

3. ECONOMIC ACTIVITY OF FOREIGNERS

Data on employment of foreigners in the territory of the Czech Republic are derived from records of the Ministry of Labour and Social Affairs on issued valid work permits to foreigners, issued Employee Cards and Blue Cards to foreigners, and the number of pieces of information on commencement of work by citizens of the EU/EEA, Switzerland, and third-country nationals, who do not need for their work a work permit, an Employee Card, a Blue Card, or the Intra-Company (Intra-Corporate) Employee Transfer Card and are registered by regional offices of the Labour Office of the Czech Republic, as well as from records of the Ministry of Industry and Trade on foreigners holding trade licences.

1) Records of the Ministry of Labour and Social Affairs

Employment of foreign nationals with economic status of employees

Since 1 May 2004, citizens of the EU/EEA and Switzerland and their family members (dependants) are no longer considered foreigners from the point of view of the Act No 435/2004 Sb, on Employment, and pursuant to the Act they enjoy the same legal status as Czech citizens do, which means they have free access to the labour market in the Czech Republic. The following belong to the EU¹ Member States: Austria, Belgium, Bulgaria, Croatia, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, and Sweden. Besides the EU Member States, the following countries belong to the European Economic Area (EEA): Norway, Liechtenstein, and Iceland.

Other foreigners, who are neither citizens of the EU/EEA and Switzerland nor their family members (dependants), can perform work in the territory of the Czech Republic on condition that they have received a work permit and a residence permit or the Employee Card, the Blue Card, or the Intra-Company (Intra-Corporate) Employee Transfer Card, provided that the Act on Employment does not set down otherwise.

Employment of foreign nationals with economic status of registered entrepreneurs

Fulfilment of tasks following from the subject-matter of business ensured by an associate, a statutory body, or a member of a statutory body, or of another body of a business corporation for the business corporation is also regarded as employment.

The foreigners can fulfil the tasks provided that they were granted a work permit and a residence permit.

Tasks following from the subject-matter of business of a business corporation are not tasks, which are fulfilled by statutory or other bodies of a business corporation on the grounds of their function, e.g. conduct of a business by the company executive, activities of a member of the supervisory board, etc. Tasks of statutory bodies are specified in detail in the Business Corporations Act.

A work permit can be issued also to a foreigner, who is a holder of a long-term residence permit for investment purposes or a long-term residence permit for business purposes and besides that activity the foreigner wants to work in an employment relationship pursuant to the Labour Code, too.

Valid work permits of foreigners

The information on valid work permits granted to foreigners provided in this chapter pertains exclusively to persons with a temporary residence upon short-term visas for stay up to 90 days and to persons with a long-term residence over 90 days. The below mentioned conditions of employment of foreigners in the Czech Republic are related to legislation valid as at 31 December 2019.

¹ Tables containing data before 2020 include also the United Kingdom of Great Britain and Northern Ireland, because it ceased to be a Member State of the European Union on 31 January 2020.

A work permit can be granted to a foreigner by a regional labour office for a job vacancy, which is reported by the employer to be vacant and which cannot be filled otherwise with regards to the required qualification or lack of free labour force. The employer at the same time shall announce to the regional labour office the job description, i.e. type of work and place of work performance, prerequisites and requirements determined for the job, basic information on labour and wage conditions including expected duration of the work performance.

A work permit with regards to the conditions on the labour market is granted by a regional labour office to a foreigner, who wants to be employed in the territory of the Czech Republic and it applies to:

- a) seasonal work for the period of six months as a maximum in any period of 12 successive months, when it applies to activity depending on a season; a list of occupational branches, which include activities depending on a season is determined by the Ministry of Labour and Social Affairs by its decree;
- b) fulfilment of tasks following from the subject-matter of business of a legal person ensured by an associate, a statutory body or a member of a statutory body or of another body of a business corporation for the business corporation;
- c) a holder of a long-term residence permit for business purposes;
- d) a holder of a long-term residence permit for investment purposes;
- e) a short-term employment up to three months;
- f) a temporary allocation (by a foreign employer) of a foreigner to perform work at a user in the territory of the CR, provided that the foreign employer had been granted an authorization to mediate employment.

