



News No. 6/2012

Amendment to the Trade Licensing Act 2012 – further reductions in the administrative burden for entrepreneurs

Effective from 30th June 2012, Act No. 455/1991 Sb. has been amended by the passing of Act No. 169/2012 Sb., thus changing both Act No. 455/1991 Sb., the Trade Licensing Act, as amended, and other related acts. This amendment aims at further reducing the administrative burden for entrepreneurs, in particular by virtue of an amendment to the law governing the opening and administration of entrepreneurs' commercial activity. In order to achieve the above-mentioned aim, the procedures whereby one may commence and administer commercial activity have been specified and simplified; some administrative duties for entrepreneurs have been entirely abolished, other duties have been stipulated more precisely and many aspects of official procedures have been simplified and clarified.

We would like to inform you of these developments and thus state below a brief summary of the most important changes arising from the amendment:

- The duty to use and identify an enterprise with an official identification number has been abolished. In future, identification numbers shall be assigned to establishments for statistical purposes only and it shall be at the entrepreneur's discretion whether or not to use the identification number in the course of business;
- Entrepreneurs are now allowed to announce changes in their data to the Social Security Administration, Tax Office, Job Centre and health insurance companies through the Central Registration Point (CRP), without any necessity for the submission to be rendered under the Trade Licensing Act. This means that entrepreneurs may announce changes in data and documents to the above-mentioned state authorities through a CRP, without being obliged at the same time to make such an announcement to the Trade Office under the Trade Licensing Act, as had previously been the case. (Hitherto, entrepreneurs could only make submissions through the Municipal Trade Office towards other state administration bodies in connection with a submission under the Trade Licensing Act);



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- The procedure of reporting a change in one's place of business has been simplified (the prior requirement being that such a change was required automatically): if the entrepreneur notifies the Municipal Trade Office in advance that when changing his or her place of residence, an identical change in the place of business is required, he or she will no longer be obliged to report the change in place of business to the Trade Office;
- The amendment newly regulates questions concerning the continuation of business activity in the case of an entrepreneur's death. The original purpose of the legal regulation remains unchanged, i.e. to ensure the smooth continuance of business following the entrepreneur's death, now particularly regarding the standard registration of the closing of trade licences as results from an entrepreneur's death, plus the regulation of the status of those eligible to continue running the business and the manner in which this might be done. In this context, it has now been stipulated as a duty of the court to provide the Trade Office, upon request, with information on the legal force of a court decision on the termination of probate proceedings concerning the estate of the deceased entrepreneur;
- Entrepreneurs now have the option to include information regarding their title or academic degree in data stated in a notification of trade if the person stated in the notification (statutory bodies, responsible representatives and heads of branches are stated regarding legal entities) is to use them when carrying out business activity; at the same time, an automatic change in the official place of business when changing one's place of residence may be requested in the notification (see above);
- The time limits within which the Trade Office shall record the respective data in the Trade Register and issue a copy of the entry in the Trade Register are specified, namely 5 working days after delivery of notification;
- Duplicated duties, i.e. duties that were regulated at various places under the Trade Licensing Act, have been abolished (such as the ordinary identification of branches, the scope of business in licensed trades, the termination of a trade licence in the case of foreign entities);



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- Duplicated or, as the case may be, redundant legal regulation with regard to the Administrative Procedure Code has been abolished, putting emphasis on the procedure under the general regulation of the Administrative Procedure Code, which is sufficient;
- To complete the legal regulation, the Trade Office has been given the duty of entering in the Trade Register, without delay, changes in and additions to data obtained from other registers. Furthermore, the Trade Office shall enter demonstrably ascertained changes, even if the entrepreneur has not fulfilled his notification duty;
- Duties and requirements when reporting an interruption in trade are specified, as well as the legal regulations concerning responsibilities for actions within the framework of individuals' business activities and regulations concerning suspensions in trade;
- The amendment has specified the way in which Trade Offices' officials prove their authorization to carry out an inspection, namely by presenting a written authorization or a card.
- Furthermore, some changes have been made in Annexes to the Trade Licensing Act.

Finally, it should also be noted that an Amendment to the Act on Administrative Fees (Act No. 634/2004 Sb.) and the Act on Sickness Insurance (Act No. 187/2006 Sb.), have been made to adjust for the amendment to the Trade Licensing Act No. 169/2012 Sb.

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