

CTIA



Czech Trade Inspection Authority

ANNUAL REPORT 2011

Prague, 2012

Foreword of the Director General of the Czech Trade Inspection Authority



When evaluating the previous year, I must say that it was very demanding. The tasks that the Czech Trade Inspection Authority (CTIA) faced, required initiative and full engagement of all the employees on all levels, from the management to the inspectors. Above all, it was necessary to stabilize the CTIA in terms of organization and personnel changing the organizational structure and restoring the supervisory and methodological functions of the General Inspectorate while maintaining the extent of inspection activities. In some areas, e.g. when reviewing the practices of consumer loan brokers and providers, organizers of sales presentation events or in case of sales over the internet, the inspection activities have even been intensified. It was also necessary to re-establish public trust in the areas of transparency and professionalism of the CTIA activities.

However, last year also brought considerable successes: We managed to accomplish most of the planned tasks. The Czech Trade Inspection Authority underwent changes which enabled us to better utilize both human and financial resources as well as all the opportunities for cooperation on national and international level. Cooperation was also re-established with professional and business associations as well as with consumer groups.

The CTIA continuously published enforceable decisions on fines imposed on inspected subjects for selling substandard quality motor fuels. On demand, also penalties imposed on

inspected subjects in other business fields were published. Other possibilities are being discussed within the CTIA of how to provide information to the consumers on entrepreneurs who break the law and violate consumer rights.

In 2011, the Czech Trade Inspection Authority fully accomplished its primary mission to provide market surveillance and consumer rights protection. It did so namely in cases where the consumers were not fully capable of pursuing their legitimate claims on their own. It will continue doing so in the future. Its everyday activities prove that the CTIA forms an important part of the inspection systems of both the Czech Republic and the European Common Market. Citizens, as well as honest entrepreneurs, perceive it as a trustworthy institution which they can approach with their concerns or complaints regarding problems that they encounter every day while shopping or using various services.

The results of the inspection activities and surveillance as well as other information are available on the CTIA's website.

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ANNUAL REPORT 2011

FOREWORD OF THE DIRECTOR GENERAL OF THE CTIA

ORGANIZATIONAL STRUCTURE

YEAR 2011

ACTIVITIES

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INSPECTORATES: CONTROL ACTIVITIES

CONSUMER PROTECTION

SURVEILLANCE OF PRODUCTS

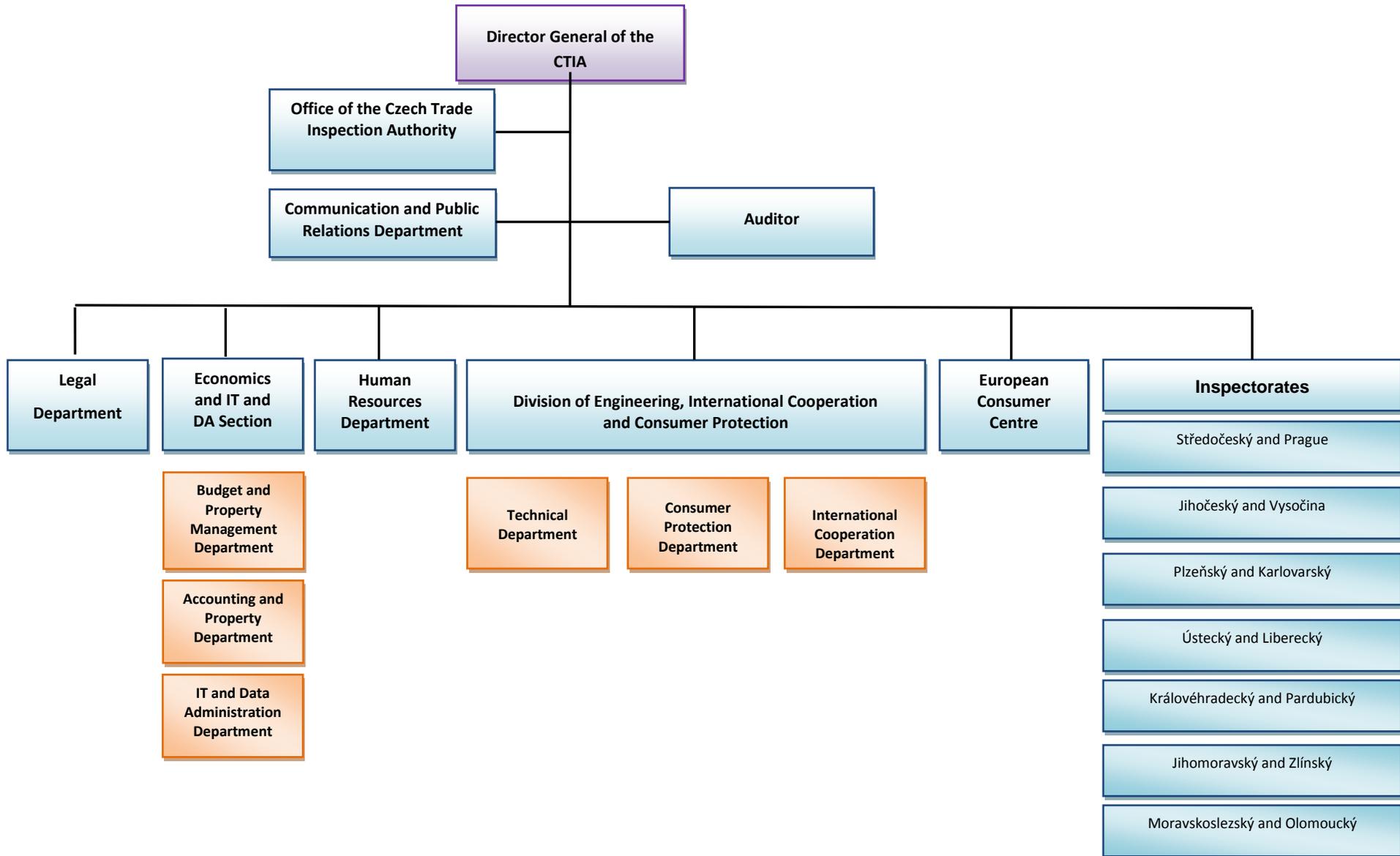
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STATISTICS – 2011 – TABLES AND GRAPHS

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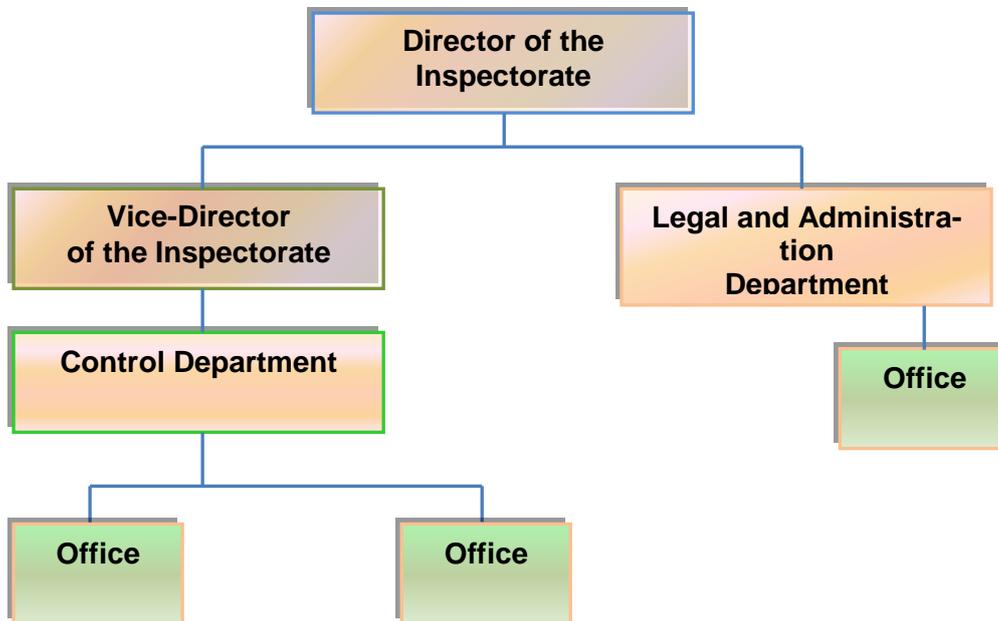
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ORGANIZATIONAL STRUCTURE – GENERAL INSPECTORATE

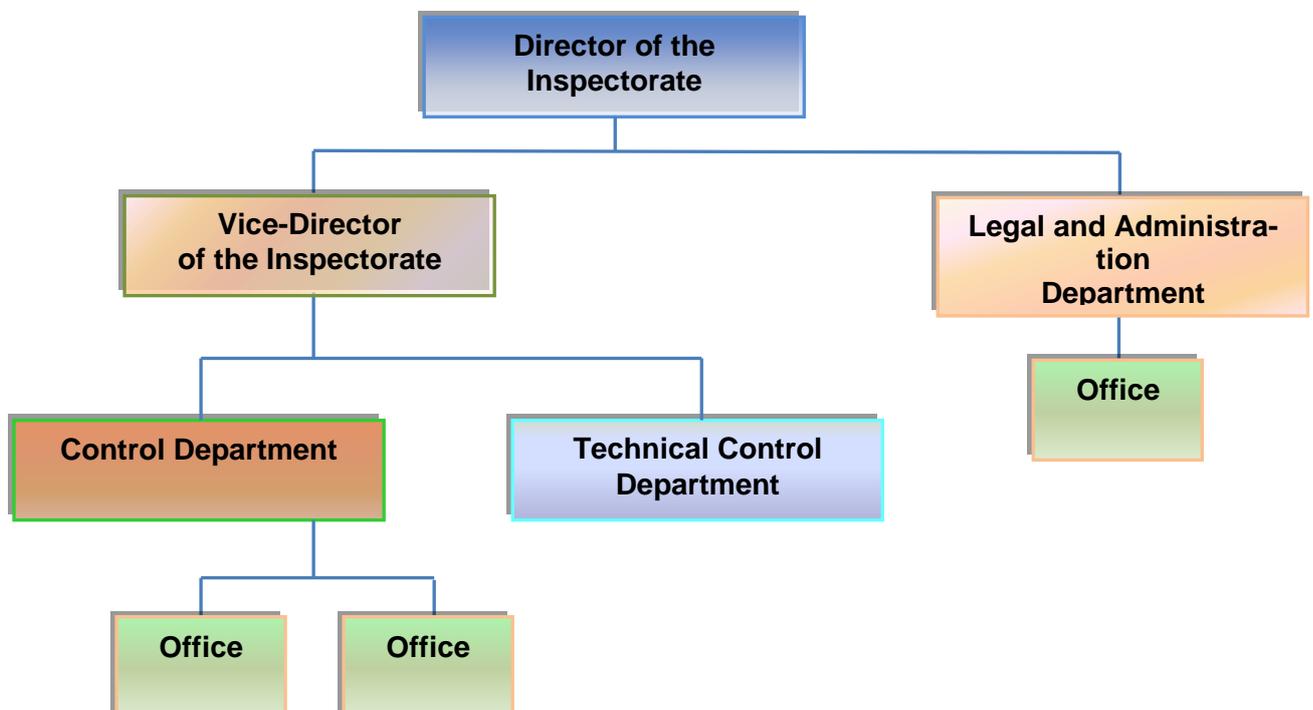


ORGANIZATIONAL STRUCTURE – regional inspectorate

ORGANIZATIONAL STRUCTURE OF CTIA INSPECTORATES GENERAL CONTROL – REGIONAL SCOPE



ORGANIZATIONAL STRUCTURE OF THE STŘEDOČESKÝ / PRAGUE INSPECTORATE WITH THE TECHNICAL DEPARTMENT OF NATIONAL SCOPE



YEAR 2011

In 2011, the Czech Trade Inspection Authority underwent significant organizational changes with the aim not only to improve its work and increase the efficiency of market surveillance, but also to increase consumers' and commercial subjects' trust in its operations.

The public needs to benefit from an effective surveillance body which enforces principles of free movement of goods and services and from targeted consumer protection. The Czech Trade Inspection Authority met the challenge even though its activities were especially in the first six months influenced by previous unsystematic changes in the organizational and leadership structure which the new management gradually had to remove.