A work permit is granted to foreigners **regardless conditions on the labour market** if

- a) they are sent to the territory of the Czech Republic by a foreign employer based on a contract concluded with the domestic legal or natural person for fulfilment of tasks following from the contract;
- b) they are to be employed for a limited period for the purpose of enhancement of their skills and qualification in the selected job (trainees), but only for a period of six months as a maximum. This period can be prolonged, but as a maximum only for the period necessary to obtain professional qualification in accordance with regulations valid in the Czech Republic;
- c) they are up to 26 years of age and performing occasional and time-limited jobs within the exchange between schools or within programmes for the youth, in which the Czech Republic participates;
- d) it is set down for them in a promulgated international treaty, the ratification of which was approved by the Parliament of the Czech Republic and which is binding for the Czech Republic;
- e) they were granted a visa for tolerated stay (for leave to remain in the territory) in accordance with the Act on the Residence of Foreigners or were granted a long-term residence permit for the same purpose;
- f) they are applicants for international protection or were issued a confirmation about the toleration of residence (leave to remain) in the territory of the CR pursuant to the Asylum Act, however, after 6 months after they have provided data for the submitted application for international protection, at the earliest.

Data on work permits granted come from the records of respective regional labour offices, which pursuant to the Act No 435/2004 Sb, on Employment, decide within the administrative procedure on granting or revocation of a work permit.

A work permit, an Employee Card, a Blue Card, or an Intra-Company (Intra-Corporate) Employee Transfer Card is not required for foreigners

- a) *who have been granted permanent residence;*
- b) *who are family members (dependants) of members of diplomatic missions and consular authorities or family members (dependants) of employees of international government organizations with the seat in the territory of the Czech Republic;*
- c) *who have been granted an asylum or subsidiary protection;*
- d) *whose performance of work in the territory of the Czech Republic does not exceed 7 consecutive calendar days or the total of 30 days in a calendar year and who are concurrently performing artists, teachers and lecturers, academics at universities, science, research, and development workers participating in a scientific meeting, pupils or students up to 26 years of age, athletes, persons ensuring in the Czech Republic deliveries of goods or services, or delivering the goods, or persons assembling stuff based on a business contract, or, as the case may be, performing guarantee and repair works;*
- e) *for whom it is set down in a promulgated international treaty the ratification of which was approved by the Parliament of the Czech Republic and which is binding for the Czech Republic;*
- f) *who are members of rescue units and provide aid in compliance with international agreements on mutual aid for remediation and mitigation of consequences of accidents and natural disasters and in cases of humanitarian aid;*
- g) *who are employed in international transport, if they are sent by their foreign employer to perform their work in the territory of the Czech Republic;*
- h) *who are accredited in the area of mass media;*
- i) *who are military or civilian staff of the armed forces of their country of origin (sending country) in accordance with a special act;*
- j) *who are systematically preparing in the Czech Republic for their future careers;*
- k) *who have been sent to the territory of the Czech Republic within services provided by an employer established in another EU Member State;*
- l) *who reside in the territory of the Czech Republic based on a long-term residence permit for the purpose of family reunification, if it is family reunification with a foreigner under the letters a), c), or n) or with a foreigner, who stays in the territory of the Czech Republic based on a valid long-term residence permit;*
- m) *who stay in the territory of the Czech Republic based on a long-term residence permit of a resident of another EU Member State;*
- n) *who perform in the Czech Republic systematic educational or scientific activity as a teacher or a lecturer or an academic of a university or as a science, research, or development worker in a public research institute or another research organization pursuant to a special regulation;*
- o) *who have acquired secondary or higher professional education or higher professional education at a conservatoire pursuant to the Education Act, or higher education pursuant to the Higher Education Act;*
- p) *who reside in the territory of the Czech Republic based on a long-term residence permit for the purpose of protection in the territory pursuant to the Act on the Residence of Foreigners in the Territory of the Czech Republic;*
- r) *who are clergymen of a church registered in the Czech Republic or of a religious society registered in the Czech Republic;*

