalisation for foreign public documents, published in the Collection of Laws under No. 45/1999 Coll. Under the Hague Convention the relevant documents are verified merely in the form of an apostil in the state in which the document was issued. Depending on the state in question, a super-legalisation document, apostle or a document issued by an authority of the foreign state may be considered. The requirement for a translation

into Czech by an interpreter registered in the register of experts and interpreters and the requirement to have the authenticity of signatures and stamps verified do not apply to documents submitted by a citizen of a member state of the European Union, the European Economic Area and Switzerland, assuming that there are no doubts concerning the accuracy of a translation or the authenticity of a signature or stamp.

Provided he/she has demonstrated compliance with all the conditions laid down in the Trade Licensing Act, including any conditions relating to a residency permit, a trade licence for a notifiable trade is granted to a foreign natural person on the date on which the trade is declared, a trade licence for a licensed trade is granted on the date on which the decision on the granting of the licence enters into force. Under Act No. 326/1999 Coll., on the Residency of Foreign Nationals within the territory of the Czech Republic, as amended, a citizen of a Member State of the European Union, another contracting state to the Agreement on the European Economic Area or a citizen of the Swiss Confederation is not required to have a permit to reside in the Czech Republic. In order to reside on the territory of the Czech Republic, a family member of a citizen of a Member State of the European Union and other States referred to in the previous sentence must be granted temporary residence.

A trade licence will be granted to a foreign natural person who has not demonstrated compliance with the residency permit conditions (and who is bound by such conditions) on the date on which a residency permit is submitted to the Trade Licensing Office to which the trade was declared (or the licence application filed), assuming that the residency permit document is submitted within 3 working days from the date of declaration of a place of residence within the territory of the Czech Republic (§ 93 of Act No. 326/1999 Coll. on the Residency of Foreign Nationals within the territory of the Czech Republic and on amendments to certain Acts, as amended) and also within 6 months from the date of issue of the extract for the purposes of the residency permit proceedings.

A trade licence may not be transferred to another person. Another person may perform it only in cases specified by this law.

Entrepreneurs prove possession of their trade licence with an extract from the Trade Register, which contains the details specified in § 60 Para. 5 (a) of the Trade Licensing Act – an extract containing the details stipulated in § 47 Para. 2 of the Trade Licensing Act, or in § 60 Para. 5 (b) of the abovementioned Act – a complete extract with all the details listed in the Trade Register, or in § 60 Para. 5 under subparagraph (c) of the abovementioned Act – a partial extract containing the requisite details. The requisite details means a list of activities engaged in by the entrepreneur (as well as, for example, a selection of premises). The extracts specified in § 60 Para. 5 of the Trade Licensing Act are issued by the trade licensing office; besides the trade licensing office, a complete extract is also issued by the public administration contact point – Czech POINT.

On the basis of a trade authorisation, a trade may be operated in multiple premises, assuming that the entrepreneur owns or has the right to use those premises.

As well as declaring a trade or applying for a licence at the appropriate trade licensing office, a natural person may also

- a) submit an application for tax registration or a notification to the tax administrator, provided that he/she does not have a legal duty to make such submissions to the tax administrator in electronic form  
(§ 125 et seq. of Act No. 280/2009 Coll., the Tax Code),
- b) report the start of self-employment  
(§ 48, §48d of Act No. 582/1991 Coll., on the Organisation and Implementation of Social Security, as amended),
- c) submit an application for pension insurance  
(§ 48a, 48d of Act No. 582/1991 Coll., as amended),
- d) submit an application for health insurance  
(§ 11, § 91a of Act No. 187/2006 Coll., on Health Insurance, as amended),
- e) announce the creation of a job vacancy or the occupancy of a vacancy  
(§ 35 of Act No. 435/2004 Coll., on Employment, as amended),
- f) submit notification under the Public Health Insurance Act  
(§ 10 of Act No. 48/1997 Coll. on Public Health Insurance and amending and supplementing certain acts, as amended).

For further information the annex to this material states guidelines for the declaration of a trade or application for a licence by a foreign natural person who is a national of a member state of the European Union, the EEA or Switzerland (Annex No. 1) and a foreign natural person who is not a citizen of a member state of the European Union, the EEA or Switzerland (Annex No. 2).

## **Annex No. 1**

### **Declaring a trade and applying for a licence for natural persons with no address within the territory of the Czech Republic (foreign natural person – citizen of a member state of the EU, the EEA and Switzerland)**

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§ 2 of the Trade Licensing Act defines trade as systematic activity engaged in autonomously, in one's own name, on one's own responsibility, for the purpose of making a profit and under the conditions specified by the Trades Licensing Act. Entrepreneurs must comply with the general conditions governing the trade (§ 6 of the Trade Licensing Act) and entrepreneurs (or their responsible representatives) must comply with the special conditions governing trades, i.e. professional competence (§ 7 of the Trade Licensing Act); with entrepreneurs (or their responsible representatives) there must be no impediment to engaging in a trade (§ 8 of the Trade Licensing Act) and they must comply with other conditions specified by the Trade Licensing Act. In the case of unqualified trades, no special conditions (i.e. professional competence) are stipulated for engaging in those trades. In the case of craft trades, besides the general conditions governing the trade, the entrepreneur (or his responsible representative) must also prove professional competence in order to engage in that trade and there must be no impediment to engaging in the trade (§ 8 of the Trade Licensing Act). (Craft trades are specified in Annex No. 1 of the Trade Licensing Act). In the case of professional trades, besides the general conditions governing the trade, in order to engage in that trade, the entrepreneur (or his responsible representative) must also prove professional competence, which is specified by Appendix No. 2 of the Trade Licensing Act or governed by special legislation specified in this Annex and there must be no impediment to engaging in a trade (§ 8 of the Trade Licensing Act). (Professional trades are specified in Annex No. 2 of the Trade Licensing Act). In the case of licensed trades, besides the general conditions governing the trade, the entrepreneur (or his responsible representative) must comply with the special conditions governing trades, i.e. professional competence, which for licensed trades is defined by Annex No. 3 of the Trade Licensing Act or governed by special legislation specified in this Annex and there must be no impediment to engaging in a trade (§ 8 of the Trade Licensing Act). A state permit to operate a business (licence) is only required in cases defined by the Trade Licensing Act.

#### **Who may declare a trade or apply for a licence?**

A natural person with no address within the territory of the Czech Republic ("a foreign natural person") may engage in a trade within the territory of the Czech Republic under the same conditions and to the same extent as a Czech person, unless the Trade Licensing Act or a special

law specifies otherwise. A foreign natural person who is a national of a member state of the European Union or another state party to the Agreement on the European Economic Area or the Swiss Confederation does not have to provide the trade licensing office with a permit granting residency within the territory of the Czech Republic when declaring a trade pursuant to § 5 Para. 5 of the Trade Licensing Act.

### **What are the conditions governing trade?**

The general conditions governing trade by natural persons are:

- Full legal capacity, which may be replaced by court assent to consent granted by the legal guardian of a minor for the independent performance of entrepreneurial activity.
- Integrity.

Special conditions governing craft trades:

Proof of professional competence is not required to engage in unqualified (notifiable) trade. A unqualified (notifiable) trade must be declared. Craft trades, professional trades and licensed trades also require compliance with the special conditions governing the trade, i.e. professional or other competence.

Professional competence for craft trades is proven by submitting a document confirming

- the proper completion of secondary education with a vocational certificate in the relevant field of education,
- the proper completion of secondary education with a leaving examination in the relevant field of education, or with special training in the relevant field,
- the proper completion of higher vocational education in the relevant field of education,
- the proper completion of university education in the relevant field of study programs and fields of study,
- recognition of a professional qualification issued by a certification body in accordance with the Act on the Recognition of Professional Qualifications,
- the acquisition of all professional qualifications as specified for the corresponding profession in the National Qualifications Framework.

A citizen of the Czech Republic or another member state of the European Union (including nationals of other states parties of the European Economic Area and Switzerland, their family

members, persons with long-term resident status and their family members and other persons specified in § 70 Para. 1 of the Trade Licensing Act ) may also prove professional competence for the trades specified in Annex No. 1 of the Trade Licensing Act by presenting documents, pursuant to § 21 Para. 2 of the Trade Licensing Act, which prove that the citizen was engaged in the activity in question in another member state of the European Union.

The documents proving professional competence (as listed above) may be replaced by documents confirming:

- the proper completion of secondary education with a vocational certificate in a related field of education and a document proving one year's experience in the field,
- the proper completion of secondary education with a leaving examination in a related field of education and a document proving one year's experience in the field,
- the proper completion of higher vocational education in a related field of education and a document proving one year's experience in the field,
- the proper completion of university education in an appropriate related field of study programs and fields of study,
- the proper completion of requalification for the relevant type of work, issued by an accredited facility pursuant to special legislation, or by a facility accredited by the Ministry of Education, Youth and Sports, or by the ministry under whose authority the trade comes under, and a document proving one year's experience in the field, or
- a document proving six years' experience in the field.

Professional competence for professional trades is specified by Appendix No. 2 of the Trade Licensing Act or is governed by special legislation specified in this Annex. A citizen of the Czech Republic or another member state of the European Union (including citizens of other state parties to the Agreement on the European Economic Area and Switzerland, their family members and other persons specified in § 70 Para. 1 of the Trade Licensing Act ) may prove professional competence by presenting a document confirming the recognition of professional qualifications issued by a recognition body (Ministry of Industry and Trade) pursuant to the Act on the Recognition of Professional Qualifications.

Professional competence for licensed trades is specified by Appendix No. 3 of the Trade Licensing Act or is governed by special legislation specified in this Annex.

A citizen of the Czech Republic or another member state of the European Union (including citizens of other state parties to the Agreement on the European Economic Area and the Swiss Confederation, their family members, and other persons specified in § 70 Para. 1 of the Trade Licensing Act) may prove professional competence by presenting a document confirming the recognition of professional qualifications issued by a recognition body (Ministry of Industry and Trade) pursuant to the Act on the Recognition of Professional Qualifications.

In the case of entrepreneurs (or their responsible representatives) (§ 11 Para. 3 of the Trade Licensing Act) there must be no impediment to engaging in a trade as specified in the provisions of § 8 of the Trade Licensing Act (e.g. a penalty or sanction of disqualification imposed by a court or other administrative body in relation to trade in the field or in a related field for the duration of the penalty).

