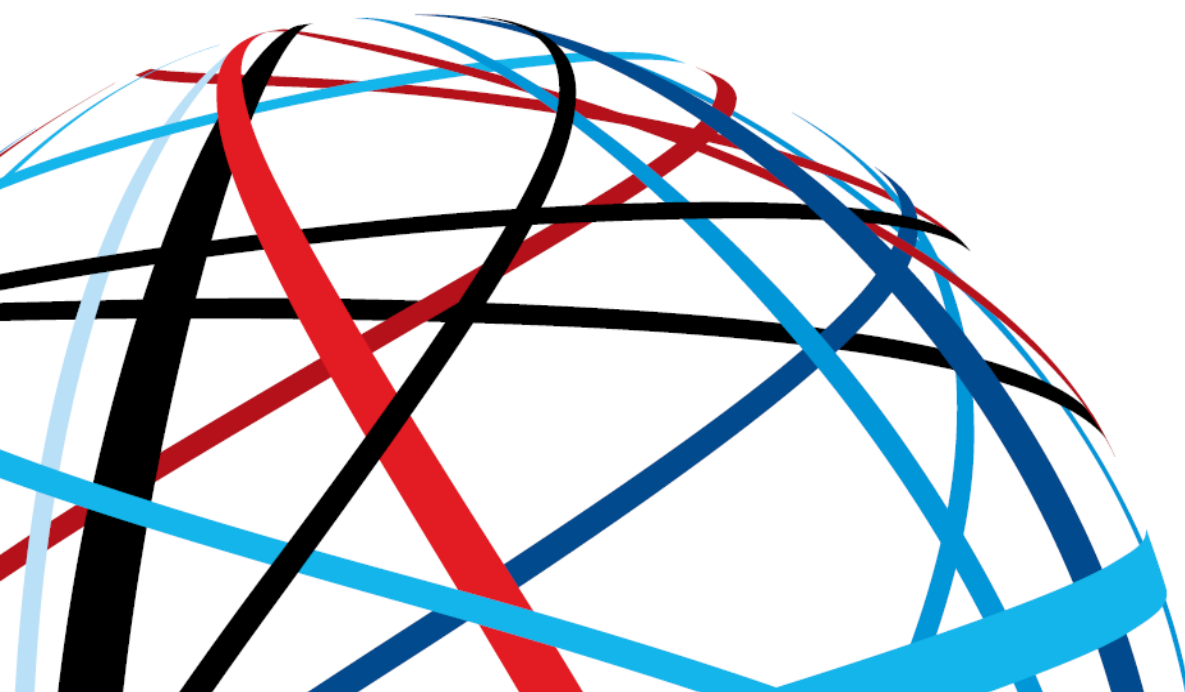




MINISTRY OF INDUSTRY AND TRADE
OF THE CZECH REPUBLIC

Report on Reducing the Administrative Burden on Entrepreneurs for 2016

July 2017



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Introduction

The report on reducing the administrative burden on entrepreneurs for 2016 (hereinafter referred to as “the Report”) **provides an overview of the level and the way of fulfilling the tasks of reducing the administrative burden¹ on entrepreneurs for the year 2016 at the national level, presents information on the results of the new remeasurement of the administrative burden performed in 2016 and proposes actions for reducing the bureaucratic burden on entrepreneurs in the coming years.**

The Report has been elaborated by the Ministry of Industry and Trade, as the coordinator of the programme, in collaboration with other central government agencies, **on the basis of tasks assigned by Government Resolution No. 590 of 27 June 2016.** This Resolution required members of the Government and heads of other central government agencies to:

- continue adopting measures to reduce the administrative burden on entrepreneurs and to focus attention on the most burdensome areas, including selected measures,
- inform the Minister of Industry and Trade about the scope and manner of implementation of the measures adopted to reduce the burden for entrepreneurs and to provide assistance upon the remeasurement of the administrative burden on entrepreneurs,
- the Ministry of Industry and Trade was tasked to submit to the Government a report on reducing the administrative burden on entrepreneurs for 2016 by 30 June 2017 and to coordinate the implementation of the above stated tasks.

The reduction of administrative burden on entrepreneurs was monitored in the framework of the Plan to Reduce the Administrative Burden on Entrepreneurs (hereinafter referred to as the "Plan") implemented in the period 2008–2012, as well as **in scope of the Remeasurement Project 2011–2013** (hereinafter referred to as the “Remeasurement Project.”) and subsequently through measures adopted in the period 2013–2015. **The measures were produced as a combination of outputs from the completed Plan in 2012 and the outputs from the Remeasurement 2013. The new objective for all the ministries was to act in order to reduce the administrative burden on entrepreneurs through 60 measures by the end of 2015** (a link to the International Competitiveness Strategy) **and to carry out another remeasurement of the administrative burden on entrepreneurs in 2016.** The responsible departments were required to implement the proposed measures, provided that **62 measures had been implemented by the end of 2015 and thus the objective had been achieved.**

During 2016, the ministries worked on 27 measures, the implementation of which had been planned, and according to the assigned task² a new remeasurement of the administrative burden on entrepreneurs (hereinafter referred to as "Remeasurement 2016") was performed in cooperation with the concerned ministries. **The project also involved entrepreneurs through the Expert Group on reducing the administrative burden for businesses** (hereinafter referred to as "Expert Group"). Results of Remeasurement 2016 are listed in Part 4 hereof.

Through the measures presented, the Report discusses the possibility of removing the already existing administrative obligations imposed by the applicable legislation. Efforts are also made to avoid creating administrative burdens during the legislative process, these issues are also addressed by the Ministry of Industry and Trade during

¹ Part of the administrative costs incurred by businesses or entrepreneurs only because they are required so by the regulations (the administrative burden is therefore a subset of administrative costs, because administrative costs also cover activities that the businesses would perform even if the regulations were repealed).

² The task resulted from the Final Report on the status of the performed measurement and remeasurement of the administrative burden on entrepreneurs approved by Government Resolution No. 595 of 9 August 2013 as a long-term task within this agenda.

interministerial consultation proceedings. A Regulatory Impact Assessment (hereinafter referred to as a “RIA”) is used to identify unnecessary administrative burdens placed on businesses by the legislation. The RIA contains a set of analytical methods used to make a systematic assessment of the expected impact of the proposed policies and the legal regulations by which they are implemented. The information gathered and processed in the RIA process serves as a justification for the final design of policies and as an information base for a political decision to adopt or reject draft pieces of legislation. In the Czech Republic, the RIA procedure is applied to all generally binding pieces of legislation prepared by ministries and other central government administrative offices, in accordance with the Government’s Legislative Rules, including the implementation of EU law.

The preparation of the RIA follows the General Principles for Regulatory Impact Assessment, as amended, effective from 1 February 2014 and approved by Government Resolution No. 26 of 8 January 2014 and amended by Government Resolution No. 76 of 3 February 2016. The Office of the Government of the CR has, as part of its Legislative Council Section, a Division for the Coordination of the Process of the Regulatory Impact Assessment, which provides methodological management and support for the RIA process at the level of the central government agencies in the CR. An email address has been established to communication with this Division: ria@vlada.cz.

The Commission for Regulatory Impact Assessment (hereinafter referred to as the “RIA Commission”) reviews the quality of the submitted impact assessments of proposed legislation as an independent supervisory authority.

The reduction of the administrative burden is also monitored by the Government Council for Public Administration, which was established in 2014 on the basis of Government Resolution No. 680 of 27 August 2014. Steps taken to assess the impact of regulation (RIA) and better regulation in relation to the public administration and the public are also consulted within the Management Committee for the modernisation of public administration. These activities are based on the Strategic Framework for the Development of the Public Administration of the CR 2014-2020.

The European Commission also pays close attention to the issue of the administrative burden on businesses, and has recommended that member states adopt similar measures at a national level. The European Commission is currently working on legislation issued at the EU level with reference to the so-called REFIT programme (Regulatory Fitness and Performance), see http://ec.europa.eu/atwork/pdf/cwp_2015_refit_actions_en.pdf, which was approved in 2012.

On 19 May 2015, the European Commission decided to create the REFIT platform as part of the package to address the issue of improving EU legislation. The purpose of the REFIT platform is to facilitate dialogue with member states and stakeholders on issues concerning the reduction of the regulatory burden in EU legal regulations. The REFIT platform is composed of two groups: a government group and a group of stakeholders. The government group consists of representatives from each of the EU member states and the stakeholders group comprises a total of 20 representatives (from the European Economic and Social Committee, the Committee of the Regions, the business community and social groups and civic organisations with direct experience of the application of EU legislation). The results of the platform’s activities are to be used in the REFIT programme, starting with the Commission’s work programme for 2017, including the updating of scoreboards (REFIT Scoreboard).

This issue is also closely linked to some other EU documents, such as Europe 2020 – Sustainable Growth, Competitiveness – the priority is to improve the business environment under the EU priority initiative “An industrial policy for the globalisation era”.

Reports on reducing the administrative burden on entrepreneurs are published annually on the website of the Ministry of Industry and Trade www.mpo.cz.

1. Information on the implementation of 27 measures to reduce the administrative burden on businesses

Following the completed implementation of the measures monitored within the Plan from 2008 to 2012 and in combination with the outputs from the Remeasurement Project, 91 measures were approved for the reduction of the burden on entrepreneurs between 2013 and 2015, with 62 measures implemented by the end of 2015. The measures were produced in collaboration with representatives of government agencies and certain measures were based on irritating obligations reported by entrepreneurs in the Remeasurement Project.

Of the selected measures, entrepreneurs gave the most positive assessment to those aimed at continuing the digitalisation of the public administration, the digitalisation of a number of legal regulations, the digitalisation of forms and efforts to share data between different government agencies to avoid duplication.

During the year 2016, the ministries continued to implement the remaining **27 measures, which were scheduled for the next period. In addition to these planned actions, the ministries proposed further 22 new measures during 2016, bringing the total number of measures monitored in 2016 to 49.**

Beyond these measures, two measures are registered as abandoned.

As a result, 23 measures were met in 2016, with 30 measures remaining to be implemented by the ministries in the next period.

The table below presents an overview of the state of implementation of the 27 measures and additional new measures proposed by the competent government agencies as at 31 December 2016:

State of implementation as at 31 December 2016	27 measures (number)	Additional measures (number)	Total measures (number)
Completed	12 ^{*)}	11	23
Implemented	17 ^{*)}	11	28
Abandoned	2	0	2

Note: ^{*)} 2 measures have been completed, with new sections thereof currently being implemented

The table below shows all the measures linked to the individual ministries with relevant responsibilities, with some measures being coordinated by a number of government agencies.

Responsibility for the measure		
Ministry	27 measures	Additional measures
Ministry of Industry and Trade ("MIT")	no. 11, no. 40, no. 41, no. 42, no. 43, no. 77	no. 100, no. 9.16, no. 10.16
Ministry of Justice ("MJ")	no. 20, no. 83, no. 84	no. 1.16
Ministry of Health ("MH")	no. 5, no. 6 (abandoned)	no. 11.16
Ministry of Agriculture ("MA")	-	no. 96
Energy Regulatory Office ("ERO")	-	no. 93, no. 4.16
Ministry of Labour and Social Affairs ("MoLSA")	no. 25, no. 85, no. 86	no. 92, no. 2.16, no. 3.16

table continued:

Responsibility for the measure		
Ministry	27 measures	Additional measures
Ministry of the Environment ("ME")	no. 40, no. 41, no. 42, no. 43	no. 97, no. 98, no. 102, no. 5.16, no. 6.16, no. 7.16
Ministry of Regional Development ("MoRD")	no. 48, no. 81	-
Ministry of the Interior ("MI")	no. 20	-
Ministry of Finance ("MF")	no. 20, no. 26, no. 31, no. 51, no. 53 (abandoned), no. 91	no. 95, no. 99, no. 101, no. 8.16
Ministry of Education, Youth and Sports ("MEYS")	no. 11	-
Ministry of Transport ("MT")	-	-
Ministry of Culture ("MC")	no. 79	-
Office of the Government of the CR ("OG CR")	no. 29	no. 94
General Tax Directorate ("GTD")	no. 20	-
Czech Mining Office ("CMO")	no. 88	-
Czech Telecommunication Office ("CTO")	-	-
Czech Office for Surveying, Mapping and Cadastre ("COSMC")	-	-
Czech Statistical Office ("CSO")	no. 20, no. 26, no. 43, no. 51	-
National Security Authority ("NSA")	-	-
Office for the Protection of Competition ("OPC")	no. 69, no. 70	-
Industrial Property Office ("IPO")	no. 22	-
State Office for Nuclear Safety ("SONS")	no. 47	-
all government agencies	no. 50	-

During 2016, the reduction of administrative burden was promoted, *inter alia*, by the following measures included in the total set of monitored 27 actions:

- The amendment to Act No. 549/1991 Coll., on court fees; steps were taken to simplify notarial records and to reduce the fees paid; limited liability companies have been exempt from court fees and the notary's fee for making a notarial record on the founder's legal act has been reduced. The required incorporation fees have been reduced to EUR 100 (Measure 83).
- The amendment to Act No. 89/2012 Coll., Civil Code and related acts, by Act No. 460/2016 Coll., has established legal certainty regarding the issue of a power of attorney for legal acts in the form of a public instrument, simplified legal relations and reduced costs arising to persons from such relations; in all cases where the act requires the form of a public instrument for a legal act, a written power of attorney with an officially authenticated signature will be sufficient. This change has also reduced costs for persons involved in the operation of business corporations and for the business corporations themselves (Measure 84).
- The reporting of expenditure on implemented projects has been simplified through the so-called "unit costs" of projects under Investment Priority 1.3 of the Operational Program Employment, which accelerated the process of evaluation and selection of grant applications and reduced the administrative burden during the project implementation. Successful use of unit costs will contribute to greater attractiveness of

the support provided to enterprises in further education through projects funded by the European Social Fund (Measure 86).