With respect to the European concept of regulation of public interest and with regard to the necessary and essential European surveillance authorities' cooperation in the frame of both harmonized and non-harmonized spheres, the CTIA continued in implementation of a new model of management which better corresponds with the demanding requirements for a surveillance body. The model also uses principles anchored in the Common Assessment Framework (CAF) designed for the public sector.

Merger of technical control which was integrated into the Středočeský and Prague Inspectorate can be noted as an essential change compared to the original organization structure. This integration resulted in unification of technical control procedures, establishment of unified methodical management and coordination of inspection activities.

Similar approach was implemented in the field of consumer protection in general when methodical department was established within the new organizational structure. The department's key objective is to ensure unification concerning the performance of inspections in the so-called non-product area of consumer protection.

Both changes fully respected the autonomy of the individual inspectorates. At the same time, however, they created conditions for the establishment of elementary management processes and execution of control activities based on quality methodical and technical background.

Establishment of the Technical Department, International Cooperation Department and Consumer Protection Department at the General Inspectorate also fully complies with the new conception.

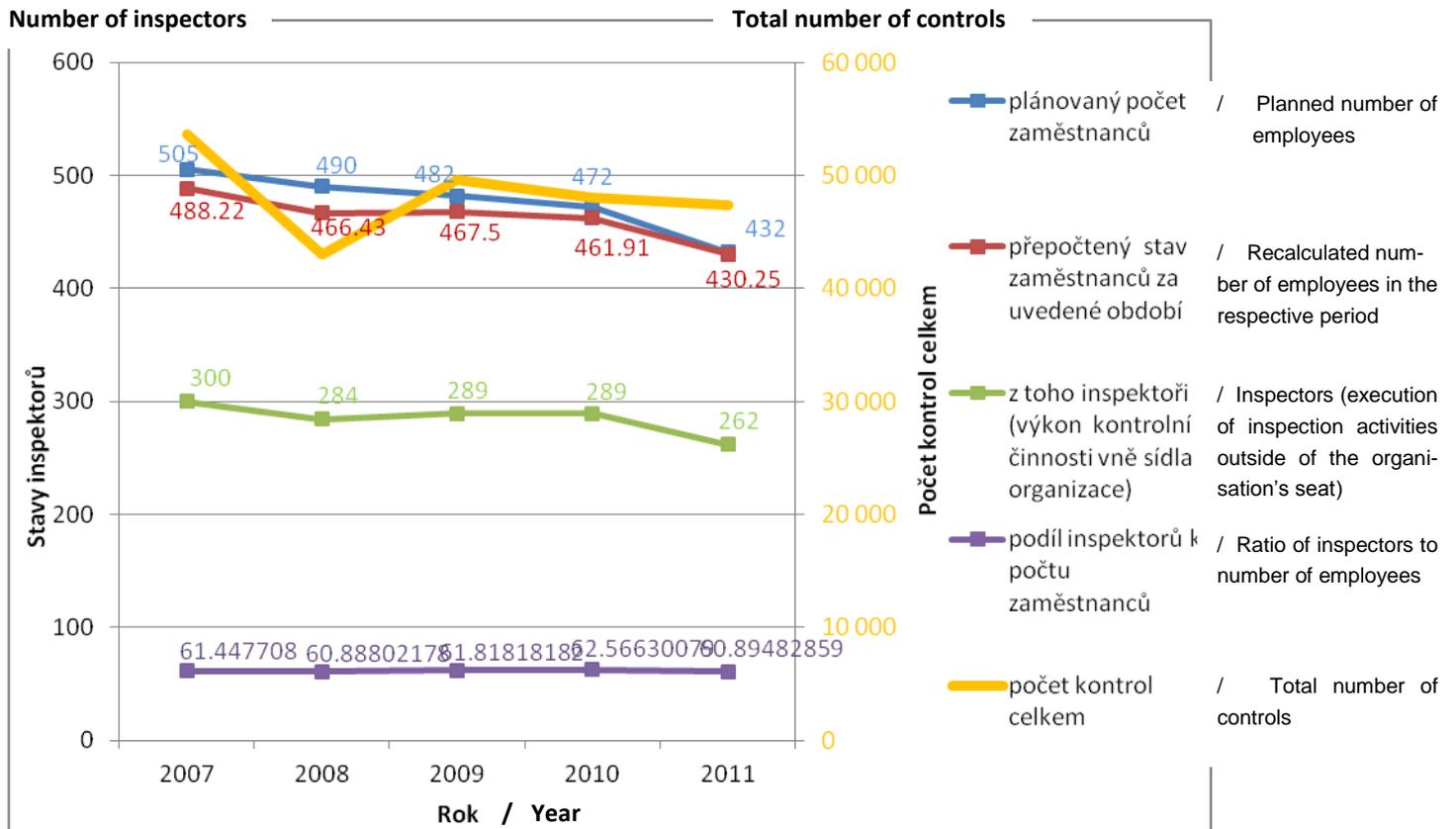
Besides its external operations, the Czech Trade Inspection Authority primarily ensured the executive activities of its inspectors. Within the past two years, the inspectors were fully equipped with communication devices and have the possibility to connect to the Internet, including online access to technical standards. This equipment has significantly increased the efficiency, operativeness and correctness of controls.

In 2011, the Czech Trade Inspection Authority closely cooperated with other public administration bodies and surveillance authorities of the Czech Republic and the European Union.

The cooperation stemmed from applicable legislation in the area of institutional securing of activities and from treaties concluded among surveillance authorities with regard to the common internal market of the European Union and common consumer protection.

The Czech Trade Inspection Authority continuously provided advisory and information services through which it contributed to the increase of consumers' literacy and protection of consumers' interests. At the same time it gained a lot of valuable knowledge usable for its inspection activities. The European Consumer Centre, integrated in our structure, also significantly helped consumers resolve their problems with traders from other member states of the European Union, Norway and Iceland.

Graph 1: Total number of inspectors and controls from 2007 to 2011



Also with regard to the fact that the Czech Trade Inspection Authority has limited inspection capacities and limited budget sources (including money for taking of samples and their analysis), it carries out controls of ca. 70% of non-food products in the market, inspections of services, state's fiscal interests and so forth and supervises observance of dozens of legal regulations, it was decided in 2011 that the CTIA would change most of the operational system of inspection activities management.

This change consisted of shifting from operational to conceptual management of inspection activities. The system of inspection projects which partly determines the requirements concerning both financial and human resources for individual control actions is the elementary tool of the inspection activities management. In 2011, the rate of the directed management of inspection activities was 57.1%.

New strategy of the Czech Trade Inspection Authority for meeting objectives for the period from 2011 to 2016

The Czech Trade Inspection Authority has defined its clear vision, mission, values and aims to achieve by 2016:

VISION

Dynamic surveillance body for protection of consumers and the EU common market

MISSION

It is possible to summarize the mission of the Czech Trade Inspection Authority in two points: The mission is above all the protection of consumers and the single market in cooperation with the authorities of the European Union and the support to harmonised conditions for placing the products on the market and for provision of services.

VALUES

- Professionalism and ethical behaviour
- Respect to the legislation
- Respect to engagements towards consumers and towards commercial and other subjects
- Professional growth

OBJECTIVES:

1. Provision of balanced, targeted and objective surveillance
2. Cooperation with state administration bodies and NGOs
3. Cooperation with surveillance authorities within the EU
4. Preventive activity in the field of consumer protection and creation of the EU single market
5. Prompt reactions to changes of legislation
6. Participation in developing and enforcing of the state's policy
7. Maintenance and development of the level of consumer protection and conditions for placing products on the EU market

The objectives are being achieved above all thanks to the accent put on selection of employees, their expertise and education, cooperation with state administration authorities both on national and European level. Accent is also put on communication between the headquarters and individual levels of organization when all necessary information is available to everyone. Sharing the vision, values and objectives of the Czech Trade Inspection Authority and communication with individual employees contributes to their identification with the organization, loyalty and raising professionalism of surveillance.

The inspection activities will keep giving priority to the fields which are problematic for consumers and which are difficult for consumers to understand and in which consumers feel unable to defend themselves on their own or their ability to defend is limited (e.g. safety of products in the market; fuel quality; sale of goods infringing some intellectual property rights, e-commerce and so on). Technical inspection will focus on features of products placed on the market or put into operation (analysis of risks) with the overall accent on their safety, i.e. the "formal administrative" inspection activities will be reduced.

The Authority's administration expects that all these measures shall increase the activities' quality in the economic, personal, and above all methodical and inspection field and subsequently also in perception of the Czech Trade Inspection Authority by the public.

Development of the Czech Trade Inspection Authority

In 2011, the Czech Trade Inspection Authority prepared a concept of development for the period from 2012 to 2016 in the below mentioned fields in order to reach the stated objectives and tasks in the upcoming period.

The proposed solutions stem above all from this society framework:

- Priorities of the MIT's consumer policy 2011 – 2016
- Strategy of consumer policy of the EC 2007 – 2013
- Consumers in the period 2014 – 2020
- EC's recommendations concerning actions for improving the EU's single market
- New Legislation Framework

and from 53 both national and European legal regulations. Above all, the main legal framework consists of regulations governing the following fields:

1. Inspection activities (Act on State Control and the Czech Trade Inspection Authority)
2. Consumer protection and provision of services to consumers
3. Technical requirements for products
4. EU's New Legislation Framework
5. General Safety of Products
6. Fuel control
7. Consumer credit
8. Unfair Commercial Practices
9. International cooperation

Tools used to meet the inspection objectives are: stable organizational structure and definition of management principles so that they meet the requirements of effective operation of a surveillance body when ensuring:

- Unified surveillance execution within all regional inspectorates;
- Both methodical and legal support to the inspectors within the controls

- Activities of the European Consumer Centre Czech Republic
- Effective and targeted use of financial resources

New requirements for surveillance execution in all fields of the Czech Trade Inspection Authority's competence require targeted coordination of specialists, unified surveillance methodology, high professionalism within the inspection execution as well as collection and analysis of information which is the supreme pillar of final outputs and the system of unified surveillance execution management for transparent flow of necessary information.

The new concept applies a new systematic and procedural approach which assumes elimination of duplicate administrative resolutions and simplification of processes that create both factual and financial burden not only to economic subjects, but also to the surveillance body as such. As a result, these duplicities eliminate readiness for action and effectiveness of surveillance on one side and surveillance professionalism on the other. Thus, the use of human resources should become more effective, too.

The new Czech Trade Inspection Authority's concept of management and inspection activities suggests preservation of the current institutional structure (General Inspectorate, 7 inspectorates, and concentration of technical control at the Prague and Středočeský Inspectorate) which has proven its sufficient functionality in terms of enforcing interests of the state and the European Union, of entrepreneurs, and citizens as consumers. On the grounds of the real needs of the Czech Republic, the concept defines objectives necessary for further development of surveillance and inspection activities.

With regard to international relations and cooperation, membership of the Czech Republic

in global and European organizations engaged in market surveillance and consumer protection is crucial as it also contributes to free movement of goods and services.

In the area of national relations, cooperation among surveillance bodies and subjects of involved parties is crucial. It concerns state administration bodies, commercial subjects, research and education institutions, and subjects representing consumers with the aim to preserve the unified horizontal attitude based especially on the New Legislation Network.

The concept is an open document. It can be expected that also due to transpositions and implementations of the European legislation new demands on execution of inspection and surveillance activities will arise. Activities of the Czech Trade Inspection Authority will also be influenced by the national environment with its legal and social aspects (e.g. commercial subject-consumer-NGO and so forth).

Thus, the aim is to fulfil the Czech Trade Inspection Authority's strategy, to adjust the organizational and qualification structure, and to establish an effective management system based only on necessary processes and documentation.

With regard to the above mentioned, the Czech Trade Inspection Authority faces the task to review activities carried out by individual employees in compliance with the new catalogue of work activities with regard to time demands both within the General Inspectorate of the CTIA both the organization as a whole.

All these measures will result in higher effectiveness of activities in the economical, personal and communication field and especially in the methodological and inspection field.

PROFILE

The Czech Trade Inspection Authority is a state administration body subordinated to the Ministry of Industry and Trade; it is composed of the General Inspectorate and subordinated inspectorates.

The CTIA inspects legal and physical persons selling or supplying products and goods in the internal market, providing services or conducting other similar activity in the internal market, providing consumer credit or operating marketplaces, unless another administrative authority exercises the surveillance in compliance with special legal regulations.