### **How to declare a trade or apply for a licence?**

The declaration of a trade or an application for a license may be submitted in person to any municipal trade licensing office - central registration point (CRP), or sent to that office by post or electronic mail (with a guaranteed electronic signature or to the data box of that office). They may also be submitted in person via a public administration contact point (Czech POINT).

### **To which trade licensing office should the declaration of a trade or an application for a license be submitted?**

The declaration of a trade or application for a license should be submitted to any municipal trade licensing office within the territory of the Czech Republic or via a public administration contact point (Czech POINT).

### **What documents does the declarant or applicant submit to the trade licensing office when declaring a trade or applying for a licence?**

- Declaration of a trade or application for a licensed trade on the appropriate form (completed beforehand or completed on site).
- An extract from the Criminal Register or equivalent document issued by the appropriate judicial or administrative authority of the state of which he is a citizen, or the member state in which he last resided, or an extract from the Criminal Register with an attachment containing the information entered in the Criminal Register of the member state of which he is a citizen, or the member state in which he last resided (if the member state in which he last resided is the Czech Republic, the trade licensing office will request the extract from



the Criminal Register itself). If the state does not issue such a document, a natural person submits a statutory declaration of integrity, made before a notary or other competent authority of the member state of which he is a citizen, or before a notary or other competent authority of the member state in which he last resided (no more than 3 months old). This document may be replaced by a document confirming the recognition of professional qualifications pursuant to the Act on the Recognition of Professional Qualifications, assuming compliance with the condition relating to integrity.

- In the case of the appointment of a responsible representative who is a citizen of a member state of the European Union or another state party to the Agreement on the European Economic Area or the Swiss Confederation, a member of such a citizen's family or any of the other persons specified in § 70 Para. 1 of the Trade Licensing Act , an extract from the Criminal Register or another of the above documents proving integrity from the state of which he is a citizen, or the member state in which he last resided, or an extract from the Criminal Register with an attachment containing the information entered in the Criminal Register of the member state of which he is a citizen, or the member state in which he last resided (if the member state in which he last resided is the Czech Republic, the trade licensing office will request the extract from the Criminal Register itself). If the state does not issue such a document, a natural person submits a statutory declaration of integrity, made before a notary or other competent authority of the member state of which he is a citizen, or before a notary or other competent authority of the member state in which he last resided (no more than 3 months old). This document may be replaced by a document confirming the recognition of professional qualifications pursuant to the Act on the Recognition of Professional Qualifications, assuming compliance with the condition relating to integrity. These documents must not be more than 3 months old. If the responsible representative is a citizen of a state other than those specified above, an extract from the Criminal Register or equivalent document issued by the state of which the natural person is a citizen (apart from persons with a permanent residency permit within the territory of the Czech Republic who proves his integrity by presenting an extract from the Criminal Register). If this state does not issue these documents, the responsible representative must submit a statutory declaration of integrity made before a notary or other competent authority of the member state of which he is a citizen or before a notary or other competent authority of the state in which that person last resided. These documents must not be more than 3 months old. The trade licensing office will request the extract from the Criminal Register itself.
- Declaration made by the responsible representative (if appointed), confirming that he consents to being appointed; the signature on the declaration must be officially verified,

unless the responsible representative makes the declaration in person at the trade licensing office.

- Document proving the professional competence of the entrepreneur or his responsible representative. This does not apply to unqualified trades.
- Document proving the legal grounds for the use of the premises in which the natural person has his registered office (if an organisational unit of a plant has been set up, these documents must also be provided for that organisational unit).
- If an organisational unit is to be set up within the territory of the Czech Republic, also a document proving that the person has a plant outside the territory of the Czech Republic.
- Document confirming payment of the administrative fee.
- Assuming that the trade licensing office has no doubts concerning the accuracy of a translation or the authenticity of a signature or stamp, the submitted documents, if not issued in the Czech language, do not have to be officially translated into Czech (i.e. by an interpreter registered in the register of experts and interpreters), nor does the authenticity of a signature or stamp on a document have to be verified.

#### **Requisite forms and where to obtain them:**

"Single Registration Form for Natural Persons" (SRF), which may be used at the municipal trade licensing office to register with other authorities, these being the social security office, health insurance office and employment office. When filing a declaration or application at the municipal trade licensing office for the tax authorities, the Ministry of Finance form must be used. The forms are available at any municipal trade licensing office - central registration point (CRP), or are freely available on the website [www.mpo.cz](http://www.mpo.cz), Business Support section.

In the declaration of the trade or in the licence application a natural person must state the following data in particular:

- Name and surname, or trade name, if entered in the Commercial Register.
- Citizenship.
- Birth registration number, if assigned.
- Date of birth.
- Address outside the territory of the Czech Republic, place of residence in the Czech Republic (if a permit has been granted), designation and location of an organisational unit of the plant in the Czech Republic (name of municipality, municipal district, street name, house number or registration number, or indicative number, postcode) and data relating to

the head of the organisational unit of the plant (name and surname, citizenship, address, birth registration number, if assigned, date of birth).

- If a trade is engaged in through a responsible representative, details of that responsible representative must be stated (name and surname, citizenship, address, birth registration number, if assigned, date of birth, place of birth and surname at birth).
- Subject of business. In the case of unqualified trades, the subject of business is stated together with the fields of activity that will be performed, pursuant to Annex No. 4 . With craft trades, the subject of business in accordance with Annex No. 1, given in full or partially. With professional trades, the subject of business in accordance with Annex No. 2, given in full or partially. With licensed trades, the subject of business is stated in full or in part pursuant to Annex No. 3 of the Trade Licensing Act.
- Registered office (name of municipality, municipal district, street name, house number or registration number, or indicative number, postcode).
- Personal identification number, if assigned.
- Premises in which the trade will commence immediately after the trade licence has been granted, except for mobile premises and vending machines.

Title or academic degree of the persons above, if these are to be used when engaging in the trade. In the Single Registration Form the entrepreneur must also state any information required by the other authorities listed above, if applicable.

#### **Basic administrative fees and how to pay them:**

- 1 000 CZK for declaring a trade when starting to do business.
- 500 CZK for declaring an additional trade, regardless of whether one trade is declared or multiple trades are declared simultaneously.
- 1 000 CZK for receipt of a licence application when starting to do business.
- 500 CZK for receipt of each additional licence application, regardless of whether the applicant is applying for one trade or multiple trades in a single application.

The fee is only charged once, if multiple trades are declared simultaneously or if a trade is declared at the same time that a licence application is filed. The fee may be paid in cash at the headquarters of the municipal trade licensing office or by postal order or bank transfer.

- 50 CZK for receipt of a declaration or application by a contact point, if the trade declaration or licence application is filed through a public administration contact point (the

administrative fee for declaring a trade or receipt of a licence application or additional licence application remains the same).

### **What are the deadlines for the entry to be made in the Trade Register**

The trade licensing office is obliged to make the entry in the Trade Register within 5 working days of receipt of the declaration and to issue the entrepreneur with an extract, assuming that the declarant meets the conditions stipulated by the law.

The trade licensing office will decide on the licence application within 30 days of receipt of the application by the municipal trade licensing office, assuming that the application contains all the requisite details. The trade licensing office will make the entry in the Trade Register within 5 working days of the date on which the decision on the granting of the licence enters into force and will issue the entrepreneur with an extract.

### **Applicable regulations:**

Act No. 455/1991 Coll., on Trade Licensing (Trades Licensing Act), as amended.

### **Related regulations:**

Trades Licensing Act is closely connected with other laws and regulations:

- Act No. 89/2012 Coll., the Civil Code;
- Act No. 90/2012 Coll., on Trading Companies and Cooperatives (Act on Trading Corporations);
- Act No. 304/2013 Coll., on Public Registers of Legal Entities and Natural Persons;
- Act No. 40/2009 Coll., the Criminal Code, as amended;
- Act No. 200/1990 Coll., on Offences, as amended;
- Act No. 500/2004 Coll., Code of Administrative Procedure, as amended;
- Act No. 634/2004 Coll., on Administrative Fees, as amended;
- Act No. 280/2009 Coll., the Tax Code, as amended;
- Act No. 589/1992 Coll., on Social Security Premiums 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 the Recognition of Professional Qualifications and Other Qualifications of the Nationals of Member States of the European Union and on the amendment of certain acts (Act on the Recognition of Professional Qualifications), as amended;
- Act No. 435/2004 Coll., on Employment, as amended;
- Act No. 182/2006 Coll., on Bankruptcy and Bankruptcy Settlement Methods (the Insolvency Act), as amended;
- Act No. 179/2006 Coll., on the Verification and Recognition of the Results of Further Education and on the amendment of certain acts (Act on the Verification and Recognition of the Results of Further Education), as amended;
- Act No. 365/2000 Coll., on Public Administration Information Systems, as amended;
- Act No. 300/2008 Coll., on Electronic Acts and the Authorised Conversion of Documents, as amended;
- Act No. 111/2009 Coll., on Basic Registers, as amended;
- Act No. 326/1999 Coll., on the Residency of Foreign Nationals within the territory of the Czech Republic and on the amendment of certain acts, as amended;
- Act No. 255/2012 Coll., on Inspection (Inspection Act);
- Numerous legal regulations of a technical nature, depending on the type of trade in question.

**Procedure adopted by the trade licensing office after a trade declaration or licence application has been filed:**

In the case of notifiable trades, the law states that if not all the requisite details have been declared, the trade licensing office will request that the entrepreneur rectify the shortcomings within 5 working days. The request will specify a reasonable period of time to rectify the shortcomings, although no less than 15 days. If there are serious grounds for this, at the entrepreneur's request the trade licensing office may repeatedly extend the deadline. The deadline for the entry in the Trade Register and the issue of the extract does not apply for the period specified in the request. If the entrepreneur rectifies the shortcomings within the prescribed or extended period of time, the declaration is deemed correct from the outset. If the entrepreneur fails to rectify the shortcomings within the prescribed or extended period of time, the trade licensing office will initiate proceedings and decide that the trade licence was not granted upon declaration. If the declarant rectifies the shortcomings prior to the issue of the decision and the trade licensing office ascertains that the conditions stipulated for the granting of

the trade licence have been met, the trade licensing office will end the proceedings by making an entry in the Trade Register and will issue an extract.