- The amendment to Act No. 25/2008 Coll., on the Integrated Pollutant Register (Integrovaný registr znečištění, "IRZ"), reduced the number of activities subject to the obligation to report to the IRZ. Originally, the Act applied to all activities according to NACE codes, i.e. to 1 718 activities. Currently, the annex to the IRZ Act specifies only 240 activities covered by the IRZ reporting obligation (Measure 40).
- The amendment to Act No. 25/2008 Coll. has also reduced the number of reported substances from 72 to 26, thereby simplifying the IRZ reporting process (Measure 42).
- The new Public Procurement Act has reduced the administrative burden on both contracting authorities and contractors – for example, it promotes proper splitting of public procurement contracts so that small and medium-sized enterprises are motivated to take part in tenders, smaller tenders also entail lower administrative demands; the reduced administrative burden on suppliers has made it possible to prove certain facts in procurement procedures with a single European certificate or by referring to a register website; there has been a change in the procedure for changing contractual obligations – compared to the previous arrangements, certain changes can be made without a procurement procedure, this process will significantly reduce the administrative burden (Measure 48).

A detailed summary of the implementation status of 27 measures to reduce the burden on entrepreneurs as of 31 December 2016, including comments by the individual government agencies, is provided in Annex No. 1 hereto. Annex No. 1 has been divided into two parts, the first one containing the implemented measures, which are colour-coded. The second part includes measures still under implementation.

In addition to the 27 measures the ministries implemented, *inter alia* the following measures:

- Section 4 of Government Decree No. 336/2016 Coll., which regulates the reduced minimum wage rates and the lowest levels of guaranteed salary upon limited employability of the employee (an employee who receives disability pension payments), has been repealed. This will reduce the administrative burden related to the differentiation of employee groups for supplementary payments within the minimum income categories (Measure 92).
- Administrative procedures for electricity producers with production plants up to 10 kW output for own consumption with non-licensed network connections have been simplified – with effect from 1 January 2016, a licence issued by the Energy Regulatory Authority and the related entrepreneur status with all the related obligations are no longer required for the production of electricity for own consumption in plants with up to 10 kW output according to the Energy Act. The simplified network connection for micro-sources consists in a significant reduction of administrative requirements in relation to the connection conditions that the producer is obliged to fulfil and demonstrate to the distribution system operator to have the plant connected (Measure 93).
- The amendment to Act No. 235/2004 Coll., VAT Act, as amended, adjusted the VAT control statement – the deadline, within which taxpayers must modify or amend incorrect or incomplete data or confirm the original data by means of a subsequent VAT control statement, has been changed from 5 (calendar) days to 5 business days from notification. New sections 101j and 101k have been set to regulate the exclusion of a fine for a failure to submit the VAT control statement (s. 101j) and the waiver of a fine for failure to submit the VAT control statement (s. 101k) (Measure 95).
- The obligation to exclude hazardous properties in the case of car wrecks, from which operational fluids and dangerous chemicals have been removed, has been repealed by Decree No. 93/2016 Coll., on the Waste Catalogue, with effect from 1 April 2016. This has produced a reduction in the administrative burden on entrepreneurs by up to CZK 20.2 million / year. This measure does not change the ways of handling car wrecks by operators who have to comply with other rules, to be documented in relation to an

application for approval filed at the regional authority, and with Decree No. 352/2008 Coll., on the details of handling car wrecks (Measure No. 97).

- The current legal regulations have been adapted in order to comply with the Union Customs Code – Act No. 13/1993 Coll., Customs Act, has been replaced by the new Customs Act No. 242/2016 Coll. This change responded to problems arising in and in relation to the customs procedure, which had been identified in the hitherto legal and application practice of the customs authorities: the amendments unify the existing procedures for the customs supervision, customs control, clearance procedures, including customs duty guarantee, assessment and recovery, in order to allow application of advanced tools and technologies in line with the long-term objective of the European Commission to set up a simple and predominantly electronic environment for customs and trade. (Measure 101).

Annex No. 2 provides an overview of additional measures implemented by the ministries in the course of 2016 beyond the scope of the 27 measures mentioned above.

Additional information on additional selected measures under implementation

Measure No. 20

Since 2013, negotiations have been held between the Ministry of Justice, the Ministry of Finance, the General Financial Directorate and the Czech Statistical Office on the options of ensuring the transfer of information acquired upon the execution of duties of financial administration bodies and registry courts. The negotiations referred namely to the method of ensuring the transfer of information, which primarily relates to financial statements (balance sheet, income statement and notes to financial statements compiled in accordance with Act No. 563/1991 Coll., Accounting Act, as amended), which must be, within the meaning of Act No. 304/2013 Coll., on public registers of legal entities and natural persons, submitted for publication in the Collection of Documents of the competent registry court and within the meaning of s. 72 (2) of Act No. 280/2009 Coll., Tax Code, as amended (hereinafter referred to as the “TC”), as an annex form an integral part of the corporate tax return. The ongoing negotiations discussed a unified method of ensuring submission of the information required by all the government agencies, both for the further use and given the need to reduce the administrative burden on the entities involved.

In 2016, it was found that an attempt to unify the systems of these two schemes would have lead to an increase in the administrative burden on the entities concerned. For these reasons, the implementation of this plan was assessed as undesirable and the task of ensuring the collection of data from financial statements from the Collection of Documents was annulled by Government Resolution No. 1059 of 28 November 2016. The Ministry of Finance, in scope of the “MY Tax” project, plans to unify the management of levies in a single system with a link to a high-quality IT system of tax administration – ISS, Integrated Tax and Insurance Contributions Management System.

Further extension of the number and functions of CzechPOINT contact points is also under consideration, the operation of the basic registers is being fine-tuned and work to launch the eSbirka and eLegislative projects is continuing.

Measure No. 26

Measure No. 26 addresses the issue of the possibility of sharing data between the CSO and the tax authorities, where the Single Collection Point (SCP) would be used for data sharing.

During 2016, the CSO continued negotiations with the GTD to make available all the financial statement data available from annexes to the income tax and corporate tax returns. As a result, a draft supplement to the sub-agreement on the transfer of data between the GTD and the CSO has been elaborated and the CSO thus shall obtain more indicators, mainly from profit and loss accounts. The aim of data sharing is to use the data for statistical purposes and thereby to reduce the administrative burden of statistical survey respondents.

On 14 December 2016 the Government Resolution No. 1135 approved the implementation of a system of integrated collection of selected data for the public administration agencies. The Resolution requires members of the Government and heads of other central administrative agencies to cooperate with the CSO already at the stage of initial design of the form, modification or cancellation of administrative data sources managed by such authorities, and upon implementing free and fast access and use of all administrative data sources managed by these authorities, including any metadata attached. The implementation of the integrated collection of selected data for public administration agencies is in line with the EU law and extends the possibility of cooperation in sharing administrative data.

On the basis of the mentioned Government Resolution, the CSO intends to be involved in consultations on the design of a new system of the Ministry of Finance, the "Integrated Tax and Insurance Contributions Management System". The Integrated Tax and Insurance Contributions Management System will ensure the collection data at a single point and the utilisation of the data obtained by authorised state administration agencies, including the CSO.

Measure No. 31

The implementation of the SCP project was included separately in Measure No. 31 and should have primarily concerned income tax returns of individuals. The measure has been implemented as set out in the coalition agreement. The project continues to promote the idea of a maximum harmonisation of the income tax base and the assessment base for insurance contributions.

After a reassessment of the single collection point project, the idea of unified collection of income tax and insurance contributions of individuals has been abandoned. The prepared draft Act on Public Insurance Contributions and Administration of Income Tax has not been discussed any further.

The Ministry of Finance, as part of a comprehensive project "MY tax", continues to work on a new Income Tax Act, which should be presented in September 2017. The proposed solutions reflect the intention of simplifying the tax system and extending the electronic tax administration system (e.g. the self-assessment project, the vision of a "tax booth"). In scope of the "MY tax" project the Ministry plans to unify the management of levies under a single system linked to a high-quality IT system of financial administration – ISS, Integrated Tax and Insurance Contributions Management System.

The task of ensuring the transfer of financial statement data from the Collection of documents was cancelled by Government Resolution No. 1059 of 28 November 2016.

Measure No. 41

Measure No. 41 aims to eliminate a trader's obligation to sell beverages in returnable packaging when beverages are sold in non-returnable packaging. The ME states that, were it to eliminate this obligation, the Czech Republic would be subjected to sanctions by the EU. By a compromise solution in the current amendment to the Packaging Act the obligation has been limited to only three of the most common types of beer (table beer, draft beer and lagers). The so-called Eco-audit exercise will discuss impacts of the proposed amendment and any further limitations of the provision in question.

Measure No. 43

Action 43 aims to eliminate the collection of duplicate data on waste by the CSO and the Ministry of the Environment. In 2016, the "Memorandum of the CSO, the ME and the OG CR on Municipal Waste Reporting in the Czech Republic" was signed. The Memorandum fundamentally addresses the issue of eliminating duplicate reports on waste production and management, both in terms of facts and deadlines. The data source and the reporting of data to the EU institutions should be unified, which should reduce the administrative burden on entrepreneurs.

Measure No. 51

Regarding Measure No. 51, the Czech Statistical Office states that the only way of eliminating duplication in completing statistical reports is by obtaining administrative data.

The administrative burden within the scope of the P 5-01 report could be reduced, if the CSO were to obtain all the balance sheet and profit and loss indicators available from the tax returns. A partial step for sharing this data was made in 2016 by the supplement to the sub-agreement on the transfer of data between the GTD and the CSO, on the basis of which CSO will obtain more indicators.

In addition, on 14 December 2016 the Government approved Resolution No. 1135 on the implementation of a system of integrated collection of selected data for the public administration agencies. The Resolution requires members of the Government and heads of other central administrative agencies to cooperate with the CSO already at the stage of initial design of the form, modification or cancellation of administrative data sources managed by such authorities, and upon implementing free and fast access and use of all administrative data sources managed by these authorities, including any metadata attached. On the basis of the Government Resolution, the CSO intends to be involved in consultations on the design of a new system of the Ministry of Finance, the "Integrated Tax and Insurance Contributions Management System". The Integrated Tax and Insurance Contributions Management System will ensure the collection data at a single point and the utilisation of the data obtained by authorised state administration agencies, including the CSO.

Measures Nos. 53 and 6

Two measures are not being implemented. One is the responsibility of the MF, which has recommended that the "project to delay the obligation to declare VAT to the time of payment" (Measure No. 53) not be implemented, particularly because it increases the possibility of tax evasion, imposes heavy administrative demands on tax payers in terms of accounting and accounting software, has negative impacts on income tax, etc.

The second measure, under the remit of the MH, focuses on the submission of an entirely new Spa Act (Measure No. 6), and was excluded from the Government's legislative work plan for 2016. The required adjustments leading to the reduction of the administrative burden on entrepreneurs will be solved by an amendment to the Building Act, not by an amendment to the Spa Act.

Measure No. 3.16

The amendment to Act No. 108/2006 Coll., on social services, as amended, which is currently subject to the legislative process, will significantly reduce the administrative burden by changing the following areas: reporting within 15 days from the change, newly regulated reporting obligation in case of changes – providers will report certain changes (except for changes to decisions) only electronically via the "Okregistr" application (s. 85(7)); the documents will not be submitted to the registering authority but will be kept by the providers and submitted for inspection at the site of the service, which will considerably reduce the administrative burden on both sides – for the provider and the registering authority.