- s) *who are holders of an Intra-Company (Intra-Corporate) Employee Transfer Card issued by another Member State of the EU and are intra-company (intra-corporate) transferred to the territory of the CR for a period not exceeding 90 days in any period of 180 days; or*
- t) *whose performance of work in the territory of the Czech Republic is in the interest of the CR.*

A work permit, an Employee Card, an Intra-Company (Intra-Corporate) Employee Transfer Card, or a Blue Card is not required pursuant to the Act also in the case that an employee is sent to the territory of the Czech Republic by his/her foreign employer based on a contract with a Czech legal or natural person exclusively for the purpose of enhancing skills and improvement of qualification of the foreigner necessary for the performance of his/her work with the foreign employer outside the territory of the Czech Republic. The Czech legal or natural person will inform the respective regional labour office about sending of the foreigner.

A work permit cannot be granted to foreigners

- *who applied for granting of international protection in the Czech Republic, for the period of 6 months since the day when data were provided for the submitted application for international protection;*
- *who do not meet some of the conditions set down by the Act on Employment for granting of a work permit;*
- *whose submitted documents had been fraudulently obtained, forged, fraudulently altered or contained false information;*
- *on the employer of whom a penalty was legitimately imposed due to enabling of performance of illegal work during the period of 4 months preceding the submission of an application for granting of a work permit;*
- *on the employer of whom a penalty of over CZK 50,000 was legitimately imposed due to breach of a duty following from labour law regulations or other legal regulations during the period of 3 months preceding the submission of an application for granting of a work permit;*
- *who have an employer the property of whom was declared bankrupt based on a final and conclusive decision of a court and the bankruptcy has not been cancelled.*

Employee Cards

With effect from 24 June 2014, in relation to the transposition of the Directive 2011/98/EU of the European Parliament and of the Council, the Employee Card was introduced, which is of dual nature, i.e. it is a work permit and a residence permit at the same time.

The Employee Card is issued by the Ministry of the Interior for a concrete job vacancy, which is kept by the Ministry of Labour and Social Affairs in the central register of job vacancies that can be filled with Employee Card holders.

A job vacancy, which can be filled under the Employee Card regime means such job vacancy, which has not been filled within 30 days since it was notified to the regional labour office, except for job vacancies of officials of territorial self-governing units and job vacancies of employees, who execute state administration in administration authorities.

The employment contract or contract for work has to contain besides requisites stipulated by the Labour Code also a stipulation from which it results that regardless the scope of work the monthly wage, salary or reward of a foreigner shall not be lower than the basic rate of the monthly minimal wage. The weekly working hours in each basic employment relationship has to be at least 15 hours.

The condition to prove professional qualification for the performance of required employment results from the character of the employment.

An application for the Employee Card shall be submitted at a representative office of the Czech Republic (embassy, consulate) abroad. During the stay in the territory for a visa for stay over 90 days

or for a long-term residence permit granted for another purpose a foreigner can apply for an Employee Card at the Ministry of the Interior.

A change of the employer, the employment position of an Employee Card holder, or employment of the foreigner at another job position at the same or another employer is liable to a notification to the Ministry of the Interior.

As at 31 December 2019, there were 59 209 Employee Card holders in total registered in the territory of the Czech Republic.

Blue Cards

Since 1 January 2011, based on the transposition of the Council Directive 2009/50/EC to the Czech legislation, conditions were made for an introduction of another type of permitting of employment and residence of foreigners in the territory of the Czech Republic for the purpose of performance of highly qualified employment, the so-called Blue Card.

A job vacancy, which can be filled under the Blue Card regime means such vacancy that has not been filled within 30 days since it was reported to the regional labour office and for performance of which a high qualification is required – i.e. regularly completed higher education or higher professional education provided that the study lasted for at least 3 years.

The Ministry of the Interior decides on issuing of the Blue Cards.