If the trade licensing office determines that not all the requisite details have been provided in the licence application, it will ask the applicant to rectify the shortcomings. The request will specify a reasonable period of time for rectifying the shortcoming and may also terminate the proceedings. If there are serious grounds for this, at the applicant's request the trade licensing office may repeatedly extend the deadline. If the applicant rectifies the shortcomings within the prescribed or extended period of time, the trade licensing office will start processing the application. If the applicant fails to rectify the shortcomings, the trade licensing office will suspend the proceedings. If the applicant fails to meet the general and special conditions required in order to engage in a trade or if an impediment to trade exists or if the competent state administrative body does not agree to the granting of the licence, the trade licensing office will reject the licence application.

The trade licensing office will create an electronic copy of the documents submitted, as listed in § 46 Para. 7 of the Trade Licensing Act (e.g. a document proving the legal justification for the use of the premises in which the legal entity has its registered office), which is stored in the Trade Register. The entrepreneur is not required in future to resubmit documents stored in the Trade Register when declaring a trade, applying for a licence or notifying changes in the data submitted, provided the facts certified by these documents remained unchanged.

### **Appeals:**

An appeal against a decision issued by the municipal trade licensing office stating that the trade licence was not granted upon declaration, or that the declarant has failed to meet the conditions stipulated for the trade licence may be filed within 15 days of the date on which the declarant is notified of the decision. Appeals are to be filed with the municipal trade licensing office which issued the contested decision.

An appeal against a decision issued by the municipal trade licensing office stating that a licence application has been rejected or against a decision to suspend proceedings may be filed within 15 of the date on which the applicant is notified of the decision. Appeals are to be filed with the municipal trade licensing office which issued the contested decision.

### **Penalties for breach of duties during the operation of a trade:**

Sanctions are imposed for any breach of the obligations stipulated by the Trade Licensing Act in the form of the fine specified in § 61 to 63 of the Trade Licensing Act. In cases specified by § 58 of

the Trade Licensing Act a trade licence may be suspended or withdrawn, or a decision may be passed suspending the operation of the trade in those particular premises.

**Need to know more? You may also contact:**

Any municipal trade licensing office – central registration point (CRP), or visit its website.

**Related procedures and manuals, how to deal with them, and other documents:**

See the guide to doing business (life situations) at <http://www.mpo.cz/cz/podpora-podnikani/zivnost-podnikani/>.

**Authority responsible for the accuracy of this manual:**

Trade licensing in general falls under the trade department of the Section of Business Promotion, Digital Economy and the Consumer of the Ministry of Industry and Trade of the Czech Republic.

tel: +420 224 85 2665

**Manual prepared under the laws applicable as of:**

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**Applicability of manual:**

Changes to and the expiry of this manual are the result of legislation adopted in relation to trade licensing.

## **Annex No. 2**

### **Declaring a trade or applying for a licence for natural persons with no address within the territory of the Czech Republic (foreign natural person – not a citizen of a member state of the EU, the EEA or Switzerland)**

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§ 2 of the Trade Licensing Act defines trade as systematic activity engaged in autonomously, in one's own name, on one's own responsibility, for the purpose of making a profit and under the conditions specified by the Trades Licensing Act. Entrepreneurs must comply with the general conditions (§ 6 of the Trade Licensing Act) and entrepreneurs (or their responsible representatives) must comply with the special conditions governing trades, i.e. professional competence (§ 7 of the Trade Licensing Act); with entrepreneurs (or their responsible representatives) there must be no impediment to engaging in a trade (§ 8 of the Trade Licensing Act) and they must comply with other conditions specified by the Trade Licensing Act. In the case of unqualified trades, no special conditions (i.e. professional competence) are stipulated for engaging in those trades. In the case of craft trades, besides the general conditions governing the trade, the entrepreneur (or his responsible representative) must also prove professional competence in order to engage in that trade and there must be no impediment to engaging in the trade (§ 8 of the Trade Licensing Act). (Craft trades are specified in Annex No. 1 of the Trade Licensing Act). In the case of professional trades, besides the general conditions governing the trade, in order to engage in that trade, the entrepreneur (or his responsible representative) must also prove professional competence, which is specified by Appendix No. 2 of the Trade Licensing Act or governed by special legislation specified in this Annex and there must be no impediment to engaging in a trade (§ 8 of the Trade Licensing Act). (Professional trades are specified in Annex No. 2 of the Trade Licensing Act). In the case of licensed trades, besides the general conditions governing the trade, the entrepreneur (or his responsible representative) must comply with the special conditions governing trades, i.e. professional competence, which for licensed trades is defined by Annex No. 3 of the Trade Licensing Act or governed by special legislation specified in this Annex and there must be no impediment to engaging in a trade (§ 8 of the Trade Licensing Act). A state permit to operate a business (licence) is only required in cases defined by the Trade Licensing Act.



### **Who may declare a trade or apply for a licence?**

A natural person with no address within the territory of the Czech Republic ("foreign natural person") may engage in a trade within the territory of the Czech Republic under the same conditions and to the same extent as a Czech person, unless the Trade Licensing Act or a special law specifies otherwise. A foreign natural person who intends to engage in a trade within the territory of the Czech Republic and who is not a citizen of a member state of the European Union or another state party to the Agreement on the European Economic Area or the Swiss Confederation must possess a permit to reside in the territory of the Czech Republic, with the exception of cases where that person intends to engage in trade through an organisational unit of a plant within the territory of the Czech Republic. A natural person who has been granted asylum or subsidiary protection within the territory of the Czech Republic under special legislation may engage in trade under the same conditions as a citizen of the Czech Republic with an address within the territory of the Czech Republic.

### **What are the conditions governing trade?**

The general conditions governing trade by natural persons are:

- Full legal capacity, which may be replaced by court assent to consent granted by the legal guardian of a minor for the independent performance of entrepreneurial activity.
- Integrity.

Special conditions governing trades:

Proof of professional competence is not required to engage in unqualified (notifiable) trade. A unqualified (notifiable) trade must be declared. Craft trades, professional trades and licensed trades also require compliance with the special conditions governing the trade, i.e. professional or other competence.

Professional competence for craft trades is proven by submitting a document confirming

- the proper completion of secondary education with a vocational certificate in the relevant field of education,
- the proper completion of secondary education with a leaving examination in the relevant field of education, or with special training in the relevant field,
- the proper completion of higher vocational education in the relevant field of education,
- the proper completion of university education in the relevant field of study programs and fields of study,

- recognition of professional qualifications issued by a recognition body pursuant to the Act on the Recognition of Professional Qualifications,
- the acquisition of all professional qualifications as specified for the corresponding profession in the National Qualifications Framework.

The family members of citizens of a member state of the European Union or other contracting states of the European Economic Area and Switzerland and other persons specified in § 70 Para. 1 of the Trade Licensing Act may prove their professional competence for the trades specified in Annex No. 1 of the Trade Licensing Act by presenting documents, pursuant to § 21 Para. 2 of the Trade Licensing Act, certifying that they carried out the activity in another member state of the European Union.

The documents proving professional competence (as listed above) may be replaced by documents confirming:

- the proper completion of secondary education with a vocational certificate in a related field of education and a document proving one year's experience in the field,
- the proper completion of secondary education with a leaving examination in a related field of education and a document proving one year's experience in the field,
- the proper completion of higher vocational education in a related field of education and a document proving one year's experience in the field,
- the proper completion of university education in an appropriate related field of study programs and fields of study,
- the proper completion of requalification for the relevant type of work, issued by an accredited facility pursuant to special legislation, or by a facility accredited by the Ministry of Education, Youth and Sports, or by the ministry under whose authority the trade comes under, and a document proving one year's experience in the field, or
- a document proving six years' experience in the field.

Professional competence for professional trades is specified by Appendix No. 2 of the Trade Licensing Act or is governed by special legislation specified in this Annex. The family members of citizens of member states of the European Union and other state parties of the European Economic Area and Switzerland as well as other persons specified in § 70 Para. 1 of the Trade Licensing Act, may prove professional competence by presenting a document confirming the

recognition of professional qualifications issued by a recognition body (Ministry of Industry and Trade) pursuant to the Act on the Recognition of Professional Qualifications.

Professional competence for licensed trades is specified by Appendix No. 3 of the Trade Licensing Act or is governed by special legislation specified in this Annex. The family members of citizens of member states of the European Union and other state parties of the European Economic Area and Switzerland as well as other persons specified in § 70 Para. 1 of the Trade Licensing Act , may prove professional competence by presenting a document confirming the recognition of professional qualifications issued by a recognition body (Ministry of Industry and Trade) pursuant to the Act on the Recognition of Professional Qualifications.

In the case of entrepreneurs (or their responsible representatives) (§ 11 Para. 3 of the Trade Licensing Act) there must be no impediment to engaging in a trade as specified in the provisions of § 8 of the Trade Licensing Act (e.g. a penalty or sanction of disqualification imposed by a court or other administrative body in relation to trade in the field or in a related field for the duration of the penalty).

#### **How to declare a trade or apply for a licence?**

The declaration of a trade or an application for a license may be submitted in person to any municipal trade licensing office - central registration point (CRP), or sent to that office by post or electronic mail (with a guaranteed electronic signature or to the data box of that office). A declaration (application) may also be filed in person through a public administration contact point (Czech POINT).

#### **To which trade licensing office should the declaration of a trade or an application for a license be submitted?**

The declaration of a trade or application for a license should be submitted to any municipal trade licensing office within the territory of the Czech Republic or via a public administration contact point (Czech POINT).

#### **What documents does the declarant or applicant submit to the trade licensing office when declaring a trade or applying for a licence?**

- Declaration of a trade or application for a licensed trade on the appropriate form (completed beforehand or completed on site).