Measure No. 9.16

Another amendment to Act No. 455/1991 Coll. on licensed trades (Trade Act), as amended, currently discussed by the Chamber of Deputies as Document 1014, will further improve the business environment in the Czech Republic and reduce the burden on entrepreneurs.

It is proposed to remove the entrepreneurs' obligation to notify the trade licensing office of the identification data of the members of the statutory body of legal persons and heads of branches of foreign entities (these data can be found by the trade licensing office in the relevant public register and subsequently entered into the trade register); the amendment also regulates barriers to trade activities arising from a decision of the trade licensing office to cancel a trade license pursuant to s. 58(2) or (3) of the Trade Act – it removes restrictions applicable to trade activities in a related field and unifies the duration of the barrier to trade activities for all categories of persons affected by these barriers; the amendment also introduces a possibility to issue mass files (reports) containing current publicly available business data, at the request of the public.

By 31 December 2016, 12 of the 27 monitored measures³ planned for the next period had been successfully completed. (2 of these measures have been implemented and supplemented by new sections, to be implemented subsequently.)
In addition to the stated measures, additional 11 measures were implemented successfully, which means the total implementation of 23 measures.
Of the 27 measures monitored, 17 measures were left for the next period.
For the next period, the ministries have proposed 11 new measures.
In total, 28 measures will be implemented in the following period by state administration authorities.

An overview of the measures proposed by the ministries for the next period is given in Annex No. 3.

Supplementary comments by certain ministries to the measures implemented

The Ministry of Agriculture is responsible for about 40% of all the EU regulations (several hundred EU Directives and several thousand EU Regulations and Decisions), which in some cases contain regulatory elements and bureaucratic burdens on farmers. These EU regulations must be transposed in our law on the basis of the obligations arising from the EU membership of the Czech Republic. At present, legislative activities of the Ministry of Agriculture concerning the harmonisation of EU Directives and the adaptation to the EU Regulations or Decisions account for about 85% of all the legislative proposals submitted by the Ministry.

The Ministry of Transport states that draft legislative proposals are consulted with the business sector in order to prevent excessive obligations being imposed by the new legislation and any increase in the administrative burden for entrepreneurs.

The Ministry of the Interior also generally notes that within the Ministry's scope of powers, there are only a few legal regulations with an impact on the administrative burden for entrepreneurs. Most of them have significantly reduced the scope of information obligations and thus the burdensome impacts on entrepreneurs under the Plan to Reduce the Administrative Burden on Entrepreneurs, which ended in 2012 or in the immediately following period. Further amendments in this respect are not anticipated in the legislative plan of the Ministry of the Interior, for the time being.

Also the Czech Office for Surveying, Mapping and Cadastre states that, as regards the state administration of surveying and cadastre, there is no need to adopt further measures to reduce the administrative burden on entrepreneurs. Requirements for entrepreneurs in the field have been minimised already and from the point of view of administrative demands, the fulfilment thereof is simple. Therefore, the requirements cannot be reduced in terms of their number or content without negating the purpose of the legislation, which intends to ensure an adequate quality of surveying activities. Demands in terms of time are gradually reduced thanks to the continuously options of fulfilling certain obligations by electronic means and by using basic registers.

During the course of 2016, excellent cooperation between the public administration and business federations and associations in efforts to reduce unnecessary burdens on business was again confirmed. For this reason, this cooperation will continue in future through the Expert Group on reducing the administrative burden on businesses. The monitoring of the agenda of reducing administrative burden in business by means of measures has been proved as an appropriate tool suitable for ministries, responding better to the needs of entrepreneurs.

³ See page 5, table State of implementation of 27 measures as at 31 December 2016.

Most ministries, aware of the need to lessen the administrative burden on business, continue to take steps to reduce it. However, it is not always possible to take the planned steps to reduce this burden in full, for example because of the need to protect the public interest, for reasons of security, tax collection, protection of citizens, the health of citizens, etc. (this concerns, in particular, legal regulations under the remit of the Ministry of Justice, the Ministry of Finance, the Ministry of Defence and the Ministry of Health). The country's current political situation also plays a vital role in this.

2. Activities of the Expert Group on reducing the administrative burden for businesses

The activities of the **Expert Group on reducing the administrative burden for businesses** (hereinafter referred to as the “Expert Group”) continued successfully in 2016.

The Expert Group was established on the basis of a task imposed under Government Resolution No. 543 of 9 July 2014, to intensify its work to reduce the burden on businesses under the Ministry of Industry and Trade, as the coordinator.

The main task of the Expert Group, which usually meets on a quarterly basis, is to assess and work with proposals having a positive impact on the business environment, particularly in terms of reducing administration. Since its establishment, the Expert Group has dealt with over 100 topics, with some of these being eliminated during the course of 2014 as no compromise solution could be found or where they were contrary to the Government’s economic policies. The work of the members of the Expert Group is not paid.

The members of the Expert Group are:

- The Association of Small and Medium-Sized Enterprises and Crafts of the CR
- The Czech Chamber of Commerce
- The Confederation of Industry of the CR
- The Confederation of Commerce and Tourism of the CR
- The Confederation of Employers’ and Entrepreneurs’ Associations of the CR
- The Association of Entrepreneurs and Tradesmen of the CR
- The Union of the Middle Class of the CR
- The Association of Private Farming in the CR
- The Freeholders’ Party of the CR
- representatives from Prague universities.

Three meetings of the Expert Group took place in 2016 to discuss 11 proposals aimed at reducing the administrative burden on entrepreneurs; two issues were solved successfully.

The following two issues were solved in 2016:

- The disproportionate administrative burdens on participants in tenders have been eliminated through the simplification of tendering conditions in public procurement, allowing smaller firms to participate.
- The possibility of registering a legal person in the public register through a notary has been put into practice and simultaneously the notary's fee has been reduced to CZK 2 000 for the registration of a limited liability company in the Commercial Register, containing only the mandatory requirements prescribed by the Civil Code and the Commercial Companies Act.

The most pressing problems still include topics relating to foreclosures and bankruptcies or difficulties in navigating legislation which is frequently amended.

Topics currently being addressed by the Expert Group:

- reducing the financial and administration burden involved in the payment of licence fees, particular for small businesses,
- excluding devices from so-called double charging by an amendment to the Copyright Act,
- making the Collection of Laws accessible to the public on the internet free of charge, containing the applicable version of all legal regulations with state-guaranteed content,

- the reduction or diversification of the number of libraries eligible for the mandatory delivery of periodicals and non-periodical publications, including the possibility of sending an electronic version of statutory copies,
- charging deductions from execution rulings to employees,
- the alignment of delivery deadlines under the Labour Code,
- the modification of Agreements to perform work because of the large administrative burden they impose,
- the repeal of the requirement to repeatedly submit to the Social Security Administration the documentation relating to execution proceedings against an employee in cases of repeated requests for sick leave,

For a number of these topics, the proposed changes have already been incorporated into the proposed amendments to the relevant legislation. However, the final form of legislation will be available only after the legislative process is completed and the legal regulation comes in force and effect. This could solve a few other issues in 2017.

Information on the Expert Group and its meetings has been published since 2014 at the website of the Ministry of Industry and Trade www.mpo.cz.

2.a Anti-bureaucracy commissions

Given that the work of the Expert Group on reducing the administrative burden for businesses, set up by the Ministry of Industry and Trade, is very positively assessed and highly valued by business associations and entrepreneurs, the **Action Plan to Promote Economic Growth and Employment in the CR – Update 2016** (Government Resolution No. 64 of 25 January 2016) includes the **task for the other ministries concerned to set up "anti-bureaucracy commissions" within their respective sectors. The commissions were to be established by 30 June 2016.** The Ministry of Industry and Trade has become the authority in charge for coordinator and coordinator of this task.

The task of anti-bureaucracy commissions should be to cooperate with the Expert Group in discussing issues falling within the competence of the respective ministry and at the same time to take measures to reduce the administrative burden on entrepreneurs within their scope of competence.

In order to fulfil the task of setting up anti-bureaucracy commissions, two meetings were held with the relevant addressed ministries at the Ministry of Industry and Trade. The meeting was attended by representatives of the Ministry of Finance, the Ministry of Transport, the Ministry of Culture, the Ministry of Labour and Social Affairs, the Ministry for Regional Development, the Ministry of Justice, the Ministry of the Interior and the Ministry of Agriculture. The Ministry of Education, Youth and Sports, also charged with the mentioned task, did not take part in any of these discussions. The Ministry of Health, the Ministry of Defence and the Ministry of Foreign Affairs were not among the addressed ministries, due to their scope of competence.

These negotiations concluded that none of the ministries addressed planned to set up its anti-bureaucracy commission in the near future. The reasons given by individual ministries included a small number of regulations affecting entrepreneurs within the ministry's scope of competence, insufficient staffing capacities, specification of the issue within the Public Service Act, sufficient existing system applied in consultations with business entities, or a wide variety of agendas within a single sector. **Currently, only representatives from the ministries concerned have been appointed as contact persons to discuss proposals regarding the administrative burden reduction submitted by the Expert Group.**

The Ministry of Agriculture established the Anti-Bureaucracy Commission of the Ministry of Agriculture already in 2008, and since then the commission has recorded many significant achievements in its work. This commission is certainly a good example of the functioning of these commissions and a reason for creating them.

There is no anti-bureaucracy commission at the Ministry of the Environment, however, there has been a working team for several years, discussing proposals for measures to strengthen competitiveness and business development in the Czech Republic through the environmental legislation, called "Eco-audit".

The ministries concerned do not assess anti-bureaucracy commissions as necessary, for the time being. They believe that the existing systems set within the ministries are sufficient. However, the Ministry of Industry and Trade, despite the negative opinions, believes that the establishment of commissions would be very desirable also from the point of view of entrepreneurs and business associations. The functioning of anti-bureaucracy commissions and their mutual cooperation would certainly contribute to increasing efforts for further reduction of the bureaucratic burden placed not only on entrepreneurs but also on citizens and self-government bodies.

3. International Comparison of the Approach to Regulation and Agenda of Reducing Administrative Burdens

The Ministry of Industry and Trade, in order to obtain information on the approach to reducing the administrative burden of entrepreneurs abroad, has used its contacts in the Better Regulation Network working group (previously SCM Group), in which the Ministry of the Interior and the Office of the Government of the Czech Republic have been represented as members since 2012. The Better Regulation Network focuses at exchanging experience between states, especially the European Union Member States, in the practical use of the Standard Cost Model (“SCM”) and experience with methods of reducing the burden imposed by legislation.

The Ministry of Industry and Trade sent a questionnaire on access to this agenda to the members of the Better Regulation Network at the end of 2015. The completed questionnaire was sent back by half of the countries addressed, e.g. Bulgaria, Denmark, Estonia, Finland, Croatia, Latvia, Luxembourg, Germany, Poland, Austria, Slovakia, Switzerland and the United Kingdom. Initial information on the results of this survey was provided in the *Report on the scope and manner of reducing the administrative burden for entrepreneurs in 2015, including information on individual proposals to support selected measures under the EU Cohesion Policy 2014–2020*, approved by the Government of the Czech Republic by Resolution No. 590 of 27 June 2016. In 2016, a more detailed comparison of the information obtained was made, supplemented by own research based on available public sources. This exercise has brought the following findings.

Large differences between countries are mainly due to the time devoted by individual countries to reducing the administrative burden on entrepreneurs. Germany and the UK have been dealing with this issue for over 30 years. Thus, in these countries, the reduction of the administrative burden on entrepreneurs has achieved the most advanced levels. Other countries started to focus on the agenda mostly around 2005; the Netherlands may be assessed as the most advanced in this respect.

The burden-reducing efforts are institutionally backed by ministries linked to the economy or industry and also very often by legislative governmental departments or prime minister office. A separate independent organisation can be found in the United Kingdom.

When measuring the administrative burden on entrepreneurs, the SCM model is used as the prevailing one, despite problems with obtaining the relevant information needed for accurate calculations. In some countries, a modified SCM model is used, adjusted to local conditions. In the UK, this model is not used and has been replaced by another one, the so-called Regulatory Offsetting System.

The survey has also revealed that small and medium-sized enterprises are taken into account in the process of reducing the administrative burden on entrepreneurs very rarely or in isolated cases only. The exception is Luxembourg, which uses the European Commission’s principle “Think small first” and therefore considers small and medium-sized enterprises when legislating, especially if the regulation could pose a significant problem for them. In Poland, Slovakia and Romania, a SME Test is used to assess the impact of legislative changes on small and medium-sized enterprises.

All the countries that have participated in the survey, consult new pieces of legislation or any amendments thereto with respect to the administrative burden on entrepreneurs with stakeholders through various working groups, meetings, questionnaires, talks, etc. Many states have created web portals for uploading suggestions for changes submitted by the business public.