The Czech Trade Inspection Authority was established by the Act No. 64/1986 Coll. as a successor of the former State Trade Inspection Authority. Its core activity is supervision over compliance with laws in the field of consumer protection, internal market and free movement of goods in the internal market. The range of activities and surveillance responsibilities of the Czech Trade Inspection Authority are defined above all by the following laws:

- Act No. 64/1986 Coll., the Czech Trade Inspection Act, as amended,
- Act No. 552/1991 Coll., on State Control, as amended,
- Act No. 500/2004 Coll., Administrative Procedure Code, as amended,
- Act No. 634/1992 Coll., the Consumer Protection Act, as amended,
- Act No. 311/2006 Coll., on Fuels and Filling Stations, as amended,
- Act No. 22/1997 Coll., on Technical Requirements for Products, as amended, (and appropriate Government Regulations)
- Act No. 102/2001 Coll., on General Safety of Products, as amended,
- Act No. 189/1999 Coll., on Emergency Oil Reserves, as amended,
- Act No. 56/2001 Coll., on Conditions of Operation of On-road Vehicles, as amended,
- Act No. 145/2001 Coll., on Consumer Credit as amended,
- Act No. 477/2001 Coll., the Act on Packaging, as amended,
- Act No. 86/2002 Coll., on Clean Air Protection, as amended,
- Act No. 676/2004 Coll., on Compulsory Labelling of Spirits, as amended,
- Act No. 185/2001 Coll., on Wastes, as amended,

- Act No. 253/2008 Coll., on selected measures against legitimisation of proceeds of crime
- Act No. 379/2005 Coll., on Measures for Protection from Harm Caused by Tobacco Products, Alcohol, and Other Addictive Substances, as later amended,
- Regulation (EC) No. 2006/2004 of the European Parliament and of the Council of 27 October 2004 on cooperation between national authorities responsible for the enforcement of consumer protection laws (the Regulation on consumer protection cooperation)
- Regulation (EC) No. 764/2008 of the European Parliament and of the Council of 9 July 2008 laying down procedures relating to the application of certain national technical rules to products lawfully marketed in another Member State and repealing Decision No 3052/95/EC
- Regulation (EC) No. 765/2008 of the European Parliament and of the Council of 9 July 2008 setting out the requirements for accreditation and market surveillance relating to the marketing of products and repealing Regulation (EEC) No 339/93

The Czech Trade Inspection Authority controls compliance with conditions defined to secure quality, health safety and safety of products and services and provision of proper information about them. Furthermore, it controls whether consumer is misled by untrue, untested or incomplete information about the real characteristics of products or services; and also whether controlled persons meet their obligations towards the state, e.g. proving the origin of goods and approving products before they are placed on the internal market.

The Czech Trade Inspection Authority informs the public and businesses about the results of its activities, points at dangerous products and problematic areas in the field of consumer protection and placing products on the market. Advisory service at all branches of the CTIA provides consumers and businesses with legal information, advices them in the range of its inspection competence and accepts notifications to control.

In a special regime, cooperation continued with the Czech Office for Standards, Metrology and

Testing (ÚNMZ) and the Ministry of Industry and Trade where stress was put on the legislative-technical field so that cohesion of activities is reached. Cooperation with the Coordination Branches of notified bodies and test laboratories was very good when working on a unified system of placing products on the market and putting them into operation - specifically the partners were the Technical and Test Institute for Construction, Engineering Test Institute, Electrotechnical Testing Institute, Technischer Überwachung Verein Czech Republic (TÜV CZ), Fire Research Institute, Association of Inspection Organizations, Authorized National Body, Advanced Technology Group (ATG) and others.

In 2011, we kept on using the system 'Normy on-line' (Standards Online) in compliance with the agreement with ÚNMZ; the system proved to be necessary for surveillance activities because it has fully replaced the use of printed standards.

Elementary inspection activities were defined in the 'Plan of Inspection Activities of the Czech Trade Inspection Authority for 2011'. The Plan's objective was to consistently fulfil surveillance activities, for which the body was established, i.e. control of compliance with obligations stemming from applicable legislation, consumer protection and enforcement of rules of free movement of goods.

Planning of operational inspection activities in the field of common inspection is in the competence and responsibility of the directors of the individual CTIA inspectorates. This enabled the inspectorates to plan their own surveillance activities with regard to their regions' problems preserving the obligation to fully supervise appropriate legal regulations in the inspection field.

The inspection activities (excluding technical control) were above all directed to compliance with individual provisions of the Act No. 634/1992 on Consumer Protection, as amended, in retail shops and premises providing services to the final consumer. The controls focused especially on fairness of sale – whether unfair commercial practices are used, whether products infringing some intellectual property rights are offered, sold or stocked, whether obligatory information is provided (information about the sold goods or provided services), whether a product is showed properly at consumer's request, whether bill of purchase is issued, whether the workplace is marked properly and so on. The Czech Trade Inspec-

tion Authority paid attention to investigations of consumer notifications whose content was regularly evaluated. In this respect, the most frequented fields were included as obligatory parts of the controls.

Organisation and execution of technical controls is in the competence of the Středočeský and Prague Inspectorate. Surveillance was carried out in the sense of legal regulations applicable on the whole territory of the Czech Republic with the stress put on tracing and checks especially at importers of the controlled products. CTIA also secures representation and cooperation on international level (ADCO and so forth).

The inspection activities' conception has brought effective execution of surveillance activities in the internal market of the Czech Republic and also fulfilment of international commitments within EU countries.

Legal department

Preparation of suggestions for the General Inspectorate's decisions on appeals from regional inspectorates' decisions was the ground of the Legal Department's activities. In the consequence of administrative proceedings, employees of the Legal Department represented the CTIA in administrative court proceedings deciding about suits brought against legitimate CTIA decisions and prepared appropriate petitions for these proceedings. Furthermore, the department legally prepared recovering of outstanding debts. It was mainly preparing petitions of suits and represented the CTIA at civil court trials. In response to finished civil trials, the department's employees were preparing bills for writ of executions.

The department's activities also included provision of legal services and consultations to other CTIA employees and participation in a number of negotiations with representatives of other public administration authorities and professional public.

The Legal Department continuously provided legal help in placing public contracts, participated in preparations of contracts concerning CTIA's property and activities of the Loss Committee.

The department's employees answered written information requests from consumers, businesses, public administration authorities and the media concerning legal regulations in the

surveillance competence of the CTIA. In this context, they also provided consultations to the Department of Communication and Public Relations.

The competency of the department also included continuous monitoring of legislative changes both on the national and European level that affect the CTIA activities – the department processed analyses concerning these changes and it informed other subdivisions about them. It submitted comments to proposals of legal regulations which were submit-

ted to CTIA for opinion. It also monitored decision-making practise of courts (especially in administrative justice).

A part of the department's activities was also to legally ensure that the agenda of cross-border cooperation is in compliance with the Regulation (EC) No. 2006/2004 of the European Parliament and of the Council of October 27, 2004, on cooperation between national authorities responsible for the enforcement of laws on consumer's interests.

Overview of the Legal Department's activities in 2011	Number
Decisions issued by a second degree body	280
Review proceedings (solved by MIT)	2
Accusations (against decisions of second degree body in administrative proceedings)	37
Appeals	6 (3 filed by the party to the case and 3 filed by the CTIA)
Suits (debts collecting)	30

Employment and distribution of wage funds

The limit for wage funds was established and given to the Czech Republic – Czech Trade Inspection Authority - in the form of a list including obligatory factors (MIT letter No. 46422/09/02300 from January 6, 2011). The limit represented the amount of 149,338 thousand CZK which comprised resources for other personal expenses (payments for work carried out) amounting to 2,052 thousand CZK, financial sources for wages for the established limit of 472 employees amounting to 146,279 thousand CZK (average salary 25,826 CZK), and financial resources for compensation payments amounting to 1,007 thousand CZK.

On January 1, 2011, an organisational change was implemented. The Director General decided that in the consequence of the new conception for 2011, activities of national scope would be transferred from the regional inspectorates back to the General Inspectorate of the CTIA. The previous management of the CTIA issued measures which caused ill-conceived management of inspection and methodical activities, including outputs.

Activities of individual CTIA inspectorates and needs concerning staffing were also re-assessed with regard to the reduction of wage funds due to austerity measures in 2011 which brought reduction of these resources by 10% compared to 2010. Reduction of wage resources could have been realized by reducing employees' wages or by reducing the number of employees of the CTIA. CTIA reduced the number of (functional) work places by 40. Due to organizational changes, employment relationships were terminated with 27 employees in total; other work places were not occupied or were occupied by employees with temporary employment which was subsequently not extended.

Thanks to the above mentioned organizational measure, CTIA lowered the limit of employees to 432 (average monthly wage 28,217 CZK).

The list of these obligatory factors was changed by the budgetary corrective action of

the Ministry of Industry and Trade No. 1, from March 11, 2011, file number 6957/11/02300. This action modified the obligatory factors, and funds available for other personal expenses were reduced by 700 thousand CZK (to 1,352 thousand CZK). Financial resources for compensations were increased by this amount - after this modification, the financial resources for compensations amounted to 1,707 thousand CZK in total. The increased resources for compensations were intended for employees who were dismissed according to the section 52 c) of the Act No. 262/2006 Coll., the Labour Code, due to the austerity measure and organisational changes within the CTIA.

The list of obligatory factors was also changed by the budgetary corrective action of the Ministry of Industry and Trade No. 2, of May 5, 2011, file number 18042/11/02300, which reduced wage resources by 414 thousand CZK. These resources were transferred to the category of compensations (287 thousand CZK) and other personal expenses (127 thousand CZK). The resources were transferred due to increased demands concerning the respective categories.

The final list of the obligatory factors was changed by the budgetary corrective action of the Ministry of Industry and Trade No. 5, of December 6, 2011, file number 46181/11/2011, on the grounds of a CTIA's request after resources needed for 2011 were calculated. Financial resources for compensations were reduced by 69 thousand CZK (the sum was not paid to an employee who was on sick leave long-term) down to 1,925 thousand CZK and resources for other personal expenses were reduced by 416 thousands CZK (final limit 1,063 thousand CZK). The respective reduced resources (485 thousands) were transferred to employees' wages. These resources for wages were intended for employees who participated in preparation and processing of documents for the new CTIA conception. The final limit of wage funds was 146,350 thousand CZK (i.e. average monthly paid wage was 28,231 CZK when the calculated number of employees was 432).

Besides the above mentioned limits, resources were increased by 889,040 CZK, out of which the amount of 772,800 CZK was used for wages and 116,240 CZK was allocated for other personal expenses. This increase of wages funds limit was a partial cover of wage expenses for the operation of the European Consumer Centre which is organizationally integrated into CTIA.

The total amount available for payment of wages was 147,122,800 CZK, for other personal expenses the maximum amount was 1,179,240 CZK, and resources for compensation payments amounted to 1,925 thousand CZK. Including this increase, the limit of wage funds was 150,227,040 CZK.

The use of the wage funds limit in 2011 amounted to 150,205,187 CZK, out of which wage payments amounted to 147,122,800 CZK while the average recalculated average number of (really working) employees was 430. The actual average monthly paid wage was 28,512 CZK per 1 employee.

Funds allocated to other personal expenses amounted to 1,157,645 CZK; compensations payments to 26 employees amounted to 1,924,742 CZK in total.

Training of employees

In 2011, training for employees of the Czech Trade Inspection Authority focused on raising professional qualification of inspection officers – executive inspectors and other employees, especially in the field of legislation, communication skills, information technologies, and foreign languages.

The CTIA employees also participated in courses organized by the Institute for Public Administration Prague (IPAP) which provides trainings for employees who execute public administration in administration bodies. The IPAP follows the Resolution of the Czech Government dated November 30, 2005, No. 1542 on the Rules of Employee Training in Administrative Authorities. The execution of activities provided until 2010 by the Institute of State Administration (ISA) was transferred to the IPAP which caused that the trainings are not provided free-of-charge anymore. The Institute of State Administration as a new department of education, personal development and psychological services by the Ministry of the Interior of the Czech Republic nowadays provides mainly preparation sources for the ECDL exam (European Computer Driving License).