- An extract from the Criminal Register or equivalent document issued by the state of which the natural person is a citizen (apart from persons with a permanent residency permit within the territory of the Czech Republic). If this state does not issue an extract from the Criminal Register or equivalent document, the declarant/applicant must submit a statutory declaration of integrity made before a notary or other competent authority of the state of which that person is a citizen, or before a notary or other competent authority of the state in which that person last resided. These documents must not be more than 3 months old. The trade licensing office will request the extract from the Criminal Register itself. In the case of a family member of a citizen of a member state of the European Union other state party of the European Economic Area or the Swiss Confederation or any of the other persons specified in § 70 Para. 1 of the Trade Licensing Act , an extract from the Criminal Register or equivalent document issued by the appropriate judicial or administrative authority of the state of which that person is a national, or the member state in which he last resided, or an extract from the Criminal Register with an attachment containing the information entered in the Criminal Register of the member state in which he last resided (if the member state in which he last resided is the Czech Republic, the trade licensing office will request the extract from the Criminal Register itself). If the state does not issue such a document, a natural person submits a statutory declaration of integrity, made before a notary or other competent authority of the member state of which he is a citizen, or before a notary or other competent authority of the member state in which he last resided (no more than 3 months old). In the case of a person who has a permanent residency permit within the territory of the Czech Republic, the trade licensing office will request the extract from the Criminal Register itself. This document may be replaced by a document confirming professional competence issued by a recognition authority (Ministry of Industry and Trade) pursuant to the Act on the Recognition of Professional Qualifications, assuming proof of compliance with the conditions relating to integrity.
- If a responsible representative has been appointed who is a citizen of a member state of the European Union or other state parties of the European Economic Area or the Swiss Confederation, that person's family member or any of the other persons specified in § 70 Para. 1 of the Trade Licensing Act submits an extract from the Criminal Register or equivalent document issued by the appropriate judicial or administrative authority of that state or the member state in which the person last resided, or an extract from the Criminal Register with an attachment containing the information entered in the Criminal Register of the member state of which he is a citizen, or the member state in which he last resided. If this state does not issue these documents, the responsible representative must submit a statutory declaration of integrity made before a notary or other competent authority of the member state of which he is a citizen or before a notary or other competent authority of

the member state in which he last resided. Výše this document may be replaced by a document confirming professional competence issued by a recognition authority (Ministry of Industry and Trade) pursuant to the Act on the Recognition of Professional Qualifications, assuming proof of compliance with the conditions relating to integrity. If the responsible representative is a citizen of a state other than those specified above, an extract from the Criminal Register or equivalent document issued by the state of which the natural person is a citizen (apart from persons with a permanent residency permit within the territory of the Czech Republic who proves his integrity by presenting an extract from the Criminal Register). If this state does not issue these documents, the responsible representative must submit a statutory declaration of integrity made before a notary or other competent authority of the member state of which he is a citizen or before a notary or other competent authority of the state in which that person last resided. These documents must not be more than 3 months old. The trade licensing office will request the extract from the Criminal Register itself.

- Declaration made by the responsible representative (if appointed), confirming that he consents to being appointed; the signature on the declaration must be officially verified, unless the responsible representative makes the declaration in person at the trade licensing office.
- Document proving the professional competence of the entrepreneur or his responsible representative. This does not apply to unqualified trades.
- Document proving the legal grounds for the use of the premises in which the natural person has his registered office (if an organisational unit of a plant has been set up, these documents must also be provided for that organisational unit).
- If an organisational unit of a plant is to be set up, also a document proving that the person has a plant outside the territory of the Czech Republic, and documents relating to the operation of that plant.
- Document confirming payment of the administrative fee.
- Document confirming permission to reside within the territory of the Czech Republic pursuant to § 5 Para. 5 of the Trade Licensing Act.
- All documents, if not issued in Czech, must be accompanied by an official translation into Czech (this does not apply for documents in Slovak). The authenticity of signatures and stamps on the originals of submitted documents must be verified.

#### **Requisite forms and where to obtain them:**

"Single Registration Form for Natural Persons" (SRF), which may be used at the municipal trade licensing office to register with other authorities, these being the social security office, health insurance office and employment office. When filing a declaration or application at the municipal trade licensing office for the tax authorities, the Ministry of Finance form must be used. The forms are available at any municipal trade licensing office - central registration point (CRP), or are freely available on the website [www.mpo.cz](http://www.mpo.cz), Business Support section.

In the declaration of the trade or in the licence application a natural person must state the following data in particular:

- Name and surname, or trade name, if entered in the Commercial Register.
- Citizenship.
- Birth registration number, if assigned.
- Date of birth.
- Address outside the territory of the Czech Republic, place of residence in the Czech Republic (if a permit has been granted), designation and location of an organisational unit of the plant in the Czech Republic (name of municipality, municipal district, street name, house number or registration number, or indicative number, postcode) and data relating to the head of the organisational unit of the plant (name and surname, citizenship, address, birth registration number, if assigned, date of birth).
- If a trade is engaged in through a responsible representative, details of that responsible representative must be stated (name and surname, citizenship, address, birth registration number, if assigned, date of birth, place of birth and surname at birth).
- Subject of business. In the case of unqualified trades, the subject of business is stated together with the fields of activity that will be performed, pursuant to Annex No. 4 . With craft trades, the subject of business given in full or partially in accordance with Annex No. 1. With professional trades, the subject of business given in full or partially in accordance with Annex No. 2. With licensed trades, the subject of business is stated in full or in part pursuant to Annex No. 3 of the Trade Licensing Act.
- Registered office (name of municipality, municipal district, street name, house number or registration number, or indicative number, postcode).
- Personal identification number, if assigned.
- Premises in which the trade will commence immediately after the trade licence has been granted, with the exception of mobile premises and vending machines.
- Duration of residency permit.

Title or academic degree of the persons above, if these are to be used when engaging in the trade. In the Single Registration Form the entrepreneur may also state any information required by the other authorities listed above, if applicable.

#### **Administrative and other fees and how to pay them:**

- 1 000 CZK for declaring a trade when starting to do business.
- 500 CZK for declaring an additional trade, regardless of whether one trade is declared or multiple trades are declared simultaneously.
- 1 000 CZK for receipt of a licence application when starting to do business.
- 500 CZK for receipt of each additional licence application, regardless of whether the applicant is applying for one trade or multiple trades in a single application.

The fee is only charged once, if multiple trades are declared simultaneously or if a trade is declared at the same time that a licence application is filed. The fee may be paid in cash at the headquarters of the municipal trade licensing office or by postal order or bank transfer.

- 50 CZK for receipt of a declaration or application by a contact point, if the trade declaration or licence application is filed through a public administration contact point (the administrative fee for declaring a trade or receipt of a licence application or additional licence application remains the same).

#### **What are the deadlines for the entry to be made in the Trade Register**

The trade licensing office is obliged to make the entry in the Trade Register within 5 working days of receipt of the declaration and to issue the entrepreneur with an extract, assuming that the declarant meets the conditions stipulated by the law. The trade licensing office will issue foreign persons who have proven compliance with all the conditions with the exception of the residency permit with an extract for the purposes of the residency permit proceedings. The trade licence is granted to those persons on the date they submit a document authorising their residence to the trade licensing office to which the trade was declared, assuming that the person submits a document confirming permission to reside within 3 working days of declaring the place of residence within the territory of the Czech Republic (§ 93 of the Aliens Act) and also within 6 months of the delivery of the extract for the purposes of the residency permit proceedings. The trade licensing office will issue the applicant with the extract within 5 working days of the submission of the document.

The trade licensing office will decide on the licence application within 30 days of receipt of the application by the municipal trade licensing office, assuming that the application contains all the

requisite details. The trade licensing office will make the entry in the Trade Register within 5 working days of the date on which the decision on the granting of the licence enters into force and will issue the entrepreneur with an extract. The trade licensing office will issue foreign persons who have proven compliance with all the conditions with the exception of the residency permit with an extract for the purposes of the residency permit proceedings. The trade licence is granted to those persons on the date they submit a document authorising their residence to the trade licensing office to which the licence application was filed, assuming that the foreign person submits a document confirming permission to reside within 3 working days of declaring the place of residence within the territory of the Czech Republic (§ 93 of the Aliens Act) and also within 6 months of the delivery of the extract for the purposes of the residency permit proceedings. The trade licensing office will issue the applicant with the extract within 5 working days of the submission of the document.

**Applicable regulations:**

Act No. 455/1991 Coll., on Trade Licensing (Trades Licensing Act), as amended.

**Related regulations:**

Trades Licensing Act is closely connected with other laws and regulations:

- Act No. 89/2012 Coll., the Civil Code;
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- Act No. 586/1992 Coll., on Income Tax, as amended;
- Act No. 18/2004 Coll., on the Recognition of Professional Qualifications and Other Qualifications of the Nationals of Member States of the European Union and on the



amendment of certain acts (Act on the Recognition of Professional Qualifications), as amended;

- Act No. 435/2004 Coll., on Employment, as amended;
- Act No. 182/2006 Coll., on Bankruptcy and Bankruptcy Settlement Methods (the Insolvency Act), as amended;
- Act No. 179/2006 Coll., on the Verification and Recognition of the Results of Further Education and on the amendment of certain acts (Act on the Verification and Recognition of the Results of Further Education), as amended;
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- Act No. 255/2012 Coll., on Inspection (Inspection Act);
- Numerous legal regulations of a technical nature, depending on the type of trade in question.

**Procedure adopted by the trade licensing office after a trade declaration or licence application has been filed:**

If not all the requisite details have been declared, the trade licensing office will request that the entrepreneur rectify the shortcomings within 5 working days. The request will specify a reasonable period of time to rectify the shortcomings, although no less than 15 days. If there are serious grounds for this, at the entrepreneur's request the trade licensing office may repeatedly extend the deadline. The deadline for the entry in the Trade Register and the issue of the extract does not apply for the period specified in the request. If the entrepreneur rectifies the shortcomings within the prescribed or extended period of time, the declaration is deemed correct from the outset. If the entrepreneur fails to rectify the shortcomings within the prescribed or extended period of time, the trade licensing office will initiate proceedings and decide that the trade licence was not granted upon declaration. If the declarant rectifies the shortcomings prior to the issue of the decision and the trade licensing office ascertains that the conditions stipulated for the granting of the trade licence have been met, the trade licensing office will end the proceedings by making an entry in the Trade Register and will issue an extract. If a foreign person who has been issued with an extract for the purposes of residency permit proceedings fails to present a residency permit

document within 3 working days of declaring his place of residency within the territory of the Czech Republic, the trade licensing office will decide that the declarant has failed to meet the conditions stipulated for the trade licence. The trade licensing office will reach the same decision if the person fails to present a residency permit document within 6 months of the delivery of the extract. The trade licensing office will record in the Trade Register the fact that the declarant has failed to meet the conditions stipulated for the trade licence.