The most interesting practices leading to successful reductions of the burden on entrepreneurs are applied in the United Kingdom or Germany. In the UK, it is the “One in Two out” principle

and the “Red Tape Challenge” project, i.e. combating excessive legislation. Germany applies the “One in One out” system. Also the functioning e-Government in Estonia, where the communication with the state administration is almost exclusively electronic, is very interesting.

We may conclude that the approach of the Czech Republic to reducing the administrative burden on entrepreneurs corresponds with the approach and procedures of most of the EU countries.

Annex No. 4 to this Report provides a brief outline of the burden-reduction agenda in selected countries, for which we have managed to acquire at least some of the required information.

4. Outputs of the Remeasurement 2016

The remeasurement of the administrative burden on entrepreneurs (hereinafter referred to as the "Remeasurement 2016") was carried out on the basis of Government Resolution No. 595 of 9 August 2013, which approved the Final Report on the status of the performed measurement and remeasurement of the administrative burden on entrepreneurs. This report set a long-term task to perform another remeasurement of the administrative burden on entrepreneurs in 2016.

The implementation of the "Remeasurement 2016" was launched in early 2016. The Remeasurement was exercised by the Ministry of Industry and Trade, in co-operation with selected ministries and authorities, as in the project "Remeasurement 2013". Through the Expert Group, the project team also involved entrepreneurs.

During the Remeasurement 2016, information obligations were identified in the legislation of 12 authorities (Ministry of Industry and Trade ("MIT"), Ministry of Health ("MH"), Ministry of Finance ("MF"), Ministry of Labour and Social Affairs ("MoLSA"), Ministry of Justice ("MJ"), Ministry of the Environment ("ME"), the Czech Statistical Office ("CSO"), Ministry of Transport ("MT"), Ministry of Education, Youth and Sports ("MEYS")) in the first half of 2016. **Newly also information obligations resulting from the EU Regulations have been monitored.**

The data obtained were analysed in the second half of 2016. At the same time, an update to the Implementation Guidelines on the Methodology of Measurement and Remeasurement of the Administrative Burden of Entrepreneurs (hereinafter referred to as the "Implementation Guidelines") was made in the section on the calculation of average gross hourly wage rate based on the median wage for job type "33313, Professionals in Accounting, Economics and Human Resources" in 2015, based on the data by CSO. The calculated average gross hourly wage rate in 2015 was CZK 180.13/hour. In this context, updates to the burden calculation examples included in the Implementation Guidelines were also made. The calculated average gross hourly wage rate of CZK 180.13/hour has been used for calculations of administrative burden within the Remeasurement 2016 and will be fixed until the next update to the Implementation Guidelines and recommended for the calculation of the administrative burden in scope of fulfilling the statutory information obligations.

The updated Implementation Guidelines maintained the average time required to perform individual administrative tasks of 3.24 hours / working day / employee, which can be used to calculate the administrative burden on entrepreneurs in scope of fulfilling the statutory information obligations in cases where there is no other relevant time information available.

By revisions, the Implementation Guidelines and the Measurement Methodology for 2016 also reflected the fact that the monitoring under the Remeasurement 2016 covered also the obligations arising from the EU Regulations.

The methodology for measuring and remeasuring the administrative burden on entrepreneurs, including the updated Implementation Guidelines (version 2.1), is set out in Annex No. 5 hereto and will be published on www.mpo.cz.

After the update to the calculation of the average gross hourly wage rate, the calculation of the administrative burden contained in legal regulations of individual ministries and in 12 areas (e.g. starting a business, tax payments, consumer protection, statistics, etc.) followed in the second half of 2016.

The Expert Group was involved in the Remeasurement 2016 in November 2016, and its members were asked to send suggestions for reducing the burden and identifying the most burdensome areas.

During January 2017, the information gathered on the administrative burden resulting from information obligations was communicated with the relevant authorities, and a way to reduce the burden imposed by the most burdensome obligations was sought in mutual cooperation.

Outputs from the Remeasurement 2016 on the status of information obligations ("IO") by 31 December 2015 are set out in the following tables and charts.

Overview of the information obligations identified during the Remeasurement 2016

In the Remeasurement 2016, 1 493 IOs were identified in total. Of these, 115.9⁴ obligations are classified in Category A⁵, 563.5 in Category B⁶, and 813.2 in Category C⁷.

Breakdown of IOs identified in Remeasurement 2016, ABC classification (A – EU Regulation, B – EU Directive, C – National Legislation) is shown in Table 1 and Chart 1:

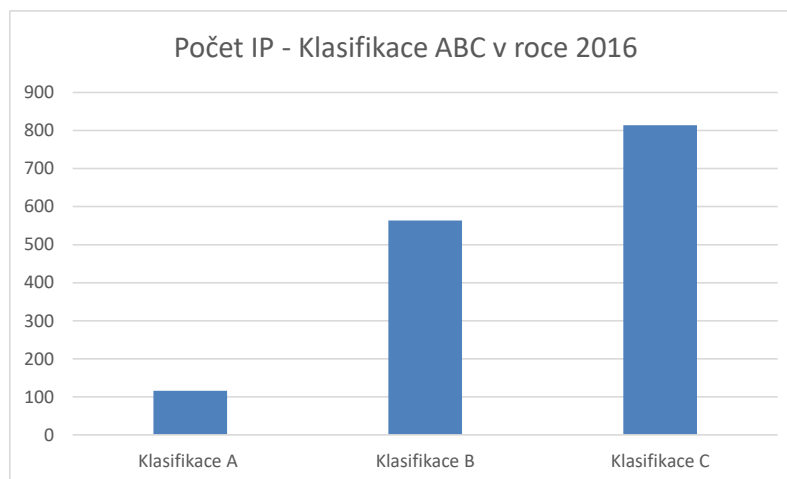
Table 1

Resort	Klasifikace A (počet IP) 2016	Klasifikace B (počet IP) 2016	Klasifikace C (počet IP) 2016	IP celkem (počet) 2016
MPO	4	108	107	219
MZE*	15	230,5	181,5	427
MŽP	23	83	54	160
MPSV*	0	36,5	96,5	133
MF	1	19	121	141
MS	13	23	137	173
MZd*	1,5	44	61,5	107
UZIS* ^{stat}	0	0	14	14
MD* ^{stat}	6,82	0	7,18	14
MŠMT* ^{stat}	0	0	3	3
MK* ^{stat}	0	0	8	8
ČSÚ* ^{stat}	51,58	19,45	22,97	94
Celkem	115,9	563,45	813,65	1493

Note:* In these cases, IOs belonging to categories B and C (or A) have been calculated proportionally.

Source: MIT

Chart 1



Source: MIT

⁴ Due to the fact that some of the information obligations fall under simultaneously in Category A, Category B and Category C.

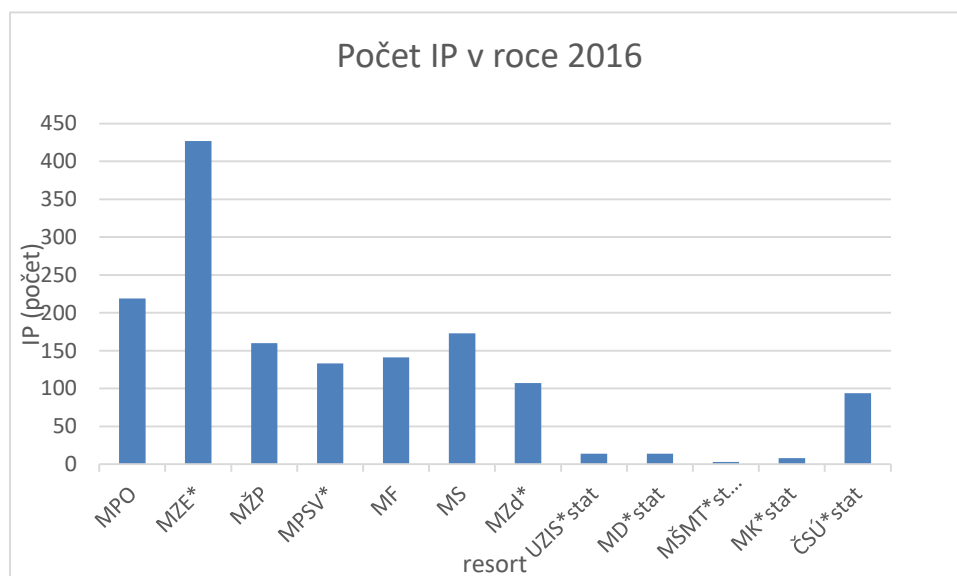
⁵ Refers to the EU legislation – Commission Regulations (EU)

⁶ Refers to the EU legislation – Directives of the European Parliament and of the Council, in case of statistical surveys according to Act No. 89/1995 Coll., on the State Statistical Service, as amended, Regulations of the European Parliament and of the Council (EC), Decisions of the European Parliament and of the Council shall be applied.

⁷ Refers to the national legislation only.

Chart 1a shows the number of information obligations by ministry:

Chart 1a



Source: MIT

The chart implies that most of the IOs affect entrepreneurs in the MA sector, in the MIT sector, largely due to obligations under EU directives, and then in the MJ sector (obligations due to changes in commercial law).

With the IOs sorted according to the ABC classification, as shown in Table 1, in the category A – EU Regulation, IOs affect entrepreneurs mostly with respect to CSO, ME and MA.

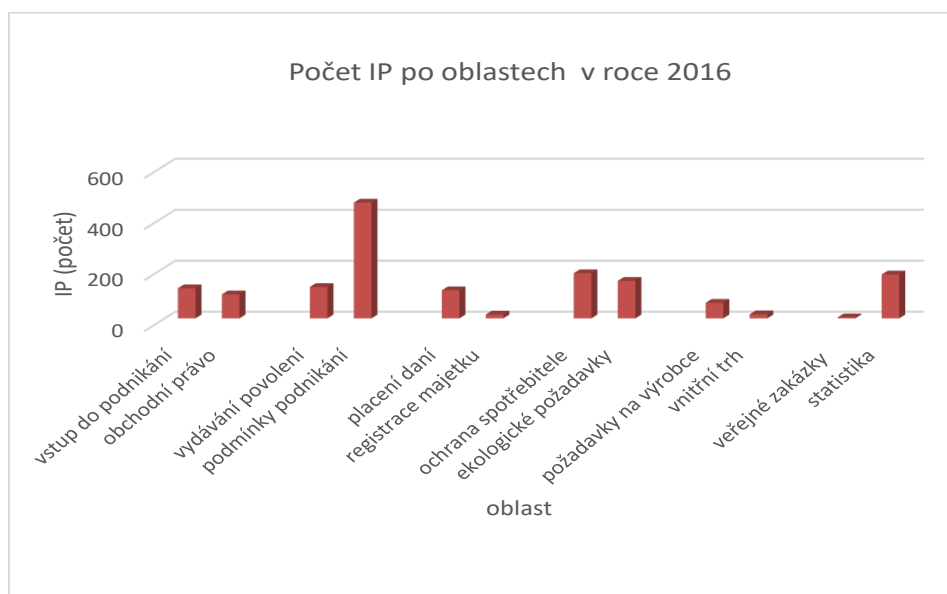
Category A – EU Regulations is being monitored newly, not included in previous remeasurements.

In Category B – EU Directives most IOs occur in the MA, MIT and ME sectors.

In category C – National Legislation, most IOs again occur in the MA sector. A high number of IOs is also found with the MJ and the MF.

Chart 2 shows a **breakdown IOs identified in Remeasurement 2016 into 12 areas.**

Chart 2:



Source: MIT

Chart 2 shows that **the Remeasurement 2016 identified most IOs in Area 4 – Business Environment (456 IOs)**, due to 111 IOs resulting from the EU Directives in the MA sector and 75.5 IOs resulting from the national legislation in the MoLSA sector.

This area was followed by Area 7 – Consumer Protection (176 IOs) due to 49 IOs based on the EU directives in the MIT sector, and **Area 12 – Statistics (173 IOs)** due to 51.58 IOs based on EU Regulations in the CSO sector.

EU Regulations – the highest number of IOs was identified in Area 12 – Statistics, 51.58 IOs related to CSO.

On the contrary, no IOs based on EU Regulations were identified for MoLSA, UZIS, MEYS and MC.