Increasing professional qualification

Specialized courses and seminars focusing on application of individual statutory orders within methodical activities, adopted to execute Acts No. 22/1997 Coll. on Technical Requirements for Products and No. 102/2001 Coll. on Gen-

eral Safety of Products were oriented mostly on the following inspection commodities (for comparison see the table below):

- Electric devices
- Toys
- Pressure devices
- Medical devices
- Construction products
- Telecommunication devices
- Risk analysis
- Measuring tools, scales
- Government Regulation on emissions
- E-Import
- Road restraint systems
- Laser pointers
- Safety of ladders
- Reflexive clothing and accessories

Other specialized seminars were focused on

- Intellectual property
- Unfair commercial practices
- Travel agencies' services
- Consumer credit
- Regulation of advertising
- Wastes and air

Number of employees participating in training courses

The courses 'Basics of Communication within Inspection' intended for new employees-inspectors continued in the second phase and were focused on factors influencing success of communication, communication techniques, social skills, communication barriers, styles of

conduct and types of communication, conflicts and their resolution, use of assertiveness in the inspection practise and so forth. 37 employees attended these courses in total.

Selected employees participated in the course Media skills and a seminar titled Ethics and Image was provided within management education.

Training courses by the Institute for Public Administration Prague

In 2011, totally 92 employees participated in courses organized by the Institute of Public Administration Prague according to the *Rules for Training Employees of Administrative Authorities*. They received a certificate about successful participation in program of initial training and further education.

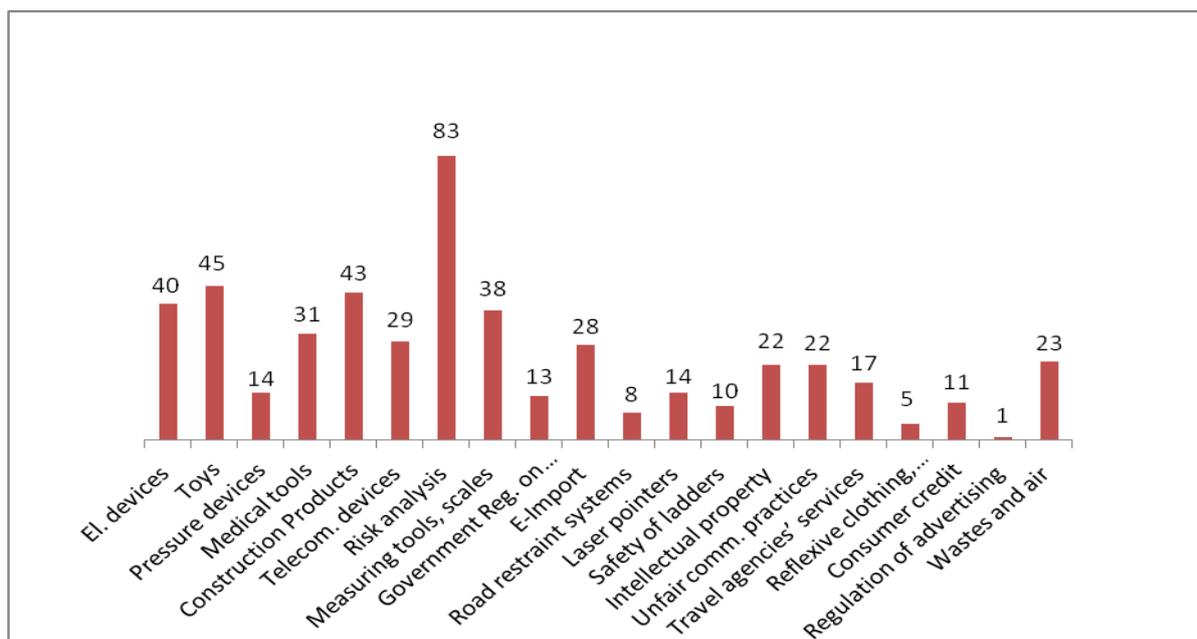
These courses were held:

Initial training (16 employees)

- Initial training - advanced

Further education – management training (31 employees)

- Communication skills
- Conflicts and their resolution
- Assertive conduct in practice
- Officer's image
- Social representation skills
- Basic rhetoric
- Communication in crisis management
- How to improve work performance



Advanced training – training in other fields (45 employees)

- Analytic elaboration
- Principles of correct official correspondence
- Administrative Code
- Electronic Document Filing Service
- Classification and depreciation of property
- Act on Employment
- Anti-discrimination Act
- Act on Free Access to Information

Other specialized courses and seminars

Selected employees participated in specialized courses and seminars organized by educational agencies and institutions that focused especially on new legislation in the following fields:

- Industrial relations (currently concerning Labour Code in 2011, Labour Code after January 1, 2012),
- accounting in state administration (long-term property, provision of travel expenses, accounts 2011, asset inventory and state's asset management, budget structure 2011, VAT in state bodies, Fund of cultural and social needs and social funds, property classification and technical assessment, accounting reform, accounting of EU grants, modifications in accounting for 2011, consolidation of accounting, evaluation of property, financing of the state and related reforms and so forth).

Mostly employees of the Legal Department participated in specialized courses focused on

the Act on Public Contracts, Code of Administrative Justice, commercial law and contracts, private law after rectification.

At the same time, trainings on safety and protection of health at work, fire protection, and trainings of drivers were held.

Four employees succeeded in the project "Increasing Computer Literacy of Administrative Bodies' Employees" (ECDL – European Computer Driving Licence).

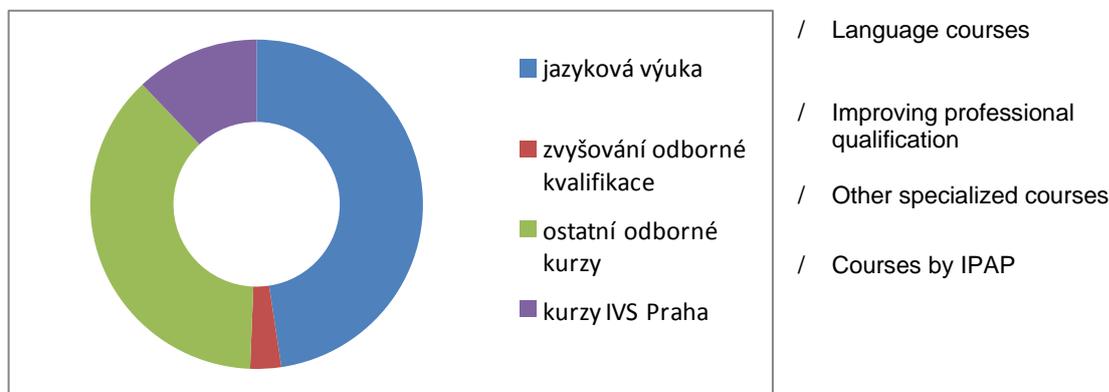
Learning foreign languages

Employees who use foreign languages at work were able to join language courses to improve or maintain their language skills. That concerned mainly English lessons which are held at all inspectorates, including the General Inspectorate, and also German courses which are held at the Plzeňský and Karlovarský Inspectorate. With regard to austerity measures, these courses were terminated in some inspectorates in the second half of 2011.

Language courses were provided by external specialized agencies or by language schools. In 2011, 86 employees in total attended the courses. Selected employees participated in intensive one-week English language courses in Prague.

Expenditure on education

In 2011, training of employees amounted to 944,061 CZK in total: raising professional qualification 28,440 CZK; courses by IPAP 113,790 CZK, other specialized courses and seminars 352,395 CZK and language courses 449,436 CZK.



PUBLIC RELATIONS AND MEDIA PRESENTATION

In 2011, situation stabilized in the field of communication with the public and provision of information to the media. The new management's open media policy contributed to the stabilization when it published - after several years of refusing to provide required information and subsequent suits against the previous management of the CTIA - the required information concerning all filling stations that failed controls of fuel quality in 2010. Furthermore, on the grounds of requirements by various media, the management published other lists of checked and fined entrepreneurs in the field of public alimentation and taxi services. Within the whole year, press releases were published on the CTIA website to inform both consumers and entrepreneurs about findings in the internal market as well as advices how to avoid risky purchases of products or services.

In 2011, 128 press releases and information were published to become sources for television and radio stations, dailies, magazines, and online information websites. The overview of monitored topics shows that various national and international media presented almost 3,500 news, articles, reports and other information concerning both surveillance and inspection activities of the Czech Trade Inspection Authority, or stemmed from the published press releases. Information about fuel quality inspections and results of specialized technical controls were also used by specialized magazines.

Among CTIA's topics, reports on fuel inspections were published most frequently in the media as well as lawful decisions on fines imposed for selling poor quality fuel. The media were interested also in partial results of control actions and projects as well as in warnings against dangerous products detected in the internal market. These warnings concerned especially toys, faulty baby-care products and products interchangeable with groceries or electronic devices.

Besides press releases about centrally managed actions, e.g. controls of provision of consumer credit, sales actions and discounts, unfair commercial practices (sale of fakes and copies), presentation events and various services, also regional reports of actions conducted by individual inspectorates were presented. They concerned various international, national or regional exhibitions, fairs and festivals (e.g. Flora Olomouc, Zahrada Čech in Litoměřice,

NATO Days in Ostrava, Chodské slavnosti in Domažlice, wine festivals, farmer fairs, and stock markets).

Many press releases also included advices for consumers how to avoid risky situations in the market or how to solve them, especially if the findings concerned breaches of the Act on Consumer Protection or enforcement of consumer rights regulated by the Commercial Code. CTIA representatives were regular guests in various programmes of all television and many radio stations (programmes on economics, consumer advice or discussion programmes concerning inspection and surveillance activities of the CTIA).

Throughout the entire year, contacts with professional associations of entrepreneurs and consumer associations were newly established and maintained. Many presentations, lectures and "round tables" were held in which managers and lawyers participated and which contributed to clarification of disputable situations within inspection activities and introduced inspection procedures and enriched knowledge of these associations' members and consumers and presented legal opinions of the CTIA.

The Czech Trade Inspection Authority presented its activities at four press conferences. At one of them which was organized together with the Ministry of Industry and Trade it published the first list of filling stations where poor quality fuel was detected. The second press conference was organized together with the Ministry of Regional Development and it was dedicated to tourism and unfair commercial practices of some travel agencies and tour operators. The third press conference presented a common control action performed together with the Czech Anti-Drug Centre in Western Bohemia, and the fourth one, organized together with the magazine dTest, concerned information and warnings against practices at presentation events and other current topics.

Cooperation with the consumer association Test was not limited only to the common press conference, We also supported its educational activities focused on seniors including the distribution of the brochure "Jak nepadnout do pasti" ("How to avoid getting trapped") and together we look for other ways how to protect consumer rights more effectively as well as how to enhance consumers' legal literacy.

EUROPEAN CONSUMER CENTRE

The European Consumer Centre (ECC) originated in 2005 within the Ministry of Industry and Trade and since January 1, 2009, it has operated within the CTIA. It provides information to Czech consumers about their rights associated with shopping in other EU countries and it helps them resolve disputes with sellers of goods and providers of services from other countries of the European Union, Norway and Iceland. The ECC activities are financed by the European Commission and the Czech Trade Inspection Authority. ECC is not authorized to deal with disputes of Czech consumers with Czech traders.

In solving disputes, ECC CZ lawyers cooperate with their colleagues from the European Consumer Centres' network (ECC-Net) which has 29 members; besides EU member states, these are also Norway and Iceland. In 2011, the Czech ECC answered 685 information requests and it helped to resolve in out-of-court settlements 403 consumer disputes and complaints that most frequently concerned online shopping, air transport, accommodation services, purchase and rental of vehicles and so on. With the total of 1,088 contacts, it noted a significant increase comparing to the year 2010 when it had 767 contacts in total. The success rate of the Czech centre in resolving well-grounded cases is ca. 70%. The increase in contacts was caused above all by consumers' information requests concerning so-called web traps. These cases cannot be resolved directly by the ECC which can only recommend further steps.

ECC employees also participate in the creation of European legislation (upcoming directive on consumer rights) and in the development of the out-of-court disputes resolution system (ADR) in the Czech Republic, they are involved in public education concerning consumer rights within the European market in the form of lectures and information materials as well as media appearances concerning up-to-date subjects associated with cross-border purchases in Europe, etc.

Within the ECC network, ECC employees participate in joint projects intended for consumers in the European market. In 2011, the most valuable project was the mystery shopping project, i.e. a secret test of European e-shops in which employees of individual ECCs were purchasing online across the borders and after the products arrived, they were withdrawing from the contracts and sending the goods back without giving any reason. The aim of the test was to find out whether the e-shops operators would act in accordance with European legislation. The European Air Passenger Rights Day was another project when on July 7 ECC employees provided information directly to travelers at about 30 airports including the Prague Airport.