The employment contract has to be concluded for the period of at least one year with weekly working hours stipulated by law and – besides requisites stipulated by the Labour Code – it has to contain the amount of contracted gross monthly or annual wage corresponding at least to 1.5 times the average gross annual wage announced in the notification of the Ministry of Labour and Social Affairs.

A change of the employer or employment position of a Blue Card holder during the first two years of residence in the territory of the Czech Republic is liable to prior consent of the Ministry of the Interior provided that the Blue Card holder will continue to fill a job position requiring a high qualification that can be pursuant to a special regulation filled with a foreigner. After the two years pass, the Blue Card holder is obliged to announce such changes to the Ministry of the Interior within the period of 3 working days.

As at 31 December 2019, 730 Blue Card holders in total were registered in the territory of the Czech Republic.

Economic migration programmes

Selected ministries of the state administration have implemented or guaranteed since 2012 several projects of economic migration (Fast Track project, Welcome Package project, Specific Procedure for Highly Qualified Employees from the Ukraine and India pilot project, a Regime of Special Treatment for Qualified Employees from the Ukraine referred to as “the Regime Ukraine”, a Regime for Other States (for citizens of Mongolia, Philippines, and Serbia), and a regime for workers in agriculture). These economic migration projects were aimed mainly at achieving of time savings at receiving and dealing with applications for resident permits of foreign workers, who will fill the lack of labour force in the Czech labour market and will thus strengthen competitiveness of Czech companies.

With effect from 1 September 2019, the Ministry of Industry in close cooperation with the Ministry of the Interior, the Ministry of Foreign Affairs, and the Ministry of Labour and Social Affairs implement the following economic migration programmes: Key and Research Staff Programme, Highly Qualified Employee (Worker) Programme, and Qualified Employee (Worker) Programme.

Key and Research Staff Programme

The aim of the Programme is to support important Czech and foreign investors, research organizations, technological companies, and start-ups, which need to bring to the Czech Republic foreigners enjoying the status of statutory bodies, managers, and specialists.

The Programme is not limited as for the territory and applies to employees from all third countries. As for applications for visa for a stay of over 90 days for business purposes and employee card applications, a quota has been set for selected countries by a decree of the Government of the CR.

As for employees, the Programme is intended for intra-company (intra-corporate) transferred specialists, managers, and workers enjoying the status of statutory bodies, and for newly hired employees, who according to the valid/updated Classification of Occupations (CZ-ISCO) perform activities in major groups 1–3 in the area of manufacturing, services, or the public sector (with the exception of medical professions, which are covered only by the Highly Qualified Employee (Worker) Programme).

Further information can be found at: <https://www.mpo.cz/en/foreign-trade/economic-migration/key-and-research-staff-programme--248597/>.

Highly Qualified Employee (Worker) Programme

The aim of the Programme is to support direct employers, who need to bring highly qualified foreign workers to the Czech Republic.

The Programme is not limited as for the territory and applies to employees from all third countries. As for applications for an Employee Card, a quota has been set for selected countries by a decree of the Government of the CR.

As for employees, the Programme is intended for newly hired employees, who according to the valid/updated Classification of Occupations (CZ-ISCO) perform activities in major groups 1–3 in the area of manufacturing, services, or the public sector. As for employers, it is for entities doing their business in the CR for at least 2 years, without any due commitments to the state (no arrears in respect of payments to the public health insurance fund and social insurance contributions, no tax arrears) and that employed or were employing at least 3 persons during the period of 2 years prior to the submission of an application.

Further information can be found at: <https://www.mpo.cz/en/foreign-trade/economic-migration/highly-qualified-worker-programme--248598/>.

Qualified Employee (Worker) Programme

The aim of the Programme is to support direct employers, who need to bring qualified foreign workers to the Czech Republic.

The Programme applies to employees from the Ukraine, Mongolia, Serbia, Philippines, India, Belarus, the Republic of Moldova, Montenegro, and Kazakhstan.