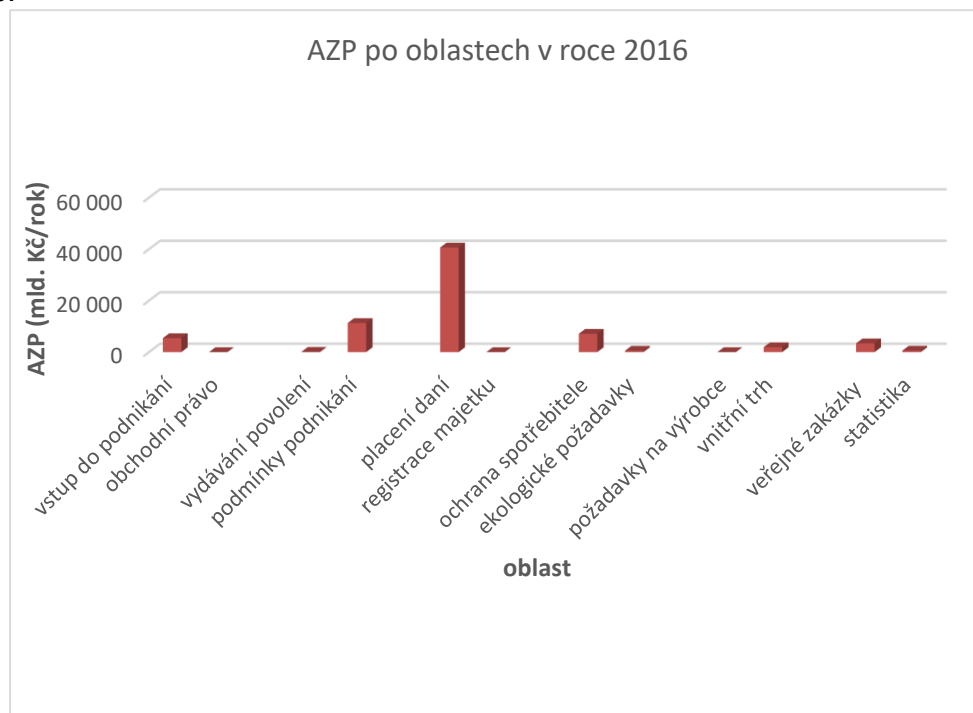
EU Directives – the highest number of IOs has been identified in Area 4 – Business Environment (111 IOs, MA). The second highest number of IOs based on the EU Directives occurred in Area 8 – Environmental Requirements (75 IOs, ME). This was followed by Area 7 – Consumer Protection (49 IOs, MIT).

National Legislation – the highest number of IOs was identified in Area 5 – Tax Payments (95 IOs, MF). The second highest number of obligations imposed on entrepreneurs by the national legislation was identified in Area 4 – Business Environment (79 IOs for MA and 75.5 IOs for MoLSA).

Calculation of the total administrative burden for entrepreneurs based on IOs identified in the Remeasurement 2016

The calculation of the administrative burden ("AB") per IO was performed using the Implementation Guidelines (version 2.1) and the Standard Cost Model ("SCM"). Chart 3 specifies the calculated AB resulting from the identified IOs in 12 areas.

Chart 3:



Source: MIT

The chart shows that according to the calculated total AB, **the most burdensome areas include tax payments** (AB amounting to CZK 40.6 billion / year in the MF's sector – 95 IOs based on the national legislation and 10 IOs resulting from EU Directives) **and business environment** (with AB amounting to CZK 11.3 billion / year, in the MA's sector – 111 IOs based on EU Directives, 79 IOs based on the national legislation, 7 IOs based on the EU Regulations; and the MoLSA's sector – 75.5 IOs based on the national legislation and 25.5 IOs based on the EU Directives).

The third place belongs to the **area of consumer protection** (with AB amounting to CZK 7.1 billion / year, in the MIT's sector – 49 IOs based on the EU Directives, 12 IOs based on the national legislation; and the MA's sector – 4 IOs based on the national legislation and 25 IOs based on the EU Directive), linked to the increased pressure to on the consumer rights protection, both on the part of the EU and the Czech Republic.

Lower calculated AB values refer to the areas of starting a business, licences, asset registration, environmental requirements, requirements on producers, internal market and public procurement.

FINAL SUMMARY OF THE RESULTS Remeasurement 2016

The summary [Table 2](#), which contains an overview of the identified IOs for individual ministries, and the subsequent calculation of the administrative burden resulting from the IOs for entrepreneurs as at 31 December 2015, provides the following results:

The total AB resulting from the legislation – information obligations affecting entrepreneurs – in 2016 amounts to: **CZK 71 09 478 958 / year** (average price 180.13 CZK / hour).

Comparison of the AB found by the Remeasurement 2016 with 2005, when the first AB base was established:

The initial AB measured in 2005 was CZK 86.4 billion per year for all state administration authorities, with 129 pieces of legislation monitored and 2 168 IOs identified.

By comparing the costs of 2005 (AB CZK 86.4 billion in 2005 prices) to the costs of 2016 (AB CZK 71.09 billion in 2016 prices), when the average price was CZK 180.13 per hour, specified in the new Burden Calculation Methodology (version 2.1), using the price indexation for 2005 and 2016 for more exact results, **a reduction of the AB by 31.49% compared to 2005 has been determined.**

Price index: $150/180.13 = 0.8327$

AB in 2005 prices: $71.95 * 0.8327 = \text{CZK } 59.19 \text{ billion / year}$

Reduction of AB in 2005 prices: by CZK 27.21 billion / year, i.e. 31.49%.

Although in the Remeasurement 2016 the monitoring newly included also information obligations imposed on entrepreneurs by the EU Regulations, the total administrative burden decreased by 31.49% compared to 2005.

In some pieces of legislation, the IOs have been reduced over the period under review, with some IOs increasing, on the other hand. However, compared to 2005, there was an overall decrease by 675 IOs.

- **Total number of legislation** imposing IOs on entrepreneurs and monitored under the Remeasurement 2016: **166**.
- **Total number of IOs: 1 493** (A – EU Regulations 115.9 IOs, B – EU Directives – 563.45 IO, C – national legislation – 813.65 IO).
- **Total number of non-recurrent IOs: 763 IOs** (i.e. 51.2 %); these were IOs, where the AB related to a new obligation, not supposed to repeat in the next period.
- **Total number of recurrent IOs: 730** (i.e. 48.8 %).
- **Total number of IOs with ABs exceeding CZK 500 million: 22** (recurrent IOs, except for 9), a list thereof is provided in [Table 3](#).

Table 2

Resort	IP celkem (počet) 2016	Právní předpisy (počet) 2016	Nové IP (počet) 2016	IP z Nařízení EU (počet) 2016	Zrušené IP (počet) 2016	IP jednorázové (počet) 2016	IP opakované (počet) 2016	Administrativní zátěž celkem (hod./rok) (časypočet subjektůxfrenkvence) 2016	Administrativní zátěž celkem (Kč/rok) (časypočet subjektůxfrenkvenceKč) 2016	Administrativní zátěž nelze vyčísřit (počet) 2016	Administrativní zátěž nelze vyčísřit (%) 2016	Administrativní zátěž do 1 tis. Kč/rok (počet IP) 2016	Administrativní zátěž nad 500 mil. Kč/rok (počet IP) 2016	Administrativní zátěž největší (Kč/rok) 2016
MPO	219	26	85	4	64	99	120	57 554 705	10 347 396 402	10	4,57	17	3	720 520 000
MZE*	427	33	37	15	15	206	221	18 029 502	3 247 655 409	67	15,69	72	2	1 577 938 800
MŽP	160	28	66	23	51	85	75	3 118 382	561 714 207	17	10,63	4	0	146 505 133
MPSV*	133	9	5	0	6	63	70	57 207 018	10 304 700 281	58	43,61	0	3	835 340 266
MF	141	21	36	1	19	75	66	236 443 394	42 590 548 590	41	29,08	1	10	29 176 391 030
MS	173	6	120	13	64	164	9	12 318	2 218 928	164	94,80	0	0	621 557
MZd*	107	16	18	1,5	20	71	36	20 892 130	3 763 299 404	54	50,47	2	4	852 958 061
UZIS* ^{stat}	14	1	1	0	0	0	14	70 684	12 732 417	0	0,00	0	0	3 887 926
MD* ^{stat}	14	5	0	6,82	1	0	14	16 949	3 053 009	0	0,00	1	0	2 296 658
MŠMT* ^{stat}	3	1	0	0	2	0	3	56	10 044	0	0,00	1	0	5 169
MK* ^{stat}	8	1	0	0	1	0	8	1 343	241 843	0	0,00	0	0	143 924
ČSÚ* ^{stat}	94	23	6	51,58	2	0	94	1 453 997	261 908 424	0	0,00	1	0	67 757 521
Celkem	1493	166	374	115,9	245	763	730	394 800 478	71 095 478 958	411	průměr 27,5	99	22	33 384 366 045

Source: MIT

Table 3

Poř. č.	Název IP ¹⁾	Zákon (č.) ²⁾	Zákon (rok) ³⁾	Oblast (č. 1-12) ⁴⁾	Gestor ⁵⁾	Měnování IP						Poznámky	Administrativní zátěž (hod./rok) (časpočet subjektůxfrekvence)	Administrativní zátěž (Kč/rok) (časpočet subjektůxfrekvenceKč)			
						ABC klasifikace ⁶⁾			čas (hod.) ⁷⁾	počet subjektů (k 31.12.2015) ⁸⁾	specifikace subjektů ⁹⁾				frekvence plnění (za rok) ¹⁰⁾	požadavky na data ¹¹⁾	
						A	B	C								druh a forma	způsob
169	§ 4 odst. 1) Výrobek uváděný na trh musí výrobce opatřit průvodní dokumentací a označit. Odst. 4) Pokud určitý způsob užívání výrobků může bezpečnost spotřebitele ohrozit, je výrobce nebo distributor povinen na toto nebezpečí upozornit v průvodní dokumentaci.	102	2001	7	MPO-41300		x		10	400 000	výrobce/distributor odst. 4)	1	dokument	písemně	(odhad), opakované, u každého výrobku uváděného na trh	4 000 000	720 520 000
175	§ 10 Povinnost zpřístupnit informace (1) Poskytovatel služby je povinen zpřístupnit příjemci služby před uzavřením smlouvy, popřípadě před poskytnutím služby.	222	2009	10	MPO-51100		x		2	1 700 000	všichni poskytovatelé služeb	1	dokumenty dodané příjemci služby, internet, dokumenty v místě služby (pro ochranu)	ústně, písemně, elektronicky	jednorázově	3 400 000	612 442 000
176	§ 11 Povinnost sdělit informace na žádost Na žádost příjemce služby je poskytovatel služby povinen sdělit následující údaje:	222	2009	10	MPO-51100		x		2	1 700 000	všichni poskytovatelé služeb	1	na žádost	ústně	na žádost	3 400 000	612 442 000
239	a) odhad ceny, není-li cena § 21 Lívadění plemenného materiálu do oběhu odst. 8 - věst údaje	154	2000	7	MZE			x	3	3 000	osoba uvádějící plemenný materiál do oběhu	365	není formalizováno	písemně	součet za rok (frekvence - alespoň 1x/rok -pokyn VO - říjen2013)	3 285 000	591 727 050
314	§ 8 odst. 1 písm. d) Povinnost věst dokladovou evidenci o příjmu, výdeji a skladovaném množství hnojiv nebo pomocných látek	156	1998	4	MZE		x		3	8 000	zemědělský podnikatel skladující hnojiva nebo distributor skladující hnojiva	365	skladová evidence	písemně/elektronicky	na žádost (frekvence - alespoň 1x/rok -pokyn VO - říjen2013)	8 760 000	1 577 938 800
99	§ 15 odst. 1 a 2 - upravuje podmínky předkládání přehledu o příjmech a výdajích OSVČ za uplynulý kalendářní rok.	589	1992	4,5	MPSV		x		3,24	997 228	OSVČ	1	předepsaný tiskopis	písemně nebo elektronicky	jednorázově, frekvence - alespoň 1x/rok	3 231 019	582 003 402
100	§ 22c - povinnost plátců pojistného uschovávat účetních záznamů o údajích potřebných pro stanovení a odvod pojistného na sociální	589	1992	4	MPSV		x		3,24	1 234 844	zaměstnavatel, OSVČ	1	záznamy	písemně	průběžně, frekvence - alespoň 1x/rok	4 000 895	720 681 137
124	hlášení změn § 82 - (do 15 dnů od změny) správně : do 15 dnů kalendářního měsíce následujícího po kalendářním měsíci, ve kterém změny nastaly..	108	2006	4	MPSV		x		179	2165	poskytovatel 2140/ služba 5604	12	oznamení + doklady (bezúhonnost, odbornost, provozní řád, popis realizace)	písemně	tyto se změní v personálním obsazení pracovníků v přímé péči, změn statutárního zástupce, změn v pojistné smlouvě či statutárního zástupce	4 637 430	835 340 266
26	§38j odst. 1 a 2 povinnost věst pro poplatníky, s příjmy podle § 6 mzdové listy, rekapitulací o sražených zálohách a dani sražené podle zvláštní sazby daně za každý kalendářní měsíc i za celé zdaňovací období	586	1992	5	MF		x		3,24	4 166 000	zaměstnavatelé	12	formulář	písemně	rekapitulace za rok 1x, Stav zaměstnanců k 1.12.2010 (povinnost vedení mzdových listů má zaměstnavatel v úči každému zaměstnanci)	161 974 080,00	29 176 391 030
27	§38j odst. 3 povinnost za období, za které byla vyplácena nebo účtována mzda, vystavit nejpozději do deseti dnů od podání žádosti doklad o souhrnných údajích uvedených ve mzdovém listě, které jsou	586	1992	5	MF		x		3,24	1 612 000	zaměstnavatelé	1	doklad	písemně	na žádost (frekvence - alespoň 1x/rok -pokyn VO - říjen2013).	5 222 880,00	940 797 374
32	§38k odst. 4, 5 a 7 povinnost poplatníka podepsat prohlášení k dani	586	1992	5	MF		x		3,24	4 166 000	zaměstnavatelé	1	formulář	písemně	plátce daně je povinen prohlásit k dani uchovávat pro případnou kontrolu správce daně. Stav	13 497 840,00	2 431 365 919