INSPECTORATES: CONTROL ACTIVITIES

Středočeský and Prague Inspectorate of the CTIA

The Středočeský and Prague Inspectorate of the Czech Trade Inspection Authority is the largest inspectorate when it comes to the number of inspection officers. In the field of general inspection, it covers the territory of the Capital City of Prague and the Central Bohemia Region and it covers the whole territory of the Czech Republic in the field of technical control. The inspectorate carries out general and technically focused controls, which is also reflected by its structure involving the Technical Control Department and the General Control Department. The above mentioned division and deployment of some employees at other branches of the Czech Trade Inspection Authority imposes higher requirements on organization and execution of the control activities.

In 2011, the Středočeský and Prague Inspectorate aimed its control and surveillance activities especially on actions indicated in the Plan of Inspection Activities of the Czech Trade Inspection Authority for 2011, carried out tasks issued by the General Inspectorate and carried out its own control actions and operative controls when knowledge arising from the market monitoring and consumer notifications was used. All planned control actions were carried out in the required extent.

The Plan of Inspection Activities of the Czech Trade Inspection Authority for 2011 set the annual inspection plan for the following fields:

- **Fuel** – the inspectorate was taking fuel samples at filling stations on the territory of Prague and the Central Bohemia Region. In most cases, lack of operational discipline during fuel transport, especially unauthorized manipulation with fuel during transportation and stocking, was the reason to deficiencies. In 2011, the standard controls of fuel were extended by controls carried out in cooperation with the company SGS Czech Republic, s.r.o. which assessed the monitored parameters in a mobile laboratory immediately after samples were taken. When a particular fuel sample failed the monitored quality parameters, sale of the respective fuel type was immediately banned so that the noncomplying fuel could not be sold anymore and legitimate consumers' interests were protected.

- **Offering or selling of products or provision of services infringing some intellectual property rights**, i.e. "plagiaries", including e-commerce. Controls were carried out above all at the Prague Marketplace in Prague 7, at the Tiskařská Marketplace in Prague 10 and at the SAPA Marketplace in Prague 4. We managed to take many fakes of branded goods also in shops in touristic parts of the city of Prague and in widely visited shopping malls. The controls at the marketplaces were carried out in cooperation with members of the Police of the Czech Republic - Regional Directorate of the Alien Police, Prague Metropolitan Police and members of the Customs Office.

- **Product packages** – controls focused on obligations stipulated in the Act No. 477/2011 Coll. on Packages (e.g. securing of return collection of packages, repurchase of returnable deposit packages) were carried out both at persons introducing packages to the market and persons placing packages on the market.

- **E-commerce** – inspections were carried out mostly on the ground of consumers' notification concerning incomplete information provided to consumers before the purchase or deficiencies in claims settlement of purchased products. The very most cases concerned insufficient, misleading or simply missing consumer information (breach of section 53 of the Act No. 40/1964 Coll., the Civil Code). This information is usually provided to consumers in business terms and conditions, purchase rules or complaints rules available on the websites. Marginally, deficiencies in accepting and settling claims of purchased products or failures to provide Czech manuals were found.

- **Discrimination** – controls were especially focused on race discrimination, discrimination of handicapped consumers and double pricing. Conduct of discriminative manner in the sense of the Act No. 634/1992 Coll. on Consumer Protection was found when a CTIA employee acting as a consumer was not allowed to attend a presentation event organized in a restaurant although on the grounds of an invitation leaflet two seats were reserved.

- **Consumer credits** – the most significant deficiencies were detected in advertising concerning consumer credit; absence of infor-

mation about RPSN was the most frequent insufficiency.

- **Presentation events** – most controls stemmed from consumers' notifications. Within the controls, information which traders are obliged to provide to consumers before concluding contracts was checked. In most cases, traders did not provide proper information concerning how to claim products' defects, including information on how to claim contradiction with the contract of purchase. It was often proved that traders used unfair commercial practices when providing untruthful information to consumers in concluded contracts of purchase. Aggressive commercial practices were also detected at presentation events.

- **taxi services** – with regard to the fact that this service is widely used by the consumer public and especially by foreign visitors throughout the entire year and that providers of this service are often negatively evaluated in the media, inspections were carried out in irregular intervals during the year. Within one control, inspectorate's officers contributed to exposure and arrest of a perpetrator of a criminal act. Breaches of legal regulations were found in 20% of operators. Most frequently, consumers were not informed about the price of the provided service or the price for the service was billed incorrectly.

- **toys intended for children below 36 months of age, for children from 3 to 14 years of age and baby-care products** – controls took place both in classic shops and e-shops. Controls of the respective assortment were mostly carried out at distributors and in case of findings, terminate measures to remedy defects were issued (e.g. in cases when important information connected with the use and maintenance of products and warnings against potential risks were provided only in a foreign language), and subsequently it was checked whether the detected defects were removed. Other controls of toys took place on the grounds of consumers' notifications and also there were controls of toys from vendors – no such toys showed reasonable suspicions of non-compliance with safety requirements.

In the frame of its inspection activities, the Středočeský and Prague Inspectorate also cooperated with other state administration authorities, especially with trade licensing offices, Police of the Czech Republic, Prague Metropolitan Police and Customs Administration, Assay Office, Czech Proof House for Arms and Ammunition and so on. In contrast to

other ways of cooperation, cooperation with trade licensing offices is based on a platform of periodical, annual execution of inspection activities. Common controls are carried out on the grounds of inspection plans prepared by the two surveillance authorities. Cooperation with the Police of the Czech Republic and the Prague Metropolitan Police is realised ad hoc, especially in the frame of taxi cabs inspections and controls of products infringing intellectual property rights. In 2011, cooperation with the Customs Administration was realised especially through professional support by the Customs Technical Laboratory of General Directorate of Customs within controls concerning jewels. In 2011, cooperation deepened with the Prague inspectorate of the State Agriculture and Food Inspection Authority.

In 2011, the Středočeský and Prague Inspectorate was responsible for the control action organized across the entire Czech Republic. Within the controls of public alimentation, most frequently sellers breached the obligation of fair sale (correct billing and sale of products in the correct weight, proportion, and amount) and the obligation to inform about the prices of products sold.

During 2011, the inspectorate carried out control actions focused on the level of services like hairdressers, cosmetics, manicure, pedicure, including supplementary sale, and also in tire services and car services and shops selling bikes and equipment for cyclists. Deficiencies in information obligations concerning prices of products and services were detected within these controls. There were no significant findings within controls in sports equipment rentals. CTIA employees checked also workplaces offering refreshments in hospitals. Defects were found in more than a half of the checked workplaces and most frequently concerned fairness of sale (incorrect billing) and informing about prices of products and services in compliance with pricing regulations.

In 2010, controls of sale of jewellery filled with stones were unsatisfactory and thus they were repeated in 2011 in cooperation with the Customs Technical Laboratory of the General Directorate of Customs. Simulated control purchases were carried out in workplaces in the Prague's centre and after jewels filled with precious stones were purchased, it was proven that traders used unfair commercial practices when providing untruthful information.

Within the controls of product safety, the inspectorate's employees focused on checking

safety of bikes for children and baby-coaches as well as on checking conditions of their distribution and placing on the market. On the grounds of the tests carried out by an accredited laboratory, two dangerous products were found – 1 children bike and 1 baby-coach. It was forbidden to place these products on the market and ordered to withdraw these products from the market.

In 2011, the Středočeský and Prague Inspectorate registered higher number of consumers' notifications (via phone, Electronic Document Filing Service, mail) which were processed in the frame of advisory service. Last year, the inspectorate dealt with 6,895 submissions, i.e. one third of the total 23,057 submissions of the Czech Trade Inspection Authority. Submissions which were out of its scope were transferred to appropriate bodies, most frequently to the State Agriculture and Food Inspection Authority, the Czech Telecommunication Office, trade licensing offices or bodies of general health protection. Submissions in the inspectorate's surveillance competence were re-

solved in the frame of advisory service in the form of a qualified answer or an inspection of the respective subject and subsequent actions.

Most frequently, submissions concerned claims and especially claims concerning mobile phones (failure to meet the time limit for settling the claim, objection to the way the claim was settled) in relation to information obligations and fairness of sale. The number of notifications concerning e-shop operators also increased.

Advisory and Information Service was operated free-of-charge for the consumers throughout the entire year – on work days at the inspectorate's premises and on agreed days at 9 municipal offices in towns of the inspectorate's region (Rakovník, Příbram, Kutná Hora, Mělník, Kladno, Mladá Boleslav, Nymburk, Benešov and Vlašim). On all work days, telephone line of the Advisory and Information Service was also available to consumers in the inspectorate's seat.

Own control actions

Středočeský and Prague Inspectorate of the CTIA – general inspection

Name of the control action	Total number of controls	Number of controls with findings	Number of controls with findings in %
Bikes, equipment for cycling	20	4	20.0
Refreshment in hospitals	20	13	65.0
Action Czech Garnet	16	10	62.5
Hairdressers, cosmetics, manicure, pedicure, supplementary services and products	9	2	22.2

Technical Control Department

Středočeský and Prague Inspectorate of the CTIA

Due to centralization, in 2011 two technical control departments originally seated in Prague and Olomouc were integrated in a single department seated in Prague. After evaluation of the individual departments' activities, the activities were optimized and the number of inspectors was decreased to 30 persons.

Controls were carried out in compliance with the inspection plan of the CTIA for 2011 and they focused on both own planned actions and international (pan-European) actions stemming from the Czech Republic's membership in the European Union and integration in working groups of European surveillance bodies.

Due attention was paid to processing of consumers' complaints concerning product safety (e.g. various household electronic appliances) and devices operated in the field of services (sunbeds, means of public entertainment and so forth). The Technical Control Department (further on referred to as TCD) investigated 202 notifications and carried out further investigations of cases transferred from other inspectorates of the CTIA.

TCD controls were focused on the fields set by procedural regulations to the Act No. 22/1997 Coll. on Technical Requirements for Products and technical inspectors checked compliance with elementary technical requirements for products being placed on the market or put into operation.

Controls focused on compliance with elementary technical requirements in products placed on the market according to the Act No. 22/1997 Coll. were carried out with regard to the complex requirements of the applicable legal regulations (government regulations, European directives), including the Act No. 102/2001 Coll. on General Safety of Products. In most controls, requirements of more government orders related to the particular product; possibly other technical requirements were involved stemming from legal regulations other than the Act No. 22/1997 Coll. This is always taken into account within control actions, and if needed the CTIA cooperates with other state administration bodies.

The TCD officers also participated in projects lead by the General Inspectorate of the Czech

Trade Inspection Authority on the European level, namely in low voltage products – LED (LVD) light sources, reflexive clothing (OOP), electrometers, gasometers (proceeds in 2012), sunbeds (SUNBEDS).

Control actions in 2011:

LED diodes

It was checked whether the inspected products comply with technical requirements on electric safety and magnetic compatibility, in particular whether information including safety instructions are provided to consumers in Czech. In the frame of the control action, 4 types of LED tubes were taken to expert assessment of their features; one type failed the examined parameters according to the appropriate standard (the inspection continues at the importer).

Control of noise emissions from welding generators and electric generator sets

Technical documentation was checked, including the attached "EC Declaration of Conformity" and the EC approval marking. In all subjects, marking of products with the guaranteed level of acoustic performance emitted to their surroundings were checked. Noise emissions were the main objective of the controls, nevertheless the controls were complex. The most frequent defects were distribution of products without the marking of guaranteed level of acoustic performance and without the attached EC Declaration of conformity.

Sources of unfavourable interference sources in telecommunication devices

The inspection was focused on e-shops, marketplaces and shops selling cheap electric appliances and subsequent tracing of distributional channels, manufacturers and importers.

Stress was put on correct marking, namely on presentation of the CE conformity mark on the product or its packaging; if it was a second class device, it was checked whether the class identification mark was presented correctly. By taking a selected product sample and within a control at importer it was checked whether the

product meets appropriate technical requirements.

Shaping machines

It was found that both national and European manufacturers of shaping machines assess conformity in compliance with applicable European directives and government regulations. Individual controls were always carried out complexly with regard to other potential government regulations relating to the respective products. No defects were found.