As for employees, the Programme is intended for newly hired foreign employees, who according to the valid/updated Classification of Occupations (CZ-ISCO) perform activities in major groups 4–8 in the area of manufacturing, services, or the public sector. As for employers, it is for entities doing their business in the CR for at least 2 years, without any due commitments to the state (no arrears in respect of payments to the public health insurance fund and social insurance contributions, no tax arrears) and employing at least 6 employees.

Further information can be found at: <https://www.mpo.cz/en/foreign-trade/economic-migration/qualified-worker-programme--248608/>.

From 1 December 2019, in cooperation of the Ministry of Agriculture with the Ministry of the Interior, the Ministry of Foreign Affairs, and the Ministry of Labour and Social Affairs, a **Special Work Visa Programme** is being implemented for nationals of the Ukraine working in agriculture, food industry, and forestry.

The aim of the Programme is to support direct employers doing their business in the sectors of forestry, agriculture, and food industry, who need to bring foreign workers to the Czech Republic. For that purpose, their foreign workers who meet the required criteria are guaranteed the opportunity to submit an application for a special work visa at the Representative Office of the Czech Republic in Kiev.

A special work visa can be granted only for an occupation, which falls under economic activities (divisions) of an employer according to the Classification of Economic Activities (CZ-NACE) designated by the following codes and names:

- 01 Crop and animal production, hunting and related service activities;
- 02 Forestry and logging;
- 10 Manufacture of food products; or
- 11 Manufacture of beverages.

Job positions of an applicant for a special work visa must fall under the types of work designated in the Classification of Occupations (CZ-ISCO) by the following codes and names (translator's note: the International Standard Classification of Occupations, ISCO, uses 5 digits; the 5th place is for classification at the national level, CZ-ISCO):

- 51649 Other pet groomers and animal care workers (in Czech: "Ostatní chovatelé a ošetrovatelé zvířat v zařízeních určených pro chov a příbuzní pracovníci");
- 61 Market-oriented skilled agricultural workers;
- 621 Forestry and related workers;
- 723 Machinery mechanics and repairers;
- 751 Food processing and related trades workers;
- 752 Wood treaters, cabinet-makers and related trades workers;
- 816 Food and related products machine operators;
- 817 Wood processing and papermaking plant operators;
- 8183 Packing, bottling and labelling machine operators;
- 83221 Car drivers and van drivers (excluding taxi drivers and ambulance drivers) (in Czech: "Řidiči osobních a malých dodávkových automobilů (kromě taxikářů a řidičů zdravotnické dopravní služby)");
- 834 Mobile plant operators;
- 921 Agricultural, forestry and fishery labourers; or
- 93292 Unskilled labourers in manufacturing (in Czech: "Pomocní dělníci ve výrobě").

Further information can be found at: <http://eagri.cz/public/web/mze/ministerstvo-zemedelstvi-proexportni-okenko/mimoradne-pracovni-vizum-novy-nastroj.html> (Czech only).

Types of work permits

An individual permit shall mean a work permit, an Employee Card, or a Blue Card of a foreigner in an employment relationship with a domestic employer. The domestic employer is a legal or natural person authorized to carry out economic activities in the territory of the Czech Republic on the grounds of a record in the competent Commercial Register or other register as determined by law (e.g. the Trade Licences Register or the Register of Patent Attorneys), a record in a relevant list (e.g. the list of auditors or the list of tax advisers), or an entry in specified registers kept by a competent authority of the Czech Republic (e.g. Register of Self-Employed Farmers). The domestic employer is also a natural person, who does not run a business, yet employs another natural person for his or her personal needs.

A contract shall mean an employment of a foreigner by a legal or natural person with the registered office or residence outside the territory of the Czech Republic, which is not engaged permanently in a business in the Czech Republic, yet sends their employees to the Czech Republic to perform a business contract or another contract concluded with a domestic legal or natural person.

