

## 10 ECONOMIC ENTITIES

Data in this chapter are compiled from data kept in the **(Statistical) Business Register** (abbreviated RES in Czech). The (Statistical) Business Register is a public list, which is made and maintained by the CZSO pursuant to the Act No 89/1995 Sb, on the State Statistical Service, as subsequently amended. It serves mainly for preparation and conducting of statistical surveys. It is kept updated with data from statistical surveys and data from the Commercial Register, trade licensing offices, and other administrative sources. After basic registers of public administration were put into operation on 1 July 2012, the **(Administrative) Business Register** (abbreviated ROS in Czech), also called the **Basic Register of Legal and Natural Persons**, became the main source for updates of the (Statistical) Business Register.

The (Statistical) Business Register keeps records of **legal persons** including organisational units of the state and **natural persons** with the status of an entrepreneur. **Natural persons** include private entrepreneurs in business under the Trade Act, agricultural entrepreneurs – natural persons, natural persons in business under other acts, and since 2014 foreign natural persons and branches of foreign natural persons. In tables, foreign natural persons also include branches of foreign natural persons. **Business companies and partnerships** include general commercial partnerships, limited liability companies, limited partnerships, joint-stock companies and since 2010 also European Companies (Societas Europaea, SE) and European Economic Interest Groupings. **Cooperatives** also include European Cooperative Societies (Societas Cooperativa Europaea, SCE). **Foundations and endowment funds** also include organisational units of foreign endowment funds and organisational units of foreign foundations. Associations and subsidiary associations also include foreign subsidiary associations.

In relation to an amendment to the Trade Act according to which activities of independent loss adjusters became a new regulated trade, in the beginning of 2019 activities of insurance brokers (insurance intermediaries) kept according to the Act No 38/2004 Sb under the legal form of “natural persons in business under other acts” (than the Trade Act and the Act on Agriculture) were terminated. Those who intended to continue in their activities and notified of their regulated trade were included in the legal form of “natural persons in business under the Trade Act”.

Economic entities are classified in the **territory** according to their registered office, not according to the place of performed activity. The breakdown of the (Statistical) Business Register by **principal** (prevailing) **activity** corresponds to sections of the **Classification of Economic Activities** (CZ-NACE). Businesses are classified to **institutional sectors** in accordance with the **Classification of Institutional Sectors and Subsectors** (according to the ESA 2010). Individual sectors (subsectors) include entities (businesses), which have similar basic activities, functions, and economic behaviour and belong to the same type of producer. The **households** sector includes individuals or groups of individuals as final consumers and small entrepreneurs producing market goods and services (craftsmen, agricultural entrepreneurs – natural persons, private medical doctors, lawyers, tax advisors, etc.), dwelling unit owners associations, and since 2014 also foreign natural persons (previously classified to foreign-controlled private enterprises).

A **business with identified activity** is that, which is an income tax payer, value added tax payer, or pays social security contributions for its employees or as a self-employed person (own-account worker).