Lift safety components

This was an inspection of very specifically defined products which are subject to complicity of the notified person's assessment of conformity and which are not normally sold in the retail network. Controls focused especially on lifts manufacturers who use individual safety components in the production. No defects were found.

Gas appliances – hanging tube radiators for industrial use

All checked subjects provided complete technical documentation, including distributors from the EU who provided copies of EC certificates containing results of examination carried out by a notified person.

In 8 type sets, a defect was found – missing information in the operating instructions. It was assessed as a formal defect (information on the necessity to earth the chimney flue situated on the roof of a building as a flash protection).

Protective glasses for motorists and cyclists

Documentation concerning conformity assessment was not inspected because the checked subjects were in the position of distributors. Finalizing and evaluation of the action was left for 2012 when manufacturers and importers shall be found.

Rehabilitation beds

Rehabilitation beds that are qualified as medial tools of the class I unsterile without measuring function were subject to this inspection. In one importer, incomplete technical documentation and EC Declaration of Conformity was found.

Drug tests

The inspection focused on information in Czech provided together with the products. Some distributors used unfair commercial practices by providing untruthful data before online purchases. They claimed that the products are intended to be used in human and to check users as an in vitro diagnostic agent, even though this fact was not provided in the original manufacturer's information attached to the product. Other defects found in distributors concerned labelling and marking of products and accompanying product documentation. In manufacturers, no defects in labelling and marking of products and accompanying documentation were found.

Electrostatic spray guns from the perspective of potential electrostatic discharge as initiation of explosion and fire – Atex products

No collision with the stipulated requirements was found in the checked products. With regard to the environment for which they are primarily intended, this finding is very satisfactory as it indicates that manufacturers, importers and distributors do not underestimate potential risks in this field.

Pressure bins for food products

Pressure bins intended for food products were subject to control, namely lager tanks, bright beer tanks and cylindro-conical tanks. One manufacturer failed to assess conformity in one product type.

Non-automatic weighing instruments – crane weighing scales

Crane weighing scales are specific products which are not commonly sold in retail market network. Only a low number of distributing subjects was detected, namely one importer and two distributors. No defects were found.

Glass in construction industry – insulating glasses

Insulating glasses belong among products that are mostly ordered at glass manufacturers by other producers of aperture fillings, possibly by commercial subjects in the field of glazery. Products are placed on the market on the grounds of contractual relation when they are

subject to a supply of specified technical characteristics concerning insulating glass.

Detected defects concerned obligatory marking of products with the required CE marking and incomplete products' technical documentation provided by manufacturers.

Traffic signs – permanently vertical traffic signs, horizontal traffic signs

The inspection was focused on the respective products with regard to the fact that these products are not distributed in ordinary market network. To the checked products, manufacturers provided technical documentation which among other things contained also accompanying documentation, including manual of use in construction. No serious breaches of legislation were found; there were only formal deficiencies in EC conformity declarations.

Play elements at playgrounds

Operators were checked on the grounds of the provision of section 2 par. 1 of the Act No. 64/1986 Coll. Operators who are aware of potential consequences of injuries at playgrounds in non-compliance with various standards ČSN EN 1176 cooperated on a very good level. Physical check of play elements is carried out using certified templates according to ČSN EN 1176-1. A frequent fault is insufficient impact-absorbing properties which are either missing or have insufficient shock-absorbing characteristics.

Means of public entertainment (MCE) – fun-fair rides, wire centres

On the grounds of experience and facts from the previous years, in 2011, increased attention was paid to products intended for leisure time. Controls were mostly carried out at operators of MCE (with subsequent search for manufacturers/importers) and the Technical Control Department cooperated with authorized professional persons in order to find out the real condition of the operated MCE.

Within the controls it was found that some older rides are maintained wrongly and that their condition worsens when the end of the season closes in. This indicates that controls of rides' technical condition carried out by independent persons (revision technicians) before the season are just formal.

Welded products embedded in buildings – balcony railing

The inspected products – balcony railings – are placed on the market by manufacturers on the grounds of contractual relations and provided project documentation including technical report which sets up technical requirements for products. At the same time, manufacturers also install the products within buildings' revitalization.

Specialized controls carried out by the TCD - tables:

Control actions carried out according to the Measure of the Director General No. 239/2011 through which the Plan of Inspection Activities of the Czech Trade Inspection Authority for 2011 was issued:

Name of the control action	Total number of controls	Number of controls with findings	Number of controls with findings in %
LED lights	24	5	20.8%
Sources of unfavourable interference sources in telecommunication devices	97	2	2.1%
Control of noise emissions from welding generators and electric generator sets	48	6	12.5%
Shaping machines (press-brakes, tubes bending machines, round arch shaping machine, profiles benders, straightening machines, hydraulic-powered and pneumatic presses and dedicated forming machines, plumbing machines, bending rolls, gutter making machines) and so forth	25	0	0
Lifts and components of lifts	10	2	20%
Hanging tubular emitters for industrial use	14	10	71.4%
Protective glasses for motorists and cyclists	2	0	0

Elimination of dangers stemming from incorrect use of a product as a result of failure to meet information obligations			
Rehabilitation beds - control of distribution, products and importers Elimination of dangers stemming from incorrect use of a product as a result of failure to meet information obligations and safety alerts	4	1	25%
Drug tests - control at distributors and producers Checking whether products introduced to the market are in compliance with applicable legislation when meeting basic requirements relating to safety of persons.	8	4	50%
Electrostatic spray gun from the view of possible generation of electrostatic discharge as initiation of explosion and fire Checking whether products introduced to the market are in compliance with applicable legislation when basic requirements relating to safety of persons are met.	8	0	0
Pressure bins for grocery products	19	2	10.5%
Weighs with non-automatic operation - control of production and sale of crane weighing scales Checking whether products introduced to the market are in compliance with applicable legislation when meeting basic requirements and labelling with defined metrological marking.	10	1	10%
Glass in construction industry - insulation glasses according to EN 1279-5+A1:2008. Checking whether products introduced to the market are in compliance with applicable legislation when basic requirements, including abidance with other laws and standards relating to these products, are met.	20	9	45%
Traffic signs according to ČSN EN 12966, steady vertical traffic signs, horizontal traffic signs Checking whether products that fail to meet safety requirements, including abidance with other laws and standards relating to these products, are introduced to the market.	38	1	2.6%
Means of public entertainment	12	0	0

Number of controls carried out according to individual government orders in 2011*)

Government Orders implementing Act No. 22/1997 Coll.	Total number of controls	Controls with findings	
		Number	In %
70/2002 Coll., for equipment to carry persons	0	0	0
9/2002 Coll., noise emissions - products	102	13	12.7%
426/2000 Coll., radio and telecommunication terminal equipment	108	55	50.9
27/2003 Coll., lifts	23	2	8.7%
464/2006 Coll., measuring instruments	105	40	38.1%
365/2005 Coll., the emission of pollutants from exhaust gases of spark ignition engines	50	6	12%
17/2003 Coll., low voltage electrical equipment (LVD)	575	146	25.4%
616/2006 Coll., electromagnetic compatibility (EMC)	564	141	25%
176/2008 Coll., machinery	226	22	9.7%
21/2003 Coll., personal protective equipment	49	27	55.1%
173/1997 Coll., selected products	160	71	44.4%
20/2003 Coll., simple pressure vessels	30	3	10%
23/2003 Coll., systems with explosive risk	26	0	0
22/2003 Coll., appliances burning gaseous fuels	27	15	55.6%
163/2002 Coll., selected construction products	163	64	39.3%
179/2001 Coll., refrigeration appliances	1	0	0
336/2004 Coll., medical devices	130	55	42.3%
26/2003 Coll., pressure equipment	80	1	1.3%
453/2004 Coll., in vitro diagnostic medical devices	18	6	33.3%
190/2002 Coll., construction products marked CE	204	71	34.8%
154/2004 Coll., active implantable medical devices	0	0	0
42/2003 Coll., transportable pressure equipment	7	0	0
326/2002 Coll., non-automatic weighing instruments	83	10	12%
174/2005 Coll., recreational crafts	15	4	26.7%
25/2003 Coll., hot-water boilers	0	0	0

**) These are only controls carried out by the TCD, i.e. not with search and investigations in the frame of general control*

Jihočeský and Vysočina Inspectorate of the Czech Trade Inspection Authority

The Jihočeský and Vysočina Inspectorate of the CTIA carried out its inspection activities on the territory of 16,853 km², which is 21.4% of the territory of the Czech Republic. The region is the largest in the country when compared with the other regions in the frame of the Czech Trade Inspection Authority. With the given geographical distribution, longer driving distances are related to the surveillance exercise and also higher demands are connected to it concerning organization and planning of controls.

Commonly as in 2010, priorities for the 2011 inspectorate's inspection activities were controls focused on the level of consumer credits negotiations and intermediation, control of fuel quality and inspection of offering and selling products via means of distant selling. Lower number of controls was carried out in the field of intellectual property rights protection at marketplaces in border regions. The trend stands both on lowered activity of marketeers in the area and the fact that the inspection activity is limited by the application of the so-called permanent surveillance by the General Directorate of Customs (GDC) due to which all such commercial activities are paralyzed long term in the particular localities. With regard to the number of findings, inspections within the summer touristic season were the most successful in the most attractive locations of the region – water dams Lipno and Orlik and the towns of Český Krumlov, Telč and Hluboká nad Vltavou. Controls of secondary raw materials procurement centres showed interesting results. Controls focused on consumer discrimination were carried out operatively and can be evaluated as less contributing. In the frame of the region, no enterprise offering timeshare services was found.

The most successful control action planned by the inspectorate's Director was the check focused on services provided by kitchen studios. High rate of findings proved this decision right.

Outside of the inspection activities' plan, the control activity at the exhibition Země živelka was carried out by the Jihočeský and Vysočina Inspectorate. This exhibition is traditionally focused not only on the show of agricultural technique, but also on sale presentations of consumer goods. Due to the national significance of the event and with regard to the extent of sale and offering of goods, the control

action "Země živelka" is regularly included in the inspectorate's own control activities plan.

Respective trade licensing offices are the only body participating in controls carried out in cooperation with other state administration bodies. These controls can be evaluated positively especially in the connection with fulfilment of the Statutory Order on Lowering Administrative Load of Entrepreneurs. The respective trade licensing offices' increased interest in the CTIA's advisory and information services is another significant aspect of this cooperation which was observed in 2011. Cooperation with other state administration bodies is carried out operatively in the frame of individual control actions or on the grounds of consumer notifications.

During 2011, the inspectorate actively participated in international control actions coordinated by the PROSAFE organization. In concrete cases, conditions of sale of ladders and lighters were checked. As regards the inspection of ladders, samples were taken by the end of the year and will be examined in the Netherlands. Results will be used in the following control's phase which will take place in 2012.

As well as in the previous years, active participation in European information alert systems belonged among the priorities of the inspectorate's activities. New system of planning and execution of controls using object targeting was established within the inspectorate in order to increase effectiveness of search for dangerous products. Detection of selling "electronic cigarettes" at the marketplace in Studánky was an example of successful search for a product filed in the Rapex system. In another case, the product "helmet for cyclists Qku" was filed in the Rapex system database on the grounds of its assessment.

In the field of inspection of specified products, the inspectorate carried out surveillance within national actions managed and planned by the General Inspectorate. Most significant deficiencies were found in information obligations concerning water toys. Also actions focused on glass in construction industry and traffic signs can be evaluated as beneficial. However, only a few commercial subjects in the respective field were found as a result of the narrow focus of this activity. A control action aimed at toys

from vendors showed minimal interest in this way of toys selling within the region.

As regards actions focused on general safety, the inspection of sale of children bicycles was most successful. Apart from the centrally managed actions, the inspectorate detected deficiencies in velocity guns Vecto after a consumer's notification. The consumer stated that somebody was injured when manipulating with this product. The respective product was taken and assessed as dangerous. This case was transferred to the appropriate inspectorate for further investigation.

Another product called Pirate box was assessed as dangerous on the grounds of a test laboratory's assessment and the inspectorate's own analysis. The case was transferred to the appropriate inspectorate for further investigation.

Last year, the inspectorate's activity was positively influenced by the fact that no events influencing its operations appeared during the year. On the contrary, the increasing level of technical equipment contributed to the good results. In terms of human resources, the inspectorate is stabilized.