Poř. č.	Název IP ¹⁾	Zákon (č.) ²⁾	Zákon (rok) ³⁾	Oblast (č. 1-12) ⁴⁾	Gestor ⁶⁾	ABC klasifikace ⁶⁾			čas (hod.) ⁷⁾	počet subjektů (k 31.12.2015) ⁸⁾	specifikace subjektů ⁹⁾	frekvence plnění (za rok) ¹⁰⁾	požadavky na data ¹¹⁾		Poznámky	Administrativní zátěž (hod./rok) (časpočet subjektůxfrekvence)	Administrativní zátěž (Kč/rok) (časpočet subjektůxfrekvenceKč)
						A	B	C					druh a forma	způsob			
33	§35d odst. 5 žádost plátce daně poukázání vyplaceného měsíčního bonusu	586	1992	5	MF			x	3,24	331 000	zaměstnavatelé	12	datová zpráva, formulář	elektronicky, písemně	frekvence může být vyšší, nižší	12 869 280,00	2 318 143 406
37	§38g podání daňového přiznání	586	1992	5	MF			x	3,24	1 873 876	FO - poplatník daně z příjmu	1	datová zpráva, daňové přiznání	elektronicky, písemně		6 071 358,24	1 093 633 760
84	§ 13 označování zboží cenami (nejedná se o povinnost předávání informací veřejnému sektoru, ale poskytování informací vůči ostatním subjektům na trhu)	526	1990	7 (10)	MF		0,5	0,5	3,24	1 000 000	prodávající	1	ceník, štítek, etiketa	nepředává se veřejnému sektoru	0,5, průběžně	3 240 000,00	583 621 200
85	§ 11 odst. 1 a 2 povinnost prodávajících vést evidenci o cenách uplatňovaných při prodeji, pokud jde o úředně stanovené ceny, ceny podléhající věcnému	526	1990	4	MF			x	3,24	1 000 000	prodávající	1	doklad	nepředkládá se (musí být k dispozici)	1, průběžně	3 240 000,00	583 621 200
87	§ 101 odst. 1 Plátce je povinen do 25 dnů po skončení zdaňovacího období podat daňové přiznání.	235	2004	5	MF			x	3,24	134 551	FO, PO a veřejné subjekty registrované k dani	12	datová zpráva, tiskopis	elektronicky, písemně	134 551 (12x), 369 328 (4x). V souladu s § 101a zákona o DPH se daňové přiznání od 1.1.2014 bude podávat pouze elektronicky, s.	5 231 342,88	942 321 793
									3,24	369 328	FO, PO a veřejné subjekty registrované k dani	4	datová zpráva, tiskopis	elektronicky, písemně	134 551 (12x), 369 328 (4x)	4 786 490,88	862 190 602
94	§ 13 označování zboží cenami (nejedná se o povinnost předávání informací veřejnému sektoru, ale poskytování informací vůči ostatním subjektům na trhu)	526	1990	7, 10	MF		0,5	0,5	3,24	1 000 000	prodávající	1	ceník, štítek, etiketa	nepředává se veřejnému sektoru	0,5, průběžně (frekvence - alespoň 1x/rok)	3 240 000,00	583 621 200
107	§ 101c až § 101i Povinnost podat kontrolní hlášení	235	2016	5	MF			x	1	499 546	výrobce a prodejce zboží, poskytovatel služeb	12	formulář	elektronicky	opakuje se, PO měsíčně, FO podle daňového přiznání měsíčně nebo čtvrtletně, data o uskutečněných plněních a uplatněném	5 994 552,00	1 079 798 652
19	§ 53 základní kvalifikační požadavky	137	2006	11	MZd			x	40821,00	116	uchazeči	1	formulář	písemně	jednorázová, frekvence - alespoň 1x/rok	4 735 236,00	852 958 061
20	§54 profesní kvalifikační požadavky	137	2006	11	MZd			x	40821,00	116	uchazeči	1	formulář	písemně	jednorázová, frekvence - alespoň 1x/rok	4 735 236,00	852 958 061

Poř. č.	Název IP ¹⁾	Zákon (č.) ²⁾	Zákon (rok) ³⁾	Oblast (č. 1-12) ⁴⁾	Gestor ⁵⁾	ABC klasifikace ⁶⁾			čas (hod.) ⁷⁾	počet subjektů (k 31.12.2015) ⁸⁾	specifikace subjektů ⁹⁾	frekvence plnění (za rok) ¹⁰⁾	požadavky na data ¹¹⁾		Poznámky	Administrativní zátěž (hod./rok) (čas x počet subjektů x frekvence)	Administrativní zátěž (Kč/rok) (čas x počet subjektů x frekvence x Kč)
						A	B	C					druh a forma	způsob			
						21	§55 ekonomické a finanční kvalifikační požadavky	137					2006	11			
22	§56 technické kvalifikační požadavky	137	2006	11	MZd			x	40821,00	116	uchazeči	1	formulář	písemně	jednorázová, frekvence - alespoň 1x/rok	4 735 236,00	852 958 061

Notes:

1) IO for the purposes hereof means a statutory obligation of the entrepreneur to provide information to other entity/ies.

2) Number of the legal regulation (Act or Decree).

3) Year of publication of the legal regulation.

4) Area 1 - starting a business

2 - commercial law

3 - licences

4 - business environment

5 - tax payments

4 - business environment

5 - tax payments

6 - asset registration

7 - consumer protection

8 - environmental requirements

9 - requirements on producers

10 - internal market

11 - public procurement

12 - statistics

5) The authority in charge of the legal regulation

6) ABC classification of IPs – headings of the relevant columns:

A - an IP, the content and form of which have been transferred from a EC/EU legal regulation (*the Remeasurement 2016 covers also the EU Regulations*),

B – an IP, the content of which has been transferred from a EC/EU legal regulation, however, the form of fulfilment within the competence of the relevant authorities in the Czech Republic,

C - an IP, the content and form of which are determined fully within the competence of the relevant authorities in the Czech Republic

7) Time required for fulfilling the IP – the time spend by filling in the relevant data (*to be specified by the ministry on the basis of available data*)

8) The number of entities obliged to fulfil the IP **as at 31/12/2015** (*to be specified by the ministry on the basis of available data*)

9) Specification of the entity obliged to fulfil the IP (e.g. producer,...)

10) Recurrence within a year (“non-recurrent”, “at request”, “O” (*voluntarily fulfilled IP*), recurrent – “number of recurrence” of the IP per year)

11) Information to be submitted for the compliance with the IP – “type and form” (e.g. tax report, form) and “manner” (*electronic – submitting data by electronic means only, written – computerised or manual filling in the form, without an option of dispatch the data by electronic means*)

- **Total number of IOs with ABs not exceeding CZK 1 000: 99**, i.e. 6.6 % (almost one half thereof were non-recurrent IOs).
- **Total number of IOs, for which the AB could not be quantified: 411** (i.e. 27.5% in average).
The biggest problem with the quantification of AB was recorded at the MJ, which did not monitor the "number of entities" (for 94.8% IOs), on the other hand, authorities dealing with statistics did not show any problems.
- **The highest AB: CZK 29 176 391 030 / year** (1 IO for the MF – s. 38 (1) and (2), the obligation to keep for taxpayers with income according to s. 6 wage sheets, reviews of withheld advances and tax withheld according to a special tax rate for each calendar month and for the entire tax period, Act No. 586/1992 Coll., Income Tax Act, as amended, it should be noted that this high AB is mainly due to the IO being fulfilled by the highest number of entrepreneurs.

Table 2 also implies that:

- **the highest number of IOs was identified by the MA: 427**,
- the highest number of non-recurrent IOs was identified by the MA: 206,
- the highest number of recurrent IOs was identified by the MA: 221,
- **the highest AB was calculated for the MF: CZK 42 590 million/year**,
- no AB could be quantified for the highest number of IOs at the MJ: 164,
- ABs lower than CZK 1 000 / year were calculated for the highest number of IOs with respect to the MA: 72,
- **ABs higher than CZK 500 million / year were calculated for the highest number of IOs with respect to the MF: 10.**

**The higher number of information obligations applies to entrepreneurs in the areas of business environment, consumer protection and statistics.
The highest administrative burdens occur in the areas of tax payments, business environment and consumer protection.**

The individual ministries should continue focusing their attention on reducing the burden, especially on the most burdensome areas. Wherever possible, for the implementation of IOs they should choose primarily instruments that will help reduce the burden on entrepreneurs, especially during the fulfilment of the obligations.

Irritating Obligations – Remeasurement 2016

Remeasurement 2016

In 2016, irritating obligations were identified through the Expert Group. Entrepreneurs have identified the below mentioned 4 irritating obligations (IROs) as burdensome. These can be divided into the following areas:

- **business environment – 3** irritating obligations,
- public procurement – 1 irritating obligation.

Irritating obligation 1.16
Specification of the problem: **VAT Control Statement**

DRAFT MEASURE / IMPLEMENTED

Description: *Amendment to the VAT Act – from 1 January 2016 VAT payers are obliged to submit to the tax authority, in addition to the VAT return, also the VAT Control Statement on received and executed transactions. This duty has brought an increase in administration upon performing activities required by law. In addition, other necessary processes within the organisation had to be carried out, for example, the relevant staff members had to become acquainted with the amendment and undergo the relevant training, accounting systems had to be adjusted, legislative changes had to be implemented into the internal rules of business entities etc.*

Area: tax payments (5)

Responsible party: Ministry of Finance

Comments by the responsible party:

The VAT Control Statement is introduced as an effective tool to detect tax evasion and fraud. Its aim and purpose is to enable the tax authority to obtain information on selected transactions carried out by taxpayers and together with other available information to identify suspicious chains of taxpayers (carousels), which withdraw illegally funds from the public budget. After the relevant analysis, control activities of the tax authority will focus on these links in order to avoid illegal cash transfers.

Achievements

The scope of powers of the Ministry of Finance includes the Act No. 235/2004 Coll., VAT Act, as amended. In terms of legal regulation of the Control Statement, in 2016 Act No. 243/2016 Coll., with effect from 29 July 2016, introduced the following changes:

In s. 101g (3), the time period set for taxpayers required to modify or supplement incorrect or incomplete data or to confirm the original data by means of a subsequent Control Statement has been extended from 5 (calendar) days to 5 working days from notification.

New sections 101j and 101k were inserted after s. 101i, to regulate the exclusion of a fine for a failure to submit the VAT control statement (s. 101j) and the waiver of a fine for failure to submit the VAT control statement (s. 101k).

(See Annex No. 2, Measures implemented beyond the 27 monitored measures in 2016, Measure 95).

The Constitutional Court ruled (the decision was published in the Collection of Laws under No. 40/2017 Coll.) on the repeal of s. 101g (5) – the moment of delivery in the case of an e-mail call (related to the Control Statement). Further, the Constitutional Court decided on an amendment to s. 101d (1) of the VAT Act – to specify details of the form of the Control Statement in the VAT Act (from 1 January 2018 – the decision is currently being analysed, the term of effectiveness of the amendment to the Act is problematic due to the length of the legislative process and the end of the current term of the Chamber of Deputies of the Parliament of the Czech Republic in autumn 2017.)

Proposals: - -

(Note: At present, an amendment to the VAT Act is being discussed in the Parliament of the Czech Republic in the framework of the Act on Amendments to Certain Tax Acts (Parliamentary Document 873), which, however, does not include any change to the provisions regarding the Control Statement.)