If the trade licensing office determines that not all the requisite details have been provided in the licence application, it will ask the applicant to rectify the shortcomings. The request will specify a reasonable period of time for rectifying the shortcoming and may also terminate the proceedings. If there are serious grounds for this, at the applicant's request the trade licensing office may repeatedly extend the deadline. If the applicant rectifies the shortcomings within the prescribed or extended period of time, the trade licensing office will start processing the application. If the applicant fails to rectify the shortcomings, the trade licensing office will suspend the proceedings. If the applicant fails to meet the general and special conditions required in order to engage in a trade or if an impediment to trade exists or if the competent state administrative body does not agree to the granting of the licence, the trade licensing office will reject the licence application. If a foreign person who has been issued with an extract for the purposes of residency permit proceedings fails to present a residency permit document within 3 working days of declaring his place of residency within the territory of the Czech Republic, it is considered that he has failed to meet the conditions stipulated for the trade licence. The trade licensing office will note this fact in the records and will make an entry in the Trade Register. The same will apply if the person fails to present a residency permit document within 6 months of the delivery of the extract issued for the purposes of the residency permit proceedings.

The trade licensing office will create an electronic copy of the documents submitted, as listed in § 46 Para. 7 of the Trade Licensing Act (e.g. a document proving the legal justification for the use of the premises in which the legal entity has its registered office), which is stored in the Trade Register. The entrepreneur is not required in future to resubmit documents stored in the Trade Register when declaring a trade, applying for a licence or notifying changes in the data submitted, provided the facts certified by these documents remained unchanged.

### **Appeals:**

An appeal against a decision issued by the municipal trade licensing office stating that the trade licence was not granted upon declaration, or that the declarant has failed to meet the conditions stipulated for the trade licence may be filed within 15 days of the date on which the declarant is

notified of the decision. Appeals are to be filed with the municipal trade licensing office which issued the contested decision.

An appeal against a decision issued by the municipal trade licensing office stating that a licence application has been rejected or against a decision to suspend proceedings may be filed within 15 of the date on which the applicant is notified of the decision. Appeals are to be filed with the municipal trade licensing office which issued the contested decision.

**Penalties for breach of duties during the operation of a trade:**

Sanctions are imposed for any breach of the obligations stipulated by the Trade Licensing Act in the form of the fine specified in § 61 to 63 of the Trade Licensing Act. In cases specified by § 58 of the Trade Licensing Act a trade licence may be suspended or withdrawn, or a decision may be passed suspending the operation of the trade in those particular premises.

**Need to know more? You may also contact:**

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**Related procedures and manuals, how to deal with them, and other documents:**

See the guide to doing business (life situations) at <http://www.mpo.cz/cz/podpora-podnikani/zivnost-podnikani/>.

**Authority responsible for the accuracy of this manual:**

Trade licensing in general falls under the trade department of the Section of Business Promotion, Digital Economy and the Consumer of the Ministry of Industry and Trade of the Czech Republic.

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Changes to and the expiry of this manual are the result of legislation adopted in relation to trade licensing.

## **Structure and scope of trade licensing offices**

## System of trade licensing offices

In the trade licensing section, public administration is carried out as part of the system of trade licensing offices, which, according to the provisions of § 1 of Act No. 570/1991 Coll., on Trade 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., Act No. 223/2009 Coll. and Act No. 458/2011 Coll.), are:

- municipal trade licensing offices
- regional trade licensing offices
- the Trade Licensing Office of the Czech Republic.

Municipal trade licensing offices are departments of municipal authorities of municipalities with extended powers<sup>1)</sup>, and within the territory of the City of Prague the trade licensing departments of the city district authorities as defined by the Statute of the City of Prague<sup>2)</sup>.

Regional trade licensing offices are departments of regional authorities<sup>3)</sup> and within the territory of the City of Prague the trade licensing department of the Municipal Council of the City of Prague<sup>4)</sup>.

The competence of the Trade Licensing Office of the Czech Republic is exercised by the Ministry of Industry and Trade of the Czech Republic. The Ministry of Industry and Trade is the central administrative body for matters relating to trade licensing.

## Scope of trade licensing offices

The competence and authority of the trade licensing office are defined by law.

According to the provisions of § 2 of the Act on Trade Licensing Offices the municipal trade licensing office performs activities to the extent stipulated by Act No. 455/1991 Coll., on Trade Licensing (Trades Licensing Act), as well as other tasks specified by special legislation, and also, as a central registration point:

- a) accepts registration applications or notifications to the tax administrator from persons engaging in business through a trade licence (§ 125 of Act No. 280/2009 Coll., the Tax Code).
- b) accepts social security notifications and reports from natural persons engaging in business through a trade licence, to the extent specified by special legislation (§ 10a of Act No. 582/1991 Coll., on the Organisation and Implementation of Social Security, as amended),
- c) accepts notifications from persons engaging in business through a trade licence concerning job vacancies or the occupation of vacancies (§ 35 of Act No. 435/2004 Coll., on Employment, as amended),

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<sup>1)</sup> § 66 of Act No. 128/2000 Coll., on Municipalities (Local Government), as amended. Act No. 314/2002 Coll., on determining municipalities with the authorised municipal office and determining municipalities with extended authority.

<sup>2)</sup> § 17 Para. 1 a) of Act No. 131/2000 Coll., on the City of Prague, as amended.

<sup>3)</sup> § 68 Para. 2 of Act No. 129/2000 Coll., on Regions (Establishment of Regions), as amended.

<sup>4)</sup> § 81 Para. 4 of Act No. 131/2000 Coll.

- d) accepts notifications and reports from natural persons engaging in business through a trade licence directed at health insurance companies to the extent specified by special legislation (§ 10a of Act No. 48/1997 Coll., on Public Health Insurance and amending and supplementing certain related acts, as amended).

Within the deadlines stipulated by special legislation (§ 45a Para. 6 of the Trade Licensing Act), the municipal trade licensing office also passes on cases it receives to the appropriate administrative authorities (§ 45a Para. 4 of the Trade Licensing Act), which then proceed pursuant to the relevant special legislation. The municipal trade licensing office also operates the Trade Register (§ 2 of Act No. 365/2000 Coll., on Public Administration Information Systems and on the amendment of certain other acts, as amended). The municipal trade licensing office specified by an implementing regulation serves as the single contact point (Act No. 222/2009 Coll., on the Free Movement of Services). A list of the various contact points is published in Decree No. 248/2009 Coll.

When exercising their powers, municipal trade licensing offices are bound by the generally binding laws, government resolutions and published guidelines of the Ministry of Industry and Trade, as well as by measures adopted by regional authorities when inspecting the public administration of municipalities.

The territorial districts of municipal trade licensing offices are specified by Ministry of the Interior Decree No. 388/2002 Coll., on the establishment of administrative districts of municipalities with an authorised municipal office and administrative districts of municipalities with extended powers, as amended.

According to the provisions of § 3 of the Act on Trade Licensing Offices, the regional trade licensing office performs management, coordination, control and methodical activities, including acting as central registration points and single contact points for municipal trade licensing offices within its administrative district; it may order municipal trade licensing offices within its administrative district to carry out trade inspections, decides on appeals against decisions passed by municipal trade licensing offices within its administrative district, cooperates in the trade licensing section with the relevant administrative authorities under whose scope of powers the trade falls, with chambers of commerce, associations and syndicates of entrepreneurs, is entitled to request the necessary statements and opinions from central administrative authorities, operates the Trade Register (§ 2 of Act No. 365/2000 Coll., on Public Administration Information Systems and on the amendment of certain other acts, as amended), and also carries out other tasks specified by special legislation.

When exercising their powers, regional trade licensing offices are bound by the generally binding laws, government resolutions and published guidelines of the Ministry of Industry and Trade. The activities of regional trade licensing offices is subject to inspection by the Ministry of Industry and Trade.

The Ministry of Industry and Trade exercises the of the Trade Licensing Office of the Czech Republic until its establishment (§ 7 of the Act on Trade Licensing Offices) and within the scope of the authority specified by § 5 of the Act on Trade Licensing Offices processes trade licensing concepts, performs management, coordination, control and methodical activities in relation to regional trade licensing offices; it may order trade licensing offices to carry out inspections; in cases specified by the law it passes decisions as an administrative authority of the first instance, decides on appeals against decisions passed by regional trade licensing offices, cooperates in the trade licensing section with the relevant administrative authorities

under whose scope of powers the trade falls, with chambers of commerce, associations and syndicates of entrepreneurs, is entitled to request the necessary statements and opinions from central administrative authorities, is the administrator of the Trade Register (§ 2 of Act No. 365/2000 Coll., on Public Administration Information Systems and on the amendment of certain other acts, as amended), and also carries out other tasks specified by special legislation.

A lawsuit may be filed against a legitimate decision passed by a regional trade licensing office, or the Ministry of Industry and Trade, pursuant to § 65 et seq. of Act No. 150/2002 Coll., Code of Administrative Procedure.

Local jurisdiction of the trade licensing office concerning the declaration of a trade (§ 45 Para. 1 of the Trade Licensing Act) or the filing of a licence application (§ 50 Para. 1 of the Trade Licensing Act):

A natural person who intends to engage in a notifiable or licensed trade may declare that trade or apply for the licence at any trade licensing office. The same applies when declaring changes and amendments relating to information and documents required when declaring a trade and also for the details of licence applications (and for the submission of these documents) – cf. § 71 Para. 1 of the Trade Licensing Act.

In proceedings concerning administrative offences of legal entities and natural persons engaging in business pursuant to the Trade Licensing Act and in proceedings concerning the withdrawal of a business licence or the suspension of a trade with penalties, the local jurisdiction of the trade licensing office is determined pursuant to the Code of Administrative Procedure - cf. § 71 Para. 2 of the Trade Licensing Act. Specifically, this means that the local jurisdiction of the trade licensing office, e.g. when prosecuting cases of unauthorised business activity, is the place in which the offence was committed, i.e. the place in which activities were performed in relation to the unauthorised business activity (§ 11 Para. 1 a) of Act No. 500/2004 Coll., Code of Administrative Procedure, as amended, “Code of Administrative Procedure”).

In the case of administrative offences relating to administrative acts (e.g. failure to declare a change of address, failure to declare a registered office, failure to declare the start and end of operations in premises, etc.), the local jurisdiction of the trade licensing office depends on the location of the registered office for a natural person or legal entity; for a foreign legal entity the local jurisdiction of the administrative authority is determined by the registered office of its organisational unit established in the Czech Republic.

An entrepreneur may request any trade licensing office to terminate a trade licence.

In offence proceedings, the local jurisdiction of the trade licensing office is determined pursuant to Act No. 200/1990 Coll., on Offences, as amended, i.e. according to the place where the offence was committed (§ 55 of the above Act).