The Jihočeský and Vysočina Inspectorate of the CTIA

Name of the control action	Total number of controls	Number of controls with findings	Number of controls with findings in %
Services at sport events - interior	16	3	18.8%
Marketplaces in border regions	57	57	100%
Winter touristic season at Šumava and Vysočina	27	10	37%
Action the Země živelka exhibition ground	111	49	44.1%
Kitchen studios (of the Plan of CTIA Activities)	18	16	88.9%
Mechanic of seating furniture (of the Plan of CTIA Activities)	19	7	36.8%

Plzeňský and Karlovarský Inspectorate of the CTIA

In 2011, the inspectorate's inspection activities were carried out according to the Plan of Inspection Activities of the Czech Trade Inspection Authority. In the first place, the activities composed of centrally managed control actions and reflected significant societal topics in the field of consumer protection. Attention was also paid to appearance of dangerous products, protection of intellectual property rights, provision and intermediation of consumer credit, e-commerce or presentation events which were the most frequent objects to consumers' notifications in 2011. During the year, controls focused on local or regional specific matters were also carried out. Resolution of consumers' submissions and advisory service and information activities regularly provided in 8 other larger cities of the West Bohemian Region belonged among the most significant activities.

In 2011, inspectors of the Plzeňský and Karlovarský Inspectorate of the Czech Trade Inspection Authority carried out 7,264 controls. Breaches of legal regulations supervised by the Czech Trade Inspection Authority were found in 2,629 controls, i.e. 36.2%. In total 2,336 fines amounting to 9,749,500 CZK were imposed for the detected defects on the spot or in administrative proceedings and in total 71 protective measures were issued.

Controls aimed at offering, selling and stocking of products infringing some intellectual property rights were one of the most specific fields of activities. Regular inspections at 11 marketplaces in border regions of both the Plzeňský and the Karlovarský Regions were carried out in cooperation with the Police of the Czech Republic, but inspectors also paid attention to ordinary shops where there is a higher risk of fakes selling. Last year, 12% of the overall inspection capacity was used for the protection of some intellectual property rights. In total 56,785 pieces of fakes of various products of a number of trade-marks were confiscated. Despite this number it is possible to consider the current state as improvement in comparison with the previous years because systematic surveillance and better possibilities to identify sellers at stalls helped reduce or totally eliminate selling of fakes at most marketplaces.

Good results were also achieved within other national control actions concerning, for example, secondary raw materials procurement

centres (detected defects: failure to inform about the price of secondary raw materials to be procured and damage to consumer caused by incorrect billing of procurement prices), control of taxi services (taximeter was not switched on, failure to inform the customer about the service price and billing of higher price). Findings were transferred to appropriate municipality departments of transport. Inspections of intermediaries and providers of consumer credit showed failures to meet important information obligations in three quarters of the checked subjects. Screening of e-shops operations played a significant role. More than half of the controlled subjects failed the conditions stipulated for this way of selling. Most frequently, unfair commercial practices were used when consumers were provided with incomplete or incorrect information and products infringing some intellectual property rights were sold instead of the declared original products. Unfair commercial practices were detected also at the so-called presentation events. During the year, continuous inspection of fuel quality was carried out and 5.3% of 302 fuel samples taken at filling stations in Western Bohemia failed the quality parameters.

Throughout the entire year, the inspectorate was checking specific distributed products in accordance with the Act No. 22/1997 Coll. on Technical Requirements for Products as amended. The inspectorate significantly contributed to results of the national inspection of toys which was supplemented by specific controls of toys from vendors and water toys. In total 288 controls were carried out and in 116 cases (40.3%) unmarked products and products without manuals or safety warnings were found. In the retail network, 21 types of products that could potentially endanger children's health and lives because of clearly dangerous features were detected. These products were, for example, sliding vehicles and three-wheelers with construction defects, wooden toys with small easy-to-separate parts which might cause choking. Excessive rate of phthalates was detected in most of the checked water toys. The controlled persons were imposed protective measures (ban on placing the product on the market or their distribution and order to inform the consumer public about the risk). Deficiencies were also detected within the control of aerosol sprayers – above all, manuals and safety warnings in Czech were missing.

In 2011, the inspectorate organized several of its own targeted controls focused on sale and provision of services at various cultural events of regional significance – e.g. Chodské slavnosti, Struny na ulici in Pilsen, various fairs, historical fairs, or events of international significance, above all the International Film Festival in Karlovy Vary. The most frequent breaches of the Act on Consumer Protection were failures to inform about the prices of offered products, incomplete information provided to consumers about the assortment, incorrect billing or failures to provide the declared amount or weight, and use of uncertified measuring tools.

The inspection carried out in cooperation with the Customs Technical Laboratory of General Directorate of Customs belonged among successful actions. Use of unfair commercial practices was detected within sale of jewels decorated with Czech garnets. Jewels were decorated with garnets; however, these were not the indicated Czech garnets. A glass imitation of Czech garnets was repeatedly detected in one shop.

In the end of the year, an action focused on Christmas light chains was organized and 14 types of products which were sold by foreign traders posed risk to health and life. One of them had already been filed in the Rapex system before the action was carried out.

The inspectorate carried out in total 3,147 controls in which it focused on observance of the Act No. 102/2001 Coll. on General Safety of Products and consumer health protection. The controls concerned especially lighters of unusual shape, the so-called 'novelty' which can attract small children, lighters without child safety locks, laser pointers violating the maximal performance of the respective class, children bikes equipped with only one breaking system (there is a high risk that a child would not manage to stop the bike and would be injured when crashing into a barrier) and a baby-coach whose construction features could cause baby's injury. The findings also concerned products which are dangerous due to their interchangeability with groceries.

Issuing binding opinions for customs offices in the sense of section 13 par. 5 of the Act No. 64/1986 Coll. was a significant part of the inspections activities. In 2011, 8 notices by the customs office about suspension of release of goods to free circulation were received. In all the 8 cases, the checked samples failed the stipulated requirements. In 5 cases, these were products defined in the sense of the Act No. 22/1997 Coll. (4 times electro, once personal protective equipment) and in 3 cases these were products according to the Act No. 102/2001 Coll. (twice shoes and once a soft-ball gun).

When executing inspection activities, the inspectorate cooperated with other state administration bodies. Most of the controls were carried out together with trade licensing offices; regular monitoring of marketplaces in border regions was organized together with customs offices and the Police of the Czech Republic. Controls of waste procurement centres were carried out together with the Czech Environmental Inspectorate and controls of non-automatic weighing instruments were carried out together with the Czech Metrology Institute. Radio and telecommunication devices were checked in cooperation with the Czech Telecommunication Office. Pyrotechnics at marketplaces in border regions were checked together with the Czech Proof House for Arms and Ammunition. Cooperation with all these bodies also included exchange of information concerning the controlled subjects in order to eliminate double work within the inspections.

In 2011, 1,237 submissions, i.e. notifications and information requests, were received from consumers. Other 2,482 questions were answered on the phone. Information requests concerned unsettled or rejected claims, notifications targeted at using unfair commercial practices in e-shops or at presentation events, failures in product pricing, and unfairness of product sale. In comparison with the previous years, the number of notifications concerning fuel quality increased.

Plzeňský and Karlovarský Inspectorate of the Czech Trade Inspection Authority

Name of the control action	Total number of controls	Number of controls with findings	Number of controls with findings in %
Local cultural events	24	12	50%
Film Festival Karlovy Vary	56	19	33.9%
Trade requiring professional competence	11	1	9%
Afternoon and evening premises of public alimentation, bars, gaming-houses	67	25	37.3%

Ústecký and Liberecký Inspectorate of the CTIA

The inspectorate's inspection and surveillance activities in 2011 were above all determined by the Plan of Inspection Activities of the Czech Trade Inspection Authority and other tasks set by the General Inspectorate. This major activity was supplemented by inspectorate's own regional control actions and operative inspections within which knowledge from market monitoring and consumer notifications was used. The inspection activities were carried out according to their focus in ordinary working hours and also at night and during free days and holidays.

All through the year, the inspectorate organized all inspection actions in compliance with all appropriate Orders to Control. Permanent attention was paid to inspection of toys intended for children, e-commerce, monitoring of fuel quality, of fakes and plagiaries and searching for products filed in the Rapex system.

The inspectorate paid special attention to presentation events. It was detected that visitors of such advertising, presentation and sale events, especially seniors and consumers of higher age are offered various fiction advantages, discounts, and prizes. In some cases we can speak about oral pressure on participants to force them to conclude sale contracts. Such conduct of sellers towards the events visitors was unethical and amoral. During 2011, inspectors participated in 79 controls focused on compliance with the ban on use of unfair commercial practices at these events. In 75% of these controls, inspectors found deficiencies based on which fines in the total amount of almost 1.5 million CZK were imposed.

The inspectorate carried out five control actions on its own which were not included in the Plan of Inspection Activities and later last year there was a control focused on provision of services within the sale of Christmas assortment and fun pyrotechnics. One of the control actions was held at the gardening fair Zahrada Čech in Litoměřice where not only products for gardeners are exhibited and presented, but where also products are sold directly to consumers.

Cooperation with 23 trade licensing offices was beneficial in the frame of common controls which were discussed and planned within regular negotiations on the level of directors of

the CTIA inspectorate and the Regional Trade Licensing Office. The cooperation has permanently been on a good level. Effective cooperation is also within the controls focused on sale of radio-controlled toys with the Czech Telecommunication Office – defects were found repeatedly, e.g. sale of toys with unauthorized frequency, toys not labelled with the CE mark or products without the declaration of conformity. Cooperation with the Department of Investigations of the General Directorate of Customs is used mostly in the field of controls of fakes and plagiaries. The cooperation is on a good level and it fully meets the needs of both the bodies. The Police of the Czech Republic are another cooperating body. The safety of inspectors during evening and night controls of workplaces and at presentation events is ensured by the Police which also participates in the controls focused on breaches of some intellectual property rights.

The inspectorate also participated in international projects – controls of lighters and ladders. Samples of both the commodities were taken for laboratory tests of safety. Laboratory examinations showed that the samples of lighters were not in conformity with the requirements of safety specification stipulated in the appropriate European standard. Placing of 24,680 pieces of lighters on the market was banned in the sense of the Act on General Safety of Products and the importer was imposed a fine.

Ten risky products were found when inspectors were searching for dangerous products filed in the Rapex system. Protective measures were issued in all cases and the products were withdrawn from the market.

A control of products that are placed on the market was focused on toys, namely on children bikes, water toys and toys from vendors. Deficiencies were found especially in water toys – the inspection repeatedly showed deficiencies in product marking with obligatory warning about the way of use.

Totally 18 samples of products were taken for general safety assessment including 5 samples which failed requirements of appropriate regulations – 2 types of water toys showed excessive amount of phthalates; lighters failed requirements on flickering; children's sport shoes showed excessive smell and battery

chargers failed the standard's requirements on isolation of inner conductors. Samples of 6 types of wooden pellets were taken with the intention to check radionuclide content in ash because the product was filed in the system of risky products Rapex. Excessive amount of radioactive fumes was not detected in the taken samples.

In 2011, the inspectorate received 1,034 consumer submissions which were used for the CTIA's inspection activities, other 887 information requests were answered in written and ca. 7,000 information requests were answered on the phone or personally at inspectorate's

contact points. The submissions and information requests mostly concerned claims, suspicions of deceitful commercial practices when concluding contracts negotiated out of business premises and contracts concluded online.

Besides the targeted controls in the field of consumer protection and general safety of products, information and advisory service was operated at 11 centres of the Ústecký and Liberecký Regions with the objective to provide professional service to the wide consumer public. In 2011, no consumer asked for information according to the Act No. 106/1999 Coll.

Ústecký and Liberecký Inspectorate of the CTIA

Name of the control action	Total number of controls	Number of controls with findings	Number of controls with findings in %
European Youth Olympics	19	6	31.6%
Weight of pastry	24	5	20.8%
Common controls with the Polish Inspekcja Handlowa	3	3	100%
Exhibition Zahrada Čech in Litoměřice	23	4	17.4%
Winter season in Krušné a Jizerské mountains and Krkonoše	87	26	29.9%

Královéhradecký and Pardubický Inspectorate of the CTIA

The inspectorate's inspection activities were set above all by the Plan of Inspection Activity of the Czech Trade Inspection Authority and other tasks set by the General Inspectorate and supplemented by the inspectorate's own control actions and operational controls within the region. The inspectorate also paid attention to investigations of consumer notifications, controls of toys, consumer credit, e-commerce, monitoring of fuel quality, fakes and search for products filed in the Rapex system.