Employer's duty to inform

Citizens of the EU/EEA and Switzerland and their family members (dependants) do not need to have a work permit, an Employee Card, a Blue Card, or an Intra-Company (Intra-Corporate) Employee Transfer Card for the purposes of employment in the territory of the Czech Republic. The same applies to the family members (dependants) of citizens of the Czech Republic, who are not citizens either of the Czech Republic or any other EU Member State. Employers, or legal or natural persons, to which or whom citizens of the EU/EEA and Switzerland and their family members (dependants) were sent by their foreign employer, are obliged to inform in writing on this fact the locally competent regional labour office (depending on the locality of the workplace, where the work is performed), on the day of commencement of the performance of work of these persons, at the latest.

*This duty to inform applies also to other foreign nationals, who received a work permit, an Employee Card, a Blue Card or an Intra-Company (Intra-Corporate) Employee Transfer Card or do not need a work permit (see letters a) to e) and letters j) to t) of the aforementioned information starting with “**A work permit, an Employee Card, a Blue Card, or an Intra-Company (Intra-Corporate) Employee Transfer Card** is not required for foreigners”) for the performance of their work in the territory of the Czech Republic.*

The employer is obliged to inform in writing the competent regional labour office within 10 calendar days at the latest that foreign nationals ended performance of their work or that their sending has finished. The same is valid also in the case that a foreign national has not commenced work.

The duty to inform that a foreigner (holder of the Employee Card or the Blue Card) has not commenced work has to be fulfilled by the employer within 45 calendar days at the latest since the date when the application of the foreigner for the issue of the Employee Card or the Blue Card was complied with.

Keeping records of foreign nationals

Employers are obliged to keep records of citizens of the EU/EEA and Switzerland and their family members (dependants) as well as all foreigners employed by them. A foreign employer, who (or which) concluded a contract with a legal or a natural person, based on which workers were sent to the territory of the Czech Republic, is also obliged to keep records of the workers sent.

With regards to changes of information systems during 2012–2013, only qualified estimates were available as for the total number of foreign nationals performing work in the territory of the Czech Republic in the employee status. Since 2014, the precise numbers of these foreigners have been available again. As at the end of 2019, the respective regional labour offices registered a total of 621 870 foreign nationals performing employment in the territory of the Czech Republic. The total number of foreign employees thus rose by 53 194 persons annually. It can be stated, that a year-on-year increase was evident among all the categories of foreign workers (i.e. third-country nationals, who need a work permit, an Employee Card, or a Blue Card to perform their work in the Czech Republic, and the foreign nationals of third countries, who do not need such permits for the performance of their work, as well as the nationals of the EU/EEA and Switzerland and their family members (dependants), who have free access to the labour market).

2) Register of the Ministry of Industry and Trade

Foreigners holding a trade licence

Pursuant to the Trade Licensing Act No 455/1991 Sb, as amended, foreigners can do business in the Czech Republic the same as Czech citizens, if they fulfil obligations as set down in this Act and related regulations. They are allowed to carry on a business activity pursuant to the Trade Licensing Act as natural persons, but they can also establish legal persons in the Czech Republic (usually business companies or cooperatives according to the public registers), or found in the territory of the Czech Republic organizational units of their enterprises abroad. Pursuant to the Trade Licensing Act, the foreign natural person is a natural person, who does not have residence (i.e. permanent residence) in the territory of the Czech Republic. This person must hold a residence permit to stay in the Czech Republic pursuant to the Act No 326/1999 Sb, unless it is a national of an EU Member State or a citizen of a state with which the Czech Republic concluded a treaty banning this restriction. This provision thus applies also to nationals of states, which are bound by an international treaty concluded with the European Communities, as well as to citizens of countries, which are bound by the EEA Treaty.

*For purposes of this publication, the term of **a foreigner holding a trade licence** has been chosen; the numbers of entrepreneurs include entrepreneurs-foreigners with granted long-term visa (over 90 days) or a long-term residence permit, entrepreneurs-foreigners with permanent residence, family members (dependants) of residents with a long-term stay, persons, who were granted asylum or subsidiary protection (hereinafter as refugees), and citizens (nationals) of the EU Member States*

and citizens of Switzerland, Norway, Iceland, and Liechtenstein and their family members (dependants).