Irritating Obligation 2.16

Specification of the problem: **Register of Contracts**

Description: *The Contract Register Act introduced the obligation to publish contracts (orders) with a value exceeding CZK 50 000 in the central register of contracts kept by the Ministry of the Interior. The administrative burden consists in carrying out tasks for which a relatively large part of the working time of one employee (about one half) must be allocated due to the high number of published documents. These tasks include, in particular, the following activities:*

- *anonymising the contract,*
- *scanning + partly anonymising appendices,*
- *filling in the form,*

- saving the file,
- forwarding the file to the data mailbox,
- sending the file from the data mailbox (the filing registry) to the central registry, done in several required steps,
- reverse record of the publication.

All these operations roughly double the usual administrative load referring to contracts (registration of the contract in the internal register of contracts, copying, etc.).

Area: business environment (4)

Responsible party: Ministry of the Interior

Comments by the responsible party:

Act No. 340/2015 Coll., on the special conditions for the effectiveness of certain contracts, the publishing of these contracts and the register of contracts (Contract Register Act), as amended by Act No. 298/2016 Coll., was adopted and discussed on the basis of a bill submitted by the Chamber of Deputies, not by the Government. The Ministry of the Interior did not initiate this Act. Only in the course of the legislative process the administration of this bill was entrusted to the Ministry of the Interior. The resulting wording of the Act corresponds to an agreement reached at the level of political representation.

Only contracts concluded with the obliged entities set out in s. 2(1) of the Act, i.e. public-law entities, must be published in the register of contracts. However, not all contracts with public-law entities must be published, some entities are exempt from the publication (e.g. municipalities not entrusted with any extended competence), as well as contracts with a value of supplies up to CZK 50 000 excluding VAT. All the exceptions from the disclosure obligation are listed in s. 3(2) of the Contract Register Act.

Not all contracting parties of such contract are obliged to publish the contract in the register, the contract must be published only once and it is within the parties' discretion to determine the publishing entity for the register of contracts. Therefore, if there is an agreement that a contract between an entrepreneur and a public-law entity mentioned in s. 2(1) of the Contract Register Act, according to which the contract will be published by the latter, the respective administrative burden will not be imposed on the entrepreneur.

Achievements:

Some of the mentioned burdening activities (for example, forwarding a file to a data mailbox, sending a file, etc.) can be replaced by automated processes.

In addition, the Contract Register Act ranked first in the survey "Act of the Year 2015", attended by entrepreneurs, firms and the professional public (almost two-thirds of entrepreneurs supported the Act as the "best legislative act for the business environment"). It is thus obvious that positive impacts of the regulated matter on entrepreneurs outweigh considerably any potential problematic aspects.

<https://www2.deloitte.com/cz/cs/pages/about-deloitte/articles/cze-tz-zakon-roku-2015-vysledky.html>

Proposals: - -

(Note: However, the Chamber of Deputies, currently discusses a parliamentary bill to amend the Act, which reduces the group of obligated entities (exemption for state-owned enterprises) – (document 699), as well as the parliamentary document no. 1124, which proposes, inter alia, not to publish contracts of an industrial or commercial nature, contracts, which would not ensure the protection of banking secrecy, contracts for the supply of medicines or medical devices).

Irritating Obligation 3.16

Specification of the problem: **The malfunctioning of the MS2014+ system for the EU grants**

Description: *The biggest burden that does not originate directly from the legislation consists in the error rate, unclear structure and user inconvenience of the system for EU grants, MS2014+. When a project is implemented, payout delays occur due to system errors.*

Area: business environment (4)

Responsible party: Ministry of Regional Development

Comments by the responsible party:

MS2014 + operates in the vast majority of areas of ESIF processes correctly and in accordance with the current methodological setting, however, a number of development requirements of the programme's managing authorities are different from the defined methodological standard. Due to the amount and scope of the performed system modifications, the robustness of the system and the amount of the data input, defects occur, which are continually being solved by the MoRD and by the application provider in cooperation with the managing authorities. Some problems with the use of MS2014 + results from the users' inexperience both on the part of the applicants and the staff of the implementation structure and from occasional non-compliance with the established procedures for entering requirements for the MS2014+ adjustments.

The procedures for reimbursement of funds are defined on the basis of individual binding methodological documents as well as additional requirements and procedures of the individual managing authorities. Combining these inputs at some point may cause a delay in the implementation of the individual steps leading to reimbursement.

Achievements:

- Key system users' needs have been met by prioritising the MS2014+ development requirements.
- Increased involvement of the OPs managing authorities in testing of embedded development requirements of MS2014+ (CRM requirements) and generally enhanced cooperation with entities within the implementation structure.
- Focused determining of the urgency of system set-up requirements, database modifications, and bug fixes (RIM requirements) in cooperation with the OPs managing authorities.
- The MoRD carries out specific thematic workshops for each OP MA to assist in all stages of the life cycle of work in MS2014+. The first workshop, at the request of the OPE MA, took place in January and received a very positive response. At present, other workshops are planned on specific topics as requested by the OP MAs.

Proposals:

- On the basis of a smaller number of more sophisticated development requirements and improvements in the quality of their implementation, involving the administrative capacity of the Managing Authority and the Intermediate Body, MS2014 + will be stabilised in order not to cause any blocking situation in the grant process (deadline: continuous task).
- In order to minimise the number of adjustments to database items and the need to perform bug fixes, a taxative classification of the errors, from which such conversions result, will be developed. Based on an analysis of outputs and evaluation of this classification, we prepare continuous processing of the steps leading to corrective measures and preventing errors (deadline: continuous task).

Irritating Obligation 4.16

Specification of the problem: **Public Procurement Act – the requirement of book-entry shares**

Description: The law introduced a mandatory exclusion from public procurement procedures for joint-stock companies without shares issued exclusively as book-entry shares. This provision is discriminatory and in complete contradiction with the basic principles of public procurement according to s. 6 of the Act. By this obligation joint-stock companies that have issued registered shares which, under the Czech law, do not have to be book-entered, are disadvantaged against other forms of corporations. These include, for example, limited liability companies or foreign joint-stock companies from countries where the instrument of book-entry shares is not stipulated by law. The administrative burden consists in the need to convene an extraordinary general meeting and to change the form of the relevant shares.

Area: public procurement (11)

Responsible party: Ministry of Regional Development

Comments by the responsible party:

Section 48(7) of Act No 134/2016 Coll., Public Procurement Act (hereinafter referred to as "PPA"), allows the contracting authority to exclude from the procurement procedure a participant that is a joint-stock company or has a legal form similar to a joint-stock company and has issued other than exclusively book-entry shares. However, the mentioned possibility of exclusion is stipulated as an obligation in the case of a selected supplier by the provision of s. 48(9) PPA. The contracting authority is therefore obliged to verify with the selected supplier that the reason for exclusion pursuant to paragraph 7 has been met, on the basis of information kept in the Commercial Register. If the information contained in the Commercial Register implies that the reason for exclusion pursuant to paragraph 7 has been fulfilled (the selected contractor does not have book-entry shares only), the contracting entity shall exclude the tenderer from the procurement procedure.

In general, there is an obligation to exclude a selected supplier, which is a joint-stock company or has a legal form similar to a joint-stock company, and does not issue exclusively book-entry shares.

The law provides for an exemption from this obligation for the cases in which the tenderer is a joint-stock company, whose shares in the aggregate nominal value of 100 % of the registered capital are owned by a municipality pursuant to the Act on Municipalities or by a region pursuant to the Act on Regions. The PPA does not currently provide for any other exceptions to the obligation in question, and no derogations may be derived by an extensive interpretation of the PPA wording.

The original draft PPA submitted by the MoRD to the inter-ministerial commentary procedure, did not contain the above-mentioned provisions. The requirement to limit the participation in public procurement procedures for joint-stock companies without book-entry shares has emerged from comments provided by some sectors (for example, the Ministry of Industry and Trade or the Ministry of the Interior) and was incorporated into the PPA only during the Government negotiations. From the point of view of the MoRD, it was a political decision on this obligation.

Achievements:

In July 2016, i.e. three months before the effective date of the PPA, the MoRD notified joint-stock companies, which had also other than book-entered shares and had participated in procurement procedures in the past, of the new obligation under the PPA. This fact has already been publicly known since the beginning of effect of the PPA, the joint-stock companies or their owners or founders, had enough time to adapt to the situation using some of the recommended practices.

Proposals: - -

(Note: Changing this rule is only possible through a legislative change of the PPA. As stated above, the requirement for public procurement to be accessible only to joint-stock companies with book-entry shares was incorporated into the PPA when the proposal was discussed by the Government of the Czech Republic. No government amendment to the provision in question is currently being prepared.

The MoRD merely expressed its consent to the parliamentary draft of the PPA amendment, namely the amendment to s. 48(10) PPA, in which the words "a municipality pursuant to the Act on Municipalities or by a region pursuant to the Act on Regions" shall be replaced by "state, municipality or region". This extends the derogation from the obligation to exclude from the procurement procedure participants who are joint-stock companies or have a legal form similar to a joint-stock company and do not issue exclusively book-entry shares. Newly the derogation will therefore apply not only to joint-stock companies whose shares are owned by municipalities and regions, but also to state-owned joint-stock companies. The amendment is being discussed in the Chamber of Deputies of the Czech Republic (document 976).)

Generally entrepreneurs assess the following issues as the most burdensome:

- uncertainty with respect to the way of exercise of the law and the unpredictability of state interventions,
- short periods between the force and the effect of legislative acts,
- the fact that **data sharing between state administration institutions** has not been ensured, despite years of efforts.

DRAFT MEASURE / UNDERWAY

Problem: *One of the significant burdens, not purely of administrative nature, mentioned very rarely in connection with the issue of administrative burden, is the low quality of legislative work (errors, but unfortunately also adjustments to the rules resulting from interests of narrow groups or empirical experiences of the respective authors of amendments and bills) and lay creativity of the Chamber of Deputies in the field of case law. This includes also unstable business environment conditions, i.e. very frequent interferences in the set rules.*

Area: business environment (4)

Responsible party: all government agencies

Comments by the responsible parties:

MI – Individual projects (in particular basic registers, data mailboxes, Czech POINT network, Public Administration Portal, open data, etc.) continue to be developed and specified through the Specific Objective 3.1 of the document entitled Strategic Framework for the Development of the Public Administration of the CR 2014-2020 ("Completing the eGovernment functional framework"). As one of the outputs of the Science and Research (R&D) programme, in cooperation with the Technical Agency of the Czech Republic within the project "Research of data collection system in public administration", the "Methodology of data collection optimisation" has been elaborated, intended primarily for ministries and other central state administration bodies; the methodology should optimise the data collection system in the public administration domain, with an emphasis on minimising the burden on data providers (especially municipalities and regions, but also business entities).

CSO – Individual ministries or other central government bodies are involved in the drafting of legislative proposals and follow the Government's Legislative Rules. Every draft legal regulation has to go through an external comment procedure, in which ministries and other addressed stakeholders (e.g. professional associations, interest groups of entrepreneurs, consumers, scientific and professional institutions) express their positions through comments. However, this procedure may be insufficient to ensure the data sharing. For both material and technical reasons, it is often necessary to cooperate already during the preparation of the legal regulation, i.e. before the draft is submitted to the external comment procedure. Both sides involved must be willing to cooperate and must provide adequate technical and legal conditions. Legal conditions mean that entities, which want to share or pass data, must have a legal right to do so.

CMA – The aim of the Czech Mining Authority is to deepen and broaden the co-operation between public and private economic operators in taking over administrative data, in order to reduce the administrative burden on respondents and maintain or enhance the quality of statistical data. The Authority provides for the development of electronisation of the state administration and the integration of databases and registers administered by state administration bodies into the system of data sharing (links to legislative and technical conditions), implements measures and continuously improves services in scope of the eGovernment project, such as basic public administration registers, data mailboxes, Public Administration Portal, the development of the Czech POINT project and basic state administration registers which are currently most relevant for the data sharing in public administration.

Achievements:

CSO – The Office prepared the material "Implementation of integrated collection of selected data for the public administration agencies", which was approved on 14 December 2016 by Government Resolution No. 1135. This document responds to the Regulation (EU) 2015/759 of the European Parliament and of the Council, which strengthens the right of European statistics producers to free and fast access to administrative data sources and their assessment at the time of creation and change.

CMA – From 1 October 2016, a remote electronic access to the Offence Records kept in the Criminal Register (entry, reading) has been available to CMA and all district mining authorities, mainly for the purpose of assessing the reliability of persons by the Police of the Czech Republic under the Firearms Act or the Act on Trading in Security Materials. The CMA also provides statistics on occupational injuries in the area supervised by the State Mining Administration to the State Labour Inspection Authority on the ESAW forms (the unified methodology for European statistics on accidents at work).

The CMA also acts as an editor in the Basic Register of Natural and Legal Persons (hereinafter referred to as "ROS") for the Czech Statistical Office (CSO) with respect to licences issued to entrepreneurs – natural persons, acts as an editor in the Register of Territorial Identification, Addresses and Real Estate (address location and building) for COSMC, cooperates upon operating the system of building and technical prevention of the MoRD and provides information to the system operator on the occurrence of construction defects, failures or accidents, if such information is passed on to them or if they find such information during the exercise of their activities.