## Overview of activities carried out in the first instance by municipal trade licensing authorities

Act No. 455/1991 Coll., on Trade Licensing (Trades Licensing Act), as amended

1.	§ 6 Para. 3	requesting an extract from the Criminal Register
2.	§ 6 Para. 4	entitlement, for the purposes of assessing integrity, to request a copy of a final decision from the court; if the decision does not contain facts that decisively prove integrity, the trade licensing office is entitled to peruse those parts of the criminal record that do contain those facts
3.	§ 8 Para. 2	possibility of waiving the impediment specified in the first or second sentence of § 8 Para. 2
4.	§ 8 Para. 5	entitlement, for the purposes of assessing proving the absence of an impediment to trade affecting a legal entity, to request an extract from the Criminal Register pursuant to special legislation
5.	§ 10 Para. 4	confirmation of compliance with the conditions governing a trade by the issue of an extract
6.	§ 10 Para. 5	decision passed by the trade licensing office stating that the declarant has not met the conditions for the granting of the trade licence; in the case of a licence this fact will be noted in the records and an entry will be made in the Trade Register
7.	§ 10 Para. 6	allocation of a personal identification number by the administrator of the basic register of persons, if a trade licence is to be granted to a natural person who has not yet been allocated a personal identification number
8.	§ 11 Para. 5	receipt of notification from an entrepreneur concerning the appointment of a responsible representative for a licensed trade and the dismissal of such a representative
9.	§ 11 Para. 7	approval of the appointment of a responsible representative for a licensed trade, receipt of notification concerning the dismissal of such a representative
10.	§ 11 Para. 10	the trade licensing office enters the withdrawal of a responsible representative in the Trade Register and states that the trade is temporarily operated without a responsible representative if required by another law and under the conditions specified therein
11.	§ 13 Para. 2	receipt of notifications from the administrator of the estate of a deceased entrepreneur, the executor of the will, if authorised to administer the estate, heirs, the surviving spouse or partner concerning the intention to continue the trade on the basis of the deceased entrepreneur's trade licence; receipt of notifications concerning the appointment of a responsible representative
12.	§ 13 Para. 3	receipt of notifications from the administrator of an estate, the executor of the

		will, heirs, the surviving spouse or partner concerning the intention to not continue the trade on the basis of the deceased entrepreneur's trade licence
13.	§ 13 Para. 4	receipt of notifications from the administrator of an estate, trust, insolvency or liquidation administrator concerning the intention to continue the trade after the death of the entrepreneur; receipt of notifications concerning the appointment of a responsible representative
14.	§ 13 Para. 5	receipt of notifications from heirs, the surviving spouse or partner after the end of probate proceedings, stating that they have acquired ownership rights in relation to the trade
15.	§ 13 Para. 7	requesting from the court and receiving of information concerning the final and conclusive end of probate proceedings in relation to a deceased entrepreneur for the purposes of making the entry in the Trade Register
16.	§ 14	receipt of notifications concerning the continuation of the trade by a successor company or cooperative who does not yet possess the appropriate trade licence, or by a successor shareholder who is a natural person and does not yet possess the appropriate trade licence, and the receipt of declarations of notifiable trades or licence applications
17.	§ 17 Para. 3	requesting that an entrepreneur prove legal grounds for the use of premises; with mobile premises, requesting proof of authorisation to place the premises; receipt of notifications from entrepreneurs concerning the start and end of trade in premises.
18.	§ 17 Para. 6	allocation of an identification number for premises assigned to the premises by the administrator of the basic register of persons, if not already allocated, entering the premises in the Trade Register and informing the entrepreneur that the premises have been entered
19.	§ 27 Para. 3	defining or changing the conditions stipulated for a trade
20.	§ 28 Para. 1 a 3	assessing the extent of a trade licence; decisions concerning the extent of a trade licence in cases of doubt
21.	§ 31 Para. 2	requesting that an entrepreneur prove legal grounds for a registered office (if different from the address) and the organisational unit of a plant for a foreign entity; the entrepreneur does not have to present proof for the use of premises in which his registered office is located in the Czech Republic, if that registered office is the same as the entrepreneur's address (§ 5 Para. 2), with the exception of cases where the address is at the address of the seat of a registration office or a special register or at the registered office of an administrative authority which has officially deleted information about a declared place of residence within the territory of the Czech Republic
22.	§ 31 Para. 3	requesting documents proving the manner in which sold goods or material used to provide services were acquired
23.	§ 31 Para. 8	checking compliance with the condition requiring knowledge of the Czech or

		Slovak language for persons in premises intended for the sale of goods or the provision of services to consumers
24.	§ 31 Para. 10	requesting proof of identity from an entrepreneur and natural person engaging in an activity that forms the subject of the trade, as well as from persons acting in their name and responsible representatives
25.	§ 31 Para. 11	receipt of notifications concerning the interruption of a trade
26.	§ 31 Para. 13	entering the interruption of a trade and continuation of a trade before the time for which the trade was interrupted in the Trade Register and informing the entrepreneur of such an entry
27.	§ 31 Para. 15	requesting a statement that an entrepreneur is engaged in a trade and the submission of documents proving the operation of the trade
28.	§ 31 Para. 16	receipt of notifications concerning the address at which the liabilities of an entrepreneur who has ceased trading in premises may be settled
29.	§ 45 Para. 1	receipt of notifications from natural persons or legal entities intending to engage in a notifiable trade
30.	§ 45a Para. 1	receiving the following from natural persons declaring a trade or applying for a licence at the appropriate trade licensing office a) applications for tax registration or notifications to the tax administrator (if not required to make such a submission to the tax administrator in electronic form), b) notifications of self-employment, c) the filing of an application for pension insurance, d) the filing of an application for health insurance, e) notifications of the creation or occupation of a job vacancy, f) notifications under the Public Health Insurance Act
31.	§ 45a Para. 2	receiving the following from legal entities declaring a trade or applying for a licence at the appropriate trade licensing office a) applications for tax registration or notifications to the tax administrator (if not required to make such a submission to the tax administrator in electronic form), b) notifications of the creation or occupation of a job vacancy
32.	§ 45a Para. 4	providing the relevant income tax administrator with information acquired pursuant to § 45a Para. 1) a) and pursuant to § 45a Para. 2 a), the relevant social security authority with information acquired pursuant to § 45a Paragraphs 1 b) to d), the Employment Office of the Czech Republic – the relevant regional branch and, within the territory of the City of Prague, the branch for the City of Prague with information acquired pursuant to § 45a Paragraph 1 e)

		and pursuant to § 45a Paragraph 2 b) and the relevant health insurance company with information acquired pursuant to § 45 Paragraph 1 f)
33.	§ 45a Para. 5	within the deadline specified by special legislation, receiving notifications concerning changes to information given in forms or notifications under Paragraphs 1 and 2 and contained on the form referred to in Paragraph 3
34.	§ 45a Para. 6	passing on information, including notifications of changes to the relevant authorities
35.	§ 46 Para. 7	creating electronic copies of documents for the Trade Register, as required under § 60 Para. 1 of the Trade Licensing Act
36.	§ 47 Para. 1	making entries in the Trade Register and the issue of extract
37.	§ 47 Para. 4	requesting that an entrepreneur rectify a fault in a declaration
38.	§ 47 Para. 5	decisions concerning the fact that a trade licence is not granted upon declaration if the entrepreneur fails to rectify the shortcomings in the declaration by the specified deadline; decisions concerning the fact that the declarant has failed to meet the conditions stipulated for the trade licence; if, before the decision is issued, it is found that the conditions stipulated for the licence have been met, the proceedings are ended with an entry in the Trade Register and the issue of an extract
39.	§ 47 Para. 6	decisions concerning the fact that a trade licence is not granted upon declaration if the declarant fails to meet the conditions stipulated by the Trade Licensing Act; decisions concerning the fact that the declarant has failed to meet the conditions stipulated for the trade licence
40.	§ 47 Para. 7	the issue to a foreign natural person who is also obliged to present a residency permit document of an extract with the information pursuant to § 47 Para. 2, with the exception of the information under e) – for the purposes of the residency permit; if a foreign natural person fails to meet the general and special conditions governing trades, the trade licensing office will decide that the declarant has failed to meet the conditions stipulated for the trade licence
41.	§ 47 Para. 8	issuing the foreign natural persons specified in § 47 Para. 7 with an extract; if that person fails to provide a document confirming permission to reside by the specified deadline, the trade licensing office will decide that the declarant has failed to meet the conditions stipulated for the trade licence; the trade licensing office will reach the same decision if the person fails to present a residency permit document within 6 months of the delivery of the extract pursuant to Paragraph 7; the trade licensing office will make a record in the Trade Register of the fact that the declarant has failed to meet the conditions stipulated for the trade licence.
42.	§ 47 Para. 9	requesting that the higher authority extend the deadline for the entry in the Trade Register and the issue of an extract; informing the declarant of the extension of the deadline and the reasons for the extension