The number of entrepreneurs-foreigners holding a trade licence was gradually increasing year by year. Their number dropped in 1998 for the first time as a result of the amendment to the Trade Licensing Act, which was published in the Collection of Laws (abbreviated as Sb) of the Czech Republic under the No 286 in 1995. The amendment imposed stricter duties on entrepreneurs as for submitting documents stipulated by law. The second decline in the number of entrepreneurs occurred after 2001 due to the adoption of a large amendment to the Trade Licensing Act, which was published in the Collection of Laws of the Czech Republic under the No 356 in 1999. At the same time, the Act No 326/1999 Sb, on the Residence of Foreigners in the Territory of the Czech Republic and amending certain acts, made also conditions for acquisition of a long-term visa for business purposes stricter.

The trade licensing offices terminated trade licences of entrepreneurs-foreigners, who had not submitted mandatory documents on the residence. Due to that, entrepreneurs-foreigners decreased in number already in 1998 and then in 2002. However, since 2003, a rather high increase in the number of these persons has been actually shown.

On 1 May 2004, an amendment to the Trade Licensing Act harmonising it with EU legislation came into force, which was published in the Collection of Laws of the Czech Republic under the No 167 in 2004. This legal document made, among others, the status of EU nationals and Czech citizens equal. On 1 July 2008, an amendment to the Trade Licensing Act came into force, which was published in the Collection of Laws of the Czech Republic under the No 130 in 2008. This amendment introduces the only one free trade with the subject-matter of business of **Production, trade, and services not classified in Annexes 1–3 to the Trade Licensing Act** with 80 economic activities replacing the then existing 125 free trades. This resulted in a decrease in the number of trade licenses issued.

Before 31 December 2010, for foreign natural persons with the duty to have a residence permit for stay over 90 days the trade licence originated only at the time of the record in the Commercial Register, while to other foreigners doing their business under the Trade Licensing Act (EU nationals, citizens of the countries acceding to the EEA Treaty, foreigners with permanent residence, family members (dependants) of residents with a long-term stay, and refugees) their trade licence originated on the day of notification or, at trades with a trade permit (licence) on the day when the decision on granting of the trade permit (licence) comes into force. After the Act No 427/2010 Sb came into force on 1 January 2011, the right to perform trade originates for a foreigner, who is obliged to have his or her stay permitted, on the day of notification of their trade to the municipal trade licensing office or on the day when the decision on granting of a trade licence comes into force, providing that a foreigner at notification of the trade (at submitting of an application for granting of a trade licence) meets all requirements for performing of the trade including the permitted stay. In case that a foreigner obtained a copy of an entry from the trade licensing office for the purpose of proceedings on a residence permit, his or her trade licence originates on the day, when the foreigner supplies evidence (that a long-term visa or a long-term residence permit has been granted to him or her) to the trade licensing office, at which the trade has been notified or at which the application for a trade permit (licence) has been submitted, providing that the document on a residence permit was documented within 3 working days from the day of notification of the place of residence of the foreigner in the territory of the Czech Republic and at the same time in the period of 6 months at the latest from the day, when the copy of an entry was delivered.

On 1 July 2012, a system of basic registers has been launched, which is regulated by the Act No 111/2009 Sb, on Basic Registers, as amended. In relation to the connection of the Trade Licensing Register with the system, data kept in the Trade Licensing Register have been updated (e.g. of persons with terminated stay in the territory of the Czech Republic; duplicate identification numbers of persons (that originated in the past) were eliminated; trade licences of deceased persons have been terminated). It was reflected also in the number of persons kept in the Trade Licensing Register. This decrease in the number of foreigners continued also in 2014.

In 2016, an increase was recorded again, which continued also in the following years. In 2019, over 93 thousand foreigners were kept in the registers. As for the regional breakdown, the highest number of foreigners holding a trade licence kept in the register was in the territory of the Capital City of Prague (37 245 persons) followed by the Středočeský Region (10 623 persons) and the Ústecký Region (7 881 persons).