The Customs Administration of the Czech Republic – through the Customs Registration System (hereinafter referred to as "CRS") the Customs Administration is connected to external registers, namely: ISZR (Information system of basic registers – ROB, ROS, RUIAN, AISEO, AISC, ISKN) ADIS, Criminal Register, Motor Vehicles Register, Central Register of Drivers, VEIS (VAT Information Exchange System), CSSA, CEVO (Central Register of Imprisoned Persons) and Register of Employment of Foreigners and EU Citizens kept by the MoLSA. Information from these records and registers is continuously used to verify data on entities and to draw data on changes in entities. The reduction of the administrative burden consists in the fact that registered entities are no longer obliged by law to notify changes in data, which can be detected in an automated way from the mentioned registers and records (s. 127(4) of Act No. 280/2009 Coll., Tax Code). This also applies to the verification of documents for registration or licensing procedures.

COSMC – the administrator of one of the basic registers, the Register of Territorial Identification, Addresses and Real Estate (hereinafter referred to as "RÚIAN"). This register, which is a public list, serves to record the data on territorial elements, data on territorial registration units, addresses, territorial identification and data on specific territorial elements. Territorial elements from RÚIAN are displayed within the state mapping files and digital maps of the public administration. The RÚIAN also mediates ownership data from the Land Registry Information System. It is also the sole register keeping non-reference data, the so-called "technical-economic attributes" of building structures (number of floors, built-up area, connection to gas distribution system, sewerage network, water supply system, heating etc.). All addresses are defined by reference to the RÚIAN address space. This prevents recurrence of data and keeps the data continuously updated. The register includes the so-called "public remote access" tool (veřejný dálkový přístup, "VDP"), available to the public free of charge for viewing the RÚIAN data at <http://vdp.cuzk.cz>.

MoRD – According to the valid regulations of the MF, all required data are entered into the Integrated Information System of the Treasury (Integrovaný informační systém Státní pokladny, "IISSP"). The MoRD is continuously involved in the editing of the national information system of strategic and conceptual documents, the Strategy Database.

The connection of the Public Procurement Information System (Informační systém o veřejných zakázkách, "ISVZ") to the Information System of Basic Registers (Informační systém základních registrů, "IS ZR") has been in routine operation since 2014, contributing to the improvement of data in statistics on public procurement in the area of data on economic entities and enabling an automatic upload of data on the contracting authority. At the same time, controls over recorded data against these registers (RÚIAN and ROS) have been extended.

GTD – On the basis of a mutual agreement with the CSO the Directorate provides, according to requirements, information available on the data from tax returns and accompanying financial statements. Lastly, Supplement No. 4 to Sub-Agreement 29397 was signed between the GTD and the CSO, which extended the scope of items from the financial statements to be forwarded to the CSO.

(See Annex No. 1, Review of the implementation of 27 measures to reduce the administrative burden for 2016, Measures Nos. 31 and 50)

Planned measures:

CSO – By 2021, a new integrated data collection system should be established by the MF. Both the CSO and the Ministry of Labour and Social Affairs should be involved in the preparatory process, thus ensuring an agreement on common tools and IT systems. This system could be included into the scope of the next Remeasurement, planned in five years.

MF – The idea of a maximum harmonisation of the income tax base and the assessment base for insurance contributions shall be further promoted. After a reassessment of the single collection point project, the idea of unified collection of income tax and insurance contributions of individuals has been abandoned. The prepared draft Act on Public Insurance Contributions and Administration of Income Tax has not been discussed any further. The Ministry of Finance, as part of a comprehensive project "MY tax", continues to work on a new Income Tax Act, which should be presented in September 2017. Initial topics and ideas developed in the form of specific solutions were presented to the professional public for consultation in October 2016. The proposed solutions reflect the intention of simplifying the tax system and extending the electronic tax administration system (e.g. the self-assessment project, the vision of a "tax booth"). In scope of the "MY tax" project the Ministry plans to unify the management of levies under a single system linked to a high-quality IT system of financial administration – ISS, Integrated Tax and Insurance Contributions Management System.

(See Annex No. 1, Review of the implementation of 27 measures to reduce the administrative burden for 2016, Measures Nos. 31 and 50)

Conclusions

The performed remeasurement of the administrative burden on entrepreneurs shows that there has been a shift in the perception of IROs and burdensome areas by entrepreneurs. Statistics in general, as well as the journey log / ecology do not pose a big problem for entrepreneurs. On the contrary, the sharing of data between state administration institutions and the issue of tax payments has come to the forefront of the negative perceptions associated with the fulfilment of these obligations. The most irritating obligations belong to the business environment area.

Based on the results of the Remeasurement 2016 and the analysis of procedures and experience applied in the EU countries under the agenda for reducing administrative burdens on entrepreneurs, further steps for reducing administrative burdens have been proposed for the following period, as stated in Chapter 5.

5. Final summary and measures proposed for the next period

This material provides an overview of the reduction of the administrative burden in 2016, results of the new remeasurement of the administrative burden and, at the same time, proposes further measures for reducing the administrative burden on entrepreneurs in the following period.

In 2016, the ministries continued to implement 27 measures to reduce administrative burdens in business, which remained to be implemented from the previous period 2013–2015. The first measures were created in 2013, as a follow-up to the completed actions to reduce the administrative burden for entrepreneurs in 2008-2012 and after the end of the Mid-2013 Remeasurement. In the following years, the number of measures extended to 91 measures in total. A new goal was set for all the ministries to reduce the administrative burden on entrepreneurs through 60 measures by the end of 2015 and to perform another remeasurement of the administrative burden on entrepreneurs in 2016. By the end of 2015, 62 measures had been implemented and the set objective had been achieved.

By the end of 2016, the ministries had managed to implement 12 measures of the 27 measures planned for the period of several years. In addition to the 27 set measures, additional 11 measures were implemented and further 11 measures were proposed for the next period. Over the coming period, the ministries will work on a total of 28 measures planned for implementation.

For the following period, it is recommended that the ministries focus on the implementation of measures relating to:

- electronisation of the public administration domain (measure 20),
- eliminating the duplication of data for the statistics and finance offices (Measure 26),
- duplicate reports on waste production and management (Measure 43),
- measures related to public insurance contributions and administration of income tax – review of the project of a single collection point (measure 31).

For detailed descriptions, including the name of the body implementing the measure, see Annex No. 1, Annex No. 2 and Annex No. 3.

The Remeasurement 2016 was implemented in 2016 in cooperation with 12 state administration bodies.

In the Remeasurement 2016, the recommended average time load for entrepreneurs that business entities have to spend in relation to the fulfilment of the obligations imposed by the state authorities, identified during the implementation of the Remeasurement 2013, remained fixed, according to an independent survey among entrepreneurs. On the basis of these facts, the model for measuring the burden of entrepreneurs, the SCM model, was specified by elaborating an update to the Implementation Guidelines on the Methodology of Measurement and Remeasurement of the Administrative Burden of Entrepreneurs (version 2.1).

The Expert Group was involved in the identification of irritating obligations and burdens in scope of the Remeasurement 2016.

In scope of the Remeasurement 2016, updated Implementation Guidelines on the Methodology of Measurement and Remeasurement of the Administrative Burden of Entrepreneurs (version 2.1) were published.

The number of information obligations decreased by 675 compared to 2005. Compared to 2005, the administrative burden also decreased by 31.49%. The highest calculated administrative burden referred to the field of tax payments, which affect the largest number of entrepreneurs.

It is strongly recommended that all government bodies carefully analyse any frequent amendments to legislation, given that acquainting with ever-changing legal regulations brings considerable financial and time burdens for entrepreneurs and, in particular, an unpredictable business environment. In some cases this is due to insufficient periods between the force and the effect of legislative acts.

It is necessary to calculate the administrative burden for entrepreneurs in all the legislation under preparation and, if this cannot be calculated, to justify this and provide at least a qualified description.

It is also recommended to consult the proposed measures with entrepreneurs and business associations as far as possible, also using the Expert Group on reducing the administrative burden for businesses.

Notwithstanding the measures already implemented in recent years, the administrative burden placed on entrepreneurs by the state authorities is still perceived as high and very burdensome, especially in the areas of duplicate waste reporting, duplicate data for statistical and tax offices or the tax payments, insolvency proceedings or the repeatedly delayed electronisation of the public administration. In particular, the tax area, which affects all entrepreneurs, has recently been seen as very burdensome and significantly expanding.

Based on an analysis of the business experience and experience from other EU countries, it is proposed to carry out a further remeasurement in five years, to compare the progress in reducing the administrative burden on entrepreneurs over a longer period of time.

Proposed further steps in the agenda for reducing the administrative burden on entrepreneurs:

To continue monitoring the efforts to reduce the administrative burden on entrepreneurs through measures, given that the measures have proven as effective and able to respond flexibly to the current needs of entrepreneurs, considering also real possibilities of the individual ministries.

A new target for all government agencies is to reduce the administrative burden on entrepreneurs by 40 measures by the end of 2020.

The next remeasurement of the administrative burden on entrepreneurs will take place in five years, i.e. in 2021. It will be thus possible to evaluate the level of achievement of the new objective and to assess the overall development of the burden since 2016.

The Ministry of Industry and Trade will continue monitoring the reduction of the administrative burden on entrepreneurs and will annually provide the Czech government with a report on the progress in reducing the administrative burden on entrepreneurs.

List of abbreviations

ABE – administrative burden on entrepreneurs
ABC classification – determining the origin of the information obligation (Methodology form determining the size and origin of the administrative burden on entrepreneurs, MI, 2007)
CzT – Czech Tourism agency
CWMA – Czech Waste Management Association
CMA – Czech Mining Authority
CEI – Czech Environmental Inspectorate
CMA JEP – Czech Medical Association of J.E. Purkyně
CSSA – Czech Social Security Administration
CSO – Czech Statistical Office
CTO – Czech Telecommunication Office
COSMC – Czech Office for Surveying, Mapping and Cadastre
EC – European Commission
EQF – European Qualifications Framework for Lifelong Learning
ERO – Energy Regulatory Office
EG – Expert Group on reducing the administrative burden for businesses
GTD – General Tax Directorate
IISST – Integrated Information System of State Treasury
IO – information obligation
IOP – Integrated Operational Programme
IRO – irritating obligation (the most burdensome obligation – in subjective terms)
IRZ – Integrated Pollutant Register (Integrovaný registr znečišťování životního prostředí)
ISPOP – Integrated System of Reporting Obligations (Integrovaný systém plnění ohlašovacích povinností)
ISVZ – Public Procurement Information System (Informační systém o veřejných zakázkách)
IS ZR – Information system of basic registers (Informační systém základních registrů)
SIP – single collection point
MT – Ministry of Transport
MF – Ministry of Finance
MC – Ministry of Culture
MoRD – Ministry of Regional Development
MD – Ministry of Defence
MIT – Ministry of Industry and Trade
MoLSA – Ministry of Labour and Social Affairs
MJ – Ministry of Justice
MS2014+ - Monitoring system for the programming period 2014–2020
MEYS – Ministry of Education, Youth and Sports
MI – Ministry of the Interior
MA – Ministry of Agriculture
MH – Ministry of Health
ME – Ministry of Environment
NSA – National Security Authority
NRQ – National Register of Qualifications
OKOM – Department for Compatibility (Odbor kompatibility), Office of the Government of the Czech Republic
OPPI – Operational Programme Enterprise and Innovation
OP EIC – Operational Programme Enterprise and Innovation for Competitiveness
ORP – Municipality with extended powers (obec s rozšířenou působností)
QR code – Quick Response code – here in relation to school reports and digital data on pupils
WC RIA – Working Commission of the Government Legislative Council for regulatory impact assessment
REA – Register of External Addresses

REFIT – Regulatory Fitness and Performance
RIA – Regulatory Impact Assessment
RÚIAN – Register of Territorial Identification, Addresses and Real Estate (Registr územní identifikace, adres a nemovitostí)
ROS – Basic Register of Natural and Legal Persons (Základní registr osob)
SKD – List of Certified Contractors (Seznam kvalifikovaných dodavatelů)
SCM – Standard Cost Model
SSCR – List of Systems of Certified Contractors (Seznam systémů certifikovaných dodavatelů)
SLIO – State Labour Inspection Office
SONS – State Office for Nuclear Safety
OPC – Office for the Protection of Competition
IPO – Industrial Property Office
OG CR – Office of the Government of the Czech Republic
IHIS – Institute of Health Information and Statistics
PPA – Public Procurement Act
ENV – Environment

Annexes available upon request.