43.	§ 47 Para. 10	if an entry has been made in the Trade Register contrary to the law – proceedings on the withdrawal of a trade licence; making a new entry and issuing a new extract or decisions concerning withdrawal of the trade licence
44.	§ 47 Para. 11	making a revised entry in the Trade Register and the issue of an extract
45.	§ 48 Para. 1	sending extracts or changes in the Trade Register and other decisions and measures to the relevant income tax administrator, the Czech Statistical Office, the relevant social security administration, the relevant health insurance company, if known, and the body or organisation which, under a special law, keeps a register of all general health insurance policy holders, and to the Registry Court in the case of person who are entered in the Commercial Register
46.	§ 48 Para. 2	immediate notification to the Ministry of the Interior concerning the issue of an extract to a foreign natural person pursuant to § 47 Para. 7, the granting of a trade licence, the suspension and withdrawal of a trade licence, decisions concerning the fact that a trade licence is not granted, the interruption of a trade, the fact that the declarant or licence applicant has failed to meet the conditions stipulated for the trade licence, decisions concerning the suspension of licence proceedings and decisions concerning the rejection of licence applications
47.	§ 49 Para. 1	immediate entry in the Trade Register of changes and amendments to information acquired from basic registries, the population register information system, the foreign nationals information system or the Trade Register
48.	§ 49 Para. 2	the making of entries in the Trade Register and, depending on the circumstances, the issue of extracts or informing an entrepreneur that an entry has been made; if a change or amendment is not accompanied by the documents under Para. 1, requests for documents, specifying the deadline for the submission of documents or the making of entries in the Trade Register; if a change concerns the scope of business and is not substantiated by documents, decisions concerning the fact that the trade licence is not granted as regards the changes declared; if an entrepreneur fails to provide notification pursuant to Paragraph 1 and the trade licensing office demonstrably ascertains that the information has changed, it will enter the change in the Trade Register immediately
49.	§ 49 Para. 3	the making of entries in the Trade Register concerning changes to a responsible representative and informing an entrepreneur that an entry has been made; commencement of proceedings to suspend a trade pursuant to § 58 Para. 3, if the responsible representative appointed by the entrepreneur fails to meet the conditions governing the trade or if the entrepreneur has not appointed a responsible representative
50.	§ 49 Para. 5	if it is found that a change or amendment has been entered in the Trade Register contrary to the law, § 47 Para. 10 applies in a similar manner
51.	§ 49 Para. 6	the procedure for rectifying typing errors and other obvious discrepancies in the

		entry of a change or amendment in the Trade Register or in an extract is defined by according to the provisions of § 47 Para. 11 in a similar manner
52.	§ 50 Para. 1	receipt of licence applications
53.	§ 52 Para. 1	submission of licence applications, together with all the documents submitted by the licence applicant which are necessary for an opinion, to the government authority for a statement
54.	§ 52 Para. 2	the procedure given in § 47 Para. 7 and 8 applies accordingly for foreign natural persons who are also obliged to present a residency permit document
55.	§ 53 Para. 1	checking that the general and special conditions governing a trade have been met and there is no impediment to trade
56.	§ 53 Para. 2	rejection of licence applications
57.	§ 53 Para. 3	decision-making concerning the appointment of a responsible representative in the decision on the granting of the licence
58.	§ 53 Para. 4	the granting of a licence for the duration of the residency permit issued to a person under § 5 Para. 5
59.	§ 53 Para. 5	specification of the conditions stipulated for a trade in the decision on the granting of the licence
60.	§ 54 Para. 1	making of entries in the Trade Register and the issue of extracts
61.	§ 54 Para. 3	if a foreign natural person who, pursuant to § 5 Para. 5, is obliged to present a residency permit document by the deadline specified in § 47 Para. 8, fails to present that document, it is considered that he has failed to meet the conditions stipulated for the trade licence; the trade licensing office will note this fact in the records and will make an entry in the Trade Register
62.	§ 54 Para. 4	if the trade licensing office determines that an entry in the Trade Register has not been made in accordance with the decision on the granting of the licence, or that the information entered in the Trade Register and not contained in the decision on the granting of the licence is not correct, it will amend the entry in the Trade Register and, depending on the circumstances, will issue an amended extract or will inform the entrepreneur of the change to the entry
63.	§ 55 Para. 1	information obligations similar to those defined in § 48
64.	§ 55 Para. 2	sending a copy of a final and conclusive decision on the granting of a licence, changes to a licence or the withdrawal of a licence, information concerning the interruption or suspension of a trade, an extract, or otherwise passing on information about licensed trades and entrepreneurs to the same authority competent to issue a statement pursuant to § 52 Para. 1
65.	§ 56 Para. 1	the trade licensing office will immediately enter changes and amendments to data acquired from basic registries, the population register information system, the foreign nationals information system or the Commercial Register into the Trade Register; creating electronic copies of documents for the Trade Register,

		as required under § 60 Para. 1 of the Trade Licensing Act
66.	§ 56 Para. 3	changes to a decision on the granting of the licence, the entry of changes in the Trade Register, the issue of an extract or informing an entrepreneur that an entry has been made or decisions concerning the suspension of a trade or the withdrawal of a trade licence; if an entrepreneur fails to provide notification pursuant to Paragraph 1, and the trade licensing office demonstrably ascertains that the information has changed, it will enter the change in the Trade Register immediately
67.	§ 56 Para. 4	decisions concerning changes to the scope of business and the conditions stipulated for a trade resulting from a change in the decision on the granting of the licence, entering the change in the Trade Register and the issue of an extract
68.	§ 56 Para. 5	the commencement of proceedings on its own initiative or the initiative of another in the case of proceedings concerning a change to the conditions stipulated in a decision on the granting of the licence pursuant to § 27 Para. 3
69.	§ 57 Para. 2	requesting that foreign natural persons present a new residency permit and setting a reasonable deadline for such
70.	§ 57 Para. 3	notification of the expiry of a trade licence (§57 Para. 2) to the authorities specified in § 48 and § 55 Para. 2
71.	§ 58 Para. 1 a)	withdrawal of a trade licence if an entrepreneur no longer complies with the conditions pursuant to § 6 Para. 1 a) or b)
72.	§ 58 Para. 1 b)	withdrawal of a trade licence in the case of an impediment pursuant to § 8, assuming that it is not an impediment as defined by § 8 Para. 5 in the case of an unqualified trade
73.	§ 58 Para. 1 c)	withdrawal of a trade licence, if requested by an entrepreneur
74.	§ 58 Para. 1 d)	withdrawal of a trade licence, if an entrepreneur fails to prove legal grounds for the use of premises pursuant to § 31 Para. 2
75.	§ 58 Para. 2	withdrawal of a trade licence or suspension of a trade at the request of the appropriate state administrative authority issuing a statement pursuant to § 52 Para. 1; similar provisions apply to foreign natural persons who fail to meet the condition requiring a residency permit within the territory of the Czech Republic pursuant to § 5 Para. 5
76.	§ 58 Para. 3	the option to withdraw a trade licence or suspend a trade to the appropriate extent, if an entrepreneur commits a gross or other breach of the conditions specified in the decision on the granting of the licence, by this law or by special legislation; the option to withdraw a trade licence at the request of the appropriate social security administration, or if an entrepreneur has not engaged in trade for more than 4 years; this does not apply if the entrepreneur has declared the termination of the trade pursuant to § 31 Para. 11
77.	§ 58 Para. 4	the trade licensing office will suspend a trade in premises if the operation of that

		trade in those premises constitutes a gross or other breach of the obligations specified by this law or by special legislation
78.	§ 58 Para. 6	specifying a period: in decisions concerning the suspension of a trade under Paragraphs 2 to 4, specifying the period for which the trade may not be engaged in
79.	§ 59	banning unlawful conduct on the part of an entrepreneur operating a travel agency which violates or may violate the common interests of consumers. Any breach of this ban may result in the withdrawal or suspension of the trade licence
80.	§ 60 Para. 1	operation of the Trade Register; storing documents confirming compliance with the conditions laid down by law (§46 Para.7)
81.	§ 60 Para. 2	entry of information in the Trade Register, including changes to such information
82.	§ 60 Para. 4 (a)	providing the information stipulated in Para. 3 (a) to entrepreneurs, the administrative authority and in cases provided for in other legislation
83.	§ 60 Para. 4 (b)	providing the information stipulated in Para. 3 (b) and (c) to a person who proves legal interest
84.	§ 60 Para. 5	the issue of an extract pursuant to § 47 Para. 2 or 3, a complete extract, partial extract or confirmation of a certain entry from the Trade Register, or confirmation that a certain entry does not exist in the Trade Register, either in paper or electronic form
85.	§ 60 Para. 6	publication of information from the public sections of the Trade Register as certified output from the public administration information system.
86.	§ 60a	execution of trade inspections (and compliance with the duties specified for the labelling of spirits and handling of spirits under the law regulating the compulsory labelling of alcohol, if a breach of this duty is discovered when exercising its other powers, compliance with the duties specified for the labelling of tobacco products under the law regulating excise duty and the ban on the sale of spirits and tobacco products under the law regulating excise duty)
87.	§ 60b	during inspections, employees of trade licensing offices prove their identity by presenting an inspector's pass or written authorisation for each inspection
88.	§ 60d Para. 1	the option to pass a decision ordering the rectification of shortcomings detected in relation to a trade
89.	§ 61 Para. 4	the option to impose a penalty on a natural person for an offence specified in § 61 Para. 1, 2 and 3 in offence proceedings
90.	§ 61 Para. 5	the option to impose a penalty on a natural person for an offence specified in § 61 Para. 1 in block proceedings
91.	§ 62 Para. 4	the imposition of a fine on a legal entity or natural person engaging in business



		for an administrative offence specified in § 62 Para. 1 to 3
92.	§ 62 Para. 5	the option to impose a penalty on a legal entity or natural person engaging in business for an administrative offence specified in § 62 Para. 1 to 3 in block proceedings
93.	§ 63 Para. 2	the imposition of a penalty on a legal entity for an administrative offence specified in § 63 Para. 1 (trading without a trade licence) in administrative proceedings
94.	§ 64 Para. 6	the collection and enforcement of fines
95.	§ 68 Para. 1	receipt, from authorities performing inspections in accordance with special regulations, of copies of decisions concerning a serious breach of special regulations by an entrepreneur, and notification of cases of unauthorised business activity by that entrepreneur
96.	§ 68 Para. 2	informing various specialised bodies of violations of the relevant special regulations by person engaged in activities that form the subject of a trade
97.	§ 69a Para. 6	checks on compliance with the duty to report the provision of services in writing to the recognition authority; checks on the service provider's compliance with the duty to perform the activities constituting the trade as listed in Annex No. 5 of the law only by professionally competent natural persons
98.	§ 78	by 30 June 2012 assigning premises established prior to 1 July 2010 with an identification number provided by the administrator of the basic register of persons

Act No. 634/1992 Coll., on Consumer Protection, as amended

1.	§ 23 Para. 5	jurisdiction to supervise compliance with the law
2.	§ 23a Para. 1	the issue of binding instructions to correct shortcomings in cases of serious danger to life, health and property, entitlement to suspend sales of products or the provision of services or close premises
3.	§ 23a Para. 3	the issue of written consent to the recommencement of sales of products or the provision of services or the opening of premises
4.	§ 24 Para. 12	the imposition of fines in administrative proceedings for violation of the law (administrative offences)
5.	§ 24 Para. 13	the imposition of fines through an order issued on site for violation of the law (administrative offences)
6.	§ 24a Para. 2	the imposition of block fines for violation of the law (offences)
7.	§ 24b Para. 5	jurisdiction for administrative offences
8.	§ 24b Para. 6	collection of fines