The number of foreigners – EU nationals with a valid trade licence was constantly increasing. In 2004 and 2005 over 14 thousand foreign persons were doing business in the Czech Republic. In 2006 the number of foreigners – entrepreneurs dropped. The decrease was not deep and it can be explained by implementation of the planned data relocation from the existing local registers of entrepreneurs to the new central information system, which, among others, resulted in the elimination of duplicate entries recorded in the system of respective local registers. In 2007, however, the number of EU nationals holding a trade licence exceeded the level from the year 2005. A significant increase occurred in 2008 and continued in the following years as well. Most of the foreigners coming from the EU28 countries are citizens of Slovakia (19 035 persons); compared to 2018 (17 711 persons) it is an increase by 1.3 thousand persons. They are followed, with a slight year-on-year decrease, by Germans (3 045 persons) and citizens of Poland (2 650 persons). In 2019, compared to 2018, there was an increase in the number of third-country nationals by about 1.5 thousand persons. The most frequent third-country nationals are citizens of the Ukraine (22 924 persons) and Viet Nam (20 733 persons). Compared to 2018, the number of citizens from Viet Nam decreased by 0.4 thousand. Furthermore, over 1 thousand foreigners with a trade licence were found in citizens of the Russian Federation (3 446 persons) and the United States of America (1 708 persons). They are followed, after a significant gap, by citizens of the Republic of Moldova (746 persons) and Belarus (690 persons).

3) Total employment of foreigners

Total employment of foreigners refers to the sum of the numbers of valid work permits, Employee Cards, and Blue Cards of foreigners, foreigners registered by regional labour offices, and foreigners holding a trade licence.

Illegal employment

The State Labour Inspection Office (hereinafter as the SLIO) and Regional Labour Inspectorates perform supervisory activities over compliance with the Employment Act provisions. They are also empowered to conduct administrative proceedings imposing fines due to found infractions, misdemeanours, and administrative delicts.

Inspections in the area of illegal employment focus primarily on uncovering of performance and of enabling performance of illegal work to citizens of the Czech Republic, EU nationals, and foreigners. It was also inspected how related duties of employers in the area of employment are adhered to. Inspectors, while doing their inspecting activities, inspect how basic duties in the area of labour law relations are adhered to as well as they inspect safety and health protection at work.

An important part of activities of both the SLIO and Regional Labour Inspectorates is also to provide basic consultancy in the area of labour law relations. It is provided either in person or in an electronic form. In 2019, bodies of labour inspectorates received a slightly higher number of queries from foreign workers.

In 2019, bodies of labour inspectorates made 8 160 inspections in total, which focused on uncovering of illegal employment. Of them, 61 were part of a special inspection action focusing on labour exploitation.

Inspections aimed at illegal employment uncovered 6 661 breaches of legal regulations in total. They were in the area of adherence to duties determined by law on employment (including the ban on illegal work) as well as in the area of adherence to basic labour law institutes and regulations in the area of safety at work, which were also part of the inspections.

Bodies of labour inspectorates revealed 4 342 persons performing illegal work during inspections made. They were citizens of the Czech Republic in 622 cases, 207 were nationals of other EU Member States, and 3 513 cases were foreigners, i.e. citizens of non-EU countries.

In 2019, illegally working foreigners found were most often citizens of the Ukraine (3 015 persons), citizens of the Republic of Moldova (246 persons), and of Viet Nam (62 persons). Among most frequently uncovered illegally employed workers from the EU Member States were citizens of Slovakia (97 persons), Romania (36 persons), Hungary (34 persons), and Bulgaria (21 persons).

Illegally working persons were in 2019 found most often at employers with prevailing economic activity of construction (according to the Czech version of the NACE Rev. 2 classification; it applied to 265 entities). Following were prevailing economic activities of wholesale and retail trade; repair of motor vehicles and motorcycles (at 171 entities), manufacturing (at 139 entities), and accommodation and food service activities (at 101 entities).

In total, 485 fines were inflicted for breach of legal regulations in the area of illegal employment in 2019. Their total amount was CZK 182,991,500. Out of them, 21 fines in the amount of CZK 61,700 were inflicted on natural persons for a misdemeanour of performance of illegal work.