Act No. 353/2003 Coll., on Excise Duty, as amended

1.	§ 115 Para. 1	breach of obligations when labelling tobacco products stored or sold (inspection “transferred” as of 1. 1. 2013 to § 60a Para. 2 of the Trade Licensing Act”)
2.	§ 115 Para. 3	the issue of decisions concerning the surrender of unlabelled tobacco products
3.	§ 134 Para. 1	breach of a ban on the sale of spirits and tobacco products (inspection “transferred” as of 1. 1. 2013 to § 60a Para. 2 of the Trade Licensing Act”)
4.	§ 134 Para. 3	the issue of decisions concerning the surrender of spirits and tobacco products found at a site where the sale of such is banned
5.	§ 135e Para. 2	the imposition of penalties for natural persons for offences under Para. 1
6.	§ 135f Para. 2	the imposition of penalties for natural persons for offences under Para. 1
7.	§ 135zk Para. 2	the imposition of penalties for legal entities or natural persons engaging in business for an administrative offence under Paragraph 1
8.	§ 135zq Para. 2	the imposition of penalties for legal entities or natural persons engaging in business for an administrative offence under Paragraph 1
9.	§ 135zzc Para. 1	ordering the forfeiture of spirits and tobacco products if a) they belong to the perpetrator of an administrative offence and b) such spirits and tobacco products were used or intended for the committing of the administrative offence
10.	§ 135zzd Para.1	ordering the seizure of spirits and tobacco products (if no order to surrender them has been issued), if a) they belong to a perpetrator who cannot be prosecuted for an administrative offence, b) they do not entirely or partly belong to the perpetrator of an administrative offence, or c) their owner is not known,
11.	§ 135zze Para. 3	the imposition of the duty to reimburse the state for costs associated with the administration and destruction of forfeited or confiscated tobacco products or alcoholic beverages upon the perpetrator of an administrative offence subject to forfeiture or upon a person with whom confiscated tobacco products or spirits were secured
12.	§ 135zze Para. 5	the immediate return of secured tobacco products or spirits to their rightful owner, or to the person with whom they were secured, unless forfeited or confiscated
13.	§ 135zzg Para. 4	reviews of offences pursuant to § 135e and § 135f and administrative offences pursuant to § 135zk and § 135zq
14.	§ 135zzi	the imposition of block fines for offences

Act No. 247/2006 Coll., on Limits on the Operation of Pawnshops and Other Establishments at Night

1.	§ 2 Para. 2	the imposition of fines for breaches of obligations defined in § 1
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Act No. 266/1994 Coll., on Railways, as amended

1.	§ 52a Para. 6	the municipal trade licensing office reviews administrative offences pursuant to § 52 Para. 6 c), d), e), f), m), if the offence is committed by the operator of a travel agency
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Act No. 49/1997 Coll., on Civil Aviation and amending and supplementing Act No. 455/1991 Coll., on Trade Licensing (Trades Licensing Act), as amended

1.	§ 94 Para. 6 c)	the municipal trade licensing office reviews administrative offences pursuant to § 93c Para. 1 (a) or § 93c Para. 2 , if the offence is committed by the operator of a travel agency
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Act No. 111/1994 Coll., on Road Transport, as amended

1.	§ 34f Para. 3	the imposition of fines for breaches of a directly applicable EU regulation governing the rights of passengers in bus and coach transport
2.	§ 35b Para. 4	the withdrawal of a licence or change to the scope of a licence

Act No. 307/2013 Coll., on the Compulsory Labelling of Spirits

1.	supervisory activities	supervisory duties for municipal trade licensing offices (effective as of 1. 12. 2013) as per § 60a Para. 2 of the Trade Licensing Act
2.	§ 72 Para. 2	reviews of administrative offences pursuant to § 59 Para. 1 a), § 60 Para. 1 a) and b), § 61 Para. 1 a), § 62 Para. 1 a), § 63 Para. 1 a), § 64 Para. 1 a), § 66 Para. 1 and § 67 Para. 1 a) and b), discovered by a municipal trade licensing office during the course of its activities pursuant to a different law

Act No. 255/2012 Coll., on Inspections (Inspection Rules)

1.	§ 7 to 9	rights and obligations of inspection staff (“inspectors”)
2.	§ 12	the obligation of inspection staff (“inspectors”) to provide the inspected person with a copy of the protocol
3.	§ 14	the handling of objections filed by inspected persons against inspection findings contained in the protocol
4.	§ 15	decisions concerning the imposition of fines for offences committed by natural persons
5.	§ 16	decisions concerning the imposition of fines for an administrative offence committed by a legal entity or natural person engaging in business

6.	§ 17	reviews of offences pursuant to § 15 a § 16 in the first instance by the supervisory authority (trade licensing office) authorised to perform the inspection in relation to which the administrative offence was committed
7.	§ 21	correcting discrepancies in inspection protocols, or further investigation of a case
8.	§ 25	cooperation and coordination of supervisory authorities during inspections; presentation of findings to relevant authority
9.	§ 26	the publication of general information regarding inspection findings in a manner allowing remote access
10.	§ 27	the creation of inspection plans (and coordination with other supervisory authorities)

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

1.	§ 67 et seq.	the issue of decisions in administrative proceedings (administrative authority of the first instance)
2.	§ 62	decisions concerning the imposition of disciplinary penalties
3.	§ 95 Para. 2	review proceedings under the conditions specified by the law
4.	§ 150	the issuance of orders (including on-site orders)
5.	§ 100	decisions on the reopening of proceedings
6.	§ 101	implementation of new proceedings and the issue of a new decision in a case

## Overview of activities carried out in the first instance by regional trade licensing authorities

Act No. 455/1991 Coll., on Trade Licensing (Trades Licensing Act), as amended

1.	§ 60 Para. 1	operation of the Trade Register
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Act No. 40/1995 Coll., on the Regulation of Advertising, as amended

1.	§ 7 Para. 1) g)	supervision over compliance with the law
2.	§ 7a Para. 2)	request from the supervisory authority that, for the purposes of administrative proceedings, the contracting authority of an advertisement provide information about the propagator and processor of the advertisement, etc.
3.	§ 7a Para. 3)	request from the supervisory authority that, for the purposes of administrative proceedings, the processor of an advertisement provide information about the contracting authority and propagator of the advertisement
4.	§ 7a Para. 4)	request from the supervisory authority that, for the purposes of administrative proceedings, the propagator of an advertisement provide information about the person who ordered the propagation of the advertisement
5.	§ 7b Para. 1	procedure adopted by the supervisory authority pursuant to special legislation when assessing whether or not an advertisement constitutes an unfair business practice
6.	§ 7b Para. 2	the entitlement to request that the contracting authority of an advertisement present proof of the accuracy of claims made in an advertisement, if such a request is reasonable given the circumstances of the case or the legitimate interests of the contractor of the advertisement or another person when assessing whether or not the advertisement is an illegal comparative advertisement or advertisement that constitutes an unfair business practice
7.	§ 7c Para. 1	the possibility of ordering than advertisement be removed or stopped if it violates the law, specifying a reasonable deadline; the possibility of banning an illegal comparative advertisement or advertisement that constitutes an unfair business practice, or the entitlement to suspend the spread of an illegal comparative advertisement or advertisement that constitutes an unfair business practice
8.	§ 7c Para. 2	the publication of a decision issued under Para. 1 or § 8a, if the further dissemination of the advertisement could endanger the public; the entitlement to order the contracting authority or processor of the advertisement to issue a corrective statement on the advertisement by the specified deadline
9.	§ 7d Para. 1	the possibility of imposing disciplinary penalties

10.	§ 8 Para. 4	the possibility of imposing a penalty on a natural person for an offence in offence proceedings; for an offence under Paragraphs 1 to 3 § 8 a penalty of up to 5 000 CZK may be imposed in block proceedings
11.	§ 8a Para. 5	the imposition of penalties for legal entities or natural persons engaging in business for an administrative offence under Paragraph 1
12.	§ 8a Para. 6	the imposition of penalties for legal entities or natural persons engaging in business for an administrative offence under Paragraph 2
13.	§ 8a Para. 7	the imposition of penalties for legal entities or natural persons engaging in business for an administrative offence under Paragraph 3
14.	§ 8a Para. 8	the imposition of penalties for legal entities or natural persons engaging in business for an administrative offence under Paragraph 4
15.	§ 8a Para. 9	the possibility of imposing a penalty under Paragraphs 1 to 4 of up to 5 000 CZK in block proceedings
16.	§ 8b Para. 6	the levying of spot fines

Act No. 255/2012 Coll. on Inspection (Inspection Act)

1.	§ 19	during inspections of state administration, the inspector's entitlement to impose measures aimed at eliminating or preventing shortcomings discovered during an inspection
2.	§ 24	the possibility of inspections being taken over by a higher administrative body of the supervisory authority (in justified cases)

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

1.	§ 94 et seq.	decisions in review proceedings
2.	§ 100	decisions on the reopening of proceedings
3.	§ 101	implementation of new proceedings and the issue of a new decision in a case

## Overview of activities carried out in the first instance by the Ministry of Industry and Trade

Act No. 455/1991 Coll., on Trade Licensing (Trades Licensing Act), as amended

1.	§ 60 Para. 1	activities of the administrator of the Trade Register
2.	§ 60 Para. 6	publication of information held in the public sections of the Trade Register, by the Trade Licensing Office of the Czech Republic in electronic form, in a manner that enables remote access to such data; providing information from the Trade Register through the Trade Licensing Office of the Czech Republic to the authorities referred to in § 48, to authorities referred to in other legislation and to an administrative authority that requires such information to perform its activities, in electronic form in a manner enabling remote access, or by some other agreed method. A similar procedure will be followed for the transmission of information pursuant to § 45a Para. 4

Act No. 255/2012 Coll. on Inspection (Inspection Act)

1.	§ 19	during inspections of state administration, the inspector's entitlement to order the correction or prevention of shortcomings detected during the inspection
2.	§ 24	the option for the senior administrative authority of the supervisory authority to assume control of inspections (in justified cases)

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

1.	§ 94 et seq.	decisions in review proceedings
2.	§ 100	decisions on the reopening of proceedings
3.	§ 101	implementation of new proceedings and the issue of a new decision in a case

Act No. 18/2004 Coll., on the Recognition of Professional Qualifications and Other Qualifications of the Nationals of Member States of the European Union and on the amendment of certain acts (Act on the Recognition of Professional Qualifications), as amended

1.	§ 29, §29a	recognition of professional qualifications
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