Frequent consumer notifications concerning intermediaries of consumer credit influenced the number of controls in this field. Frequent findings showed missing obligatory information in advertisements in which intermediaries failed to inform about interest rates, RPSN and about the fact they are just intermediaries and not credit providers. Some controlled persons failed to provide cooperation when inspectors were searching for evidence of required information.

At presentation and sale events, use of unfair commercial practices and failures to provide information about conditions for exercising the liability rights for defects were the most frequent findings.

Besides the plan of inspection activities, the inspectorate carried out 13 controls on its own which stemmed from needs of its region. Inspectors carried out controls at the fairs in Broumov, Potštejn, Chrudim, Heřmanův Městec, at sport events Velká Pardubická and Zlatá Příkladba, 300 zatáček Gustava Havla in Hořice, Air Show CIAF in Hradec Králové, and Slavnosti Královny Elišky and the fair Svět dětí in Hradec Králové.

The inspectors checked selling of small household appliances, e.g. shavers, cutters, nail grinders, bedside lamps, radios, Christmas chains, doorbells as well as aerosol sprayers. 375 types of aerosol sprayers were checked; warnings and safety rules were missing in 89 cases and products were not marked with the required "3" mark. Another own control was focused on minor services – tailors, photo services, cleaners, tinsmith shops and producers of promotional items. Defects were found in more than a half of the checked workplaces. Above all, written confirmation about the acceptance of an order with all accessories was not issued. By the end of the year, the atten-

tion was focused on sale of Christmas trees, pyrotechnics and fish. Defects were repeatedly found in fairness of fish sale. Defects in household appliances concerned missing manuals of use and maintenance or safety instructions in Czech. Protective measure was issued on a LED Christmas chain which posed serious risk of fire and injury by electricity due to several technical deficiencies, e.g. conductor cross section, length of the power cord and so forth.

In 150 controls, the inspectorate operatively cooperated with trade licensing offices and found breaches of legal regulations in 43.3% of cases. During the year, it also cooperated with the Czech Metrology Institute Pardubice and with the Police of the Czech Republic.

The inspectorate participated in international projects on inspections of lighters and laser pointers. Sale of 534 pieces of laser pointers was banned because of missing safety information for consumers. Four samples were taken to laboratory checks of safety, but the conclusions of taken laser pointers' assessments have not available, yet. Inspectorate's employees assessed lighters in 10 cases. The inspectorate's director then imposed ban on placing these products on the market because these were lighters of the type novelty whose shape can attract children's attention.

Nine risky products were found when the inspectorate was searching for dangerous products in the frame of the Rapex system (toys, candles, electronic cigarettes). In all cases, protective measures were issued.

Inspection of specified products placed on the market was focused especially on water toys and toys from vendors. Deficiencies found especially in toys intended for use in the water repeatedly concerned failures to mark products with obligatory warnings about the way of use. Two toy types failed due to excessive amount of phthalates – this finding was transferred to the authority of hygiene service which shall issue measures.

Inspection of distribution of protective tools for cyclists and motorists also showed insufficient consumer information in the respective products.

General safety of products was assessed in 14 taken samples of products (baby-coaches, lighters, candles and products interchangeable with food – air refreshers). Totally seven samples failed the appropriate standards' requirements – novelty lighters, air refreshers and candles due to their interchangeability with groceries and a baby-coach because of inconvenient restraint system and spaces exceeding the range stipulated in the standard.

Cords and laces which posed risk of child's strangulation were the most frequently found deficiencies in children's clothing.

In 2011, the inspectorate received and executed 1,559 submissions including 616 notifications and 943 consumers' information requests. Other ca. 3,000 submissions and information requests were answered on the phone or personally. Most frequently, they concerned claims, deceitful commercial practices when concluding contracts negotiated out of business premises and e-commerce.

Královéhradecký and Pardubický Inspectorate of the CTIA

Name of the control action	Number of control actions	Number of controls with findings	Number of control with findings in %
Sale of household appliances	9	8	88.9%
Aerosol sprayers	196	156	28.5%
Services providers and contractors	29	17	58.6%
Slavnosti královny Elišky and Air Show CIAF	11	6	54.5%
Potštejnská pouť	9	6	66.7%

Jihomoravský and Zlínský Inspectorate of the CTIA

In 2011, the inspection activity stemmed above all from the Plan of Inspection Activities of the Czech Trade Inspection Authority for 2011 and was operationally supplemented by controls stemming from consumer submissions, controls carried out together with trade licensing offices and other administrative bodies in the frame of the on-going cooperation. The Jihomoravský and Zlínský Inspectorate performed more than 7,000 controls and found breaches of legal regulations in almost 35% of cases.

Actions on the ground of Orders to controls issued by the General Inspectorate were prior in the frame of inspection activities for 2011. Above all, controls of fuel quality were carried out – in total 336 samples were taken on the grounds of regular market monitoring and consumer notifications. Some takings were also carried out with the use of a mobile laboratory. 8 samples, i.e. 2.4%, failed the appropriate technical standards' requirements.

Offering and selling of products or provision of services infringing some intellectual property rights was another field which was continuously checked. Controls were especially focused on marketplaces in the border region Hatě and were mostly performed in cooperation with the Alien Police of the Czech Republic. Very good results were achieved when inspectors from other inspectorates participated in the controls. Such cooperation with other inspectorates proved to be beneficial because marketeers have already remembered the inspectors of the Jihomoravský and Zlínský Inspectorate. One control was also successful thanks to the fact that it followed a morning inspection carried out by the Customs Administration and sellers did not expect one more control on the same day. They re-opened all the stalls and offered other fakes again. In ordinary shops, fakes were found in lower rates. In the frame of e-commerce, 71.7% of the checked e-shops breached legal regulations. The breaches mostly concerned incorrect information stated in their commercial terms and conditions.

In the field of discrimination, the inspectorate's employees managed to prove a number of findings: race discrimination within the provision of accommodation services, discrimination on websites where products were offered only to a specified group of people. In 3 cases, discrimination was detected in the frame of

presentation events when consumers were expelled from the presentation event because they did not correspond with the age of the target group of consumers. Breaches of the new Act on Consumer Credit which came into force in 2011 were found in 46.3% of controls carried out both at credit providers both at intermediaries. After one year of operation of the Act on Consumer Credit, we can say that most providers are familiar with their obligations, but still there are many intermediaries who do not know their obligations or they have not managed to cope with them.

In the frame of other activities, controls were focused on provision of services in the summer and winter touristic seasons when breaches of legal regulations were detected in about 30% of cases. Using uncertified measuring tools, incorrect weight or amount, failure to inform about prices, and incomplete information provided on bills of purchase were typical defects. Controls of toys from vendors showed deficiencies in information obligations. The surveillance authority informed sellers that these toys shall be sold in compliance with the appropriate legal regulations.

Cooperation with Customs Offices was used especially in the field of free movement of goods and product safety. Statements on elimination of placing products on the Czech market were issued in 6 cases and import of products to the country was banned in other 3 cases. In one case, it was not recommended to let a product into free circulation because it failed requirements on marking and technical construction. In two cases, it was recommended to get the declaration of conformity before letting the product into free circulation.

In terms of cooperation, we need to stress trade licensing offices, the Czech Telecommunication Office, Czech Metrology Institute, Czech Environmental Inspectorate, Police of the Czech Republic, Alien Police. Our common operations enabled inspection of more obligations at once without the necessity to load the controlled persons repeatedly. In the Jihomoravský Region, cooperation with the Czech Telecommunication Office was on a very good level. Its measuring equipment was used by the inspectorate to prove breaches of legal regulations and in return the experience of the CTIA inspectors was used to prove

breaches in the inspection competence of the CTIA.

In the frame of an international EU project, surveillance was carried out in the field of laser pointers – breaches were detected in 100% of the controls when warnings were missing within these products. Another project was Lighters II – controls were carried out at distributors and the main deficiency was the failure to provide safety information about the way of use.

One product filed in the Rapex system was found in the market network. Totally 7 samples were taken in the frame of the controls, including 4 product samples taken to assessment according to the Act 22/1997 Coll. on Technical Requirements for Products and 3 samples to assessment according to the Act 102/2001 Coll. on General Safety of Products. Deficiencies were not found in any of the taken samples.

In 2011, the inspectorate received 3,311 written notifications and information requests from consumers. In the frame of advisory and information service, 5,200 information requests were answered either by phone or on the premises.

Inspectorate's representatives actively participated in contact programmes of the radio *Apetit*, commented on cases reported by the Czech TV programme *Černé ovce* and the Czech TV continuously presented the results of the controls performed at Hatě and other control actions in the region. Other information was communicated especially by regional media.

Jihomoravský and Zlínský Inspectorate of the CTIA

Name of the control action	Number of controls	Number of controls with findings	Number of control with findings in %
Night clubs	20	16	80%
Wine festivals	28	8	28.6%
Restaurants with front gardens	29	14	48.3%
Marking of fuel dispensing pumps and shops at filling stations	28	0	0

Moravskoslezský and Olomoucký Inspectorate of the CTIA

Within its inspection and surveillance activities in 2011, the inspectorate was fulfilling the plan of controls scheduled in accordance with the Plan of Inspection Activities of the Czech Trade Inspection Authority. The controls checked the whole spectrum of controlled persons' obligations stipulated in legal regulations in the surveillance or sanction competence of the Czech Trade Inspection Authority.

The inspectorate's tasks stemming from the annual plan of controls scheduled by the General Inspectorate, from the inspectorate's annual control actions, controls planned by inspectorates' directors, in the sense of "Agreements" concluded between the CTIA and other state administration bodies were fulfilled. Inspectors also used their own knowledge and experience from their own control activities, citizens' submissions and information from other state administration bodies. At the same time, the department of general inspection carried out technical controls at distributors in the frame of product safety surveillance, especially in the field of toys.

Special attention was paid to the control of e-commerce where the number of commercial subjects is steadily growing. In 2011, totally 192 controls were carried out in the respective field and the use of unfair commercial practices in the sense of the Act on Consumer Protection was found in 80% of cases. Most findings concerned failures to provide important information, failures to provide correct information about the right to withdraw from the contract and also shortening of the warranty period by the checked vendors.

Controls of the level of services provided in workplaces of public alimentation in restaurants, hotels, bistros, stalls and bars were carried out above the inspection activities plan because defects in this field still last. Defects were found in 46% of sellers. Targeted controls of product sale before Easter showed breaches of legal regulations in almost half of the cases. Defects were found in more than 50% of sellers within the controls of stall sale at sport and culture events. Controls focused on goods and services provided before the All Souls' Day showed that almost 60% of traders breached the law. Regular controls focused on Christmas assortment and on pyrotechnic products didn't bring many findings – breaches were detected in less than 25% of traders.

As well as in the previous years, the inspectorate cooperated with other state administration bodies and especially with local trade licensing offices. The focus of 256 common controls was specified at meetings with the management of regional trade

licensing offices in Ostrava and Olomouc. Good cooperation continues with the customs offices and the Alien Police, especially when searching for fakes, as well as with the Czech Telecommunication Office when carrying out controls of radio-controlled toys, with the Czech Environmental Inspectorate when carrying out inspections of buy-out of secondary resources and with hygiene service bodies with which the concrete field of interest was specified at regular meetings on regional level. Problem-free cooperation continues with the Police of the Czech Republic (controls of public alimentation at nights, controls of taxi services and so forth), Municipality Police, Labour Offices, municipality offices and the Czech Metrology Institute (controls of non-automatic weighing instruments).

Within the controls in the frame of common international projects focused on sale of lighters, deficiencies were found in 50% of cases. Four controls of ladders were also carried out and in 2 cases defects were found. The aim of the control was to map the market for subsequent collection of samples at the beginning of 2012.

Nine risky products were found in the market network when searching for products filed in the Rapex system. Protective measures were issued in all cases and products were withdrawn from the market.

In the frame of the controls of general safety and of specified products, 10 samples of toys, children bikes, a skateboard and a lighter were taken. A children bike and a toy (inflatable pool) were assessed as non-conforming.

The inspectorate accepted totally 1,212 notifications mostly by consumer public. In the frame of advisory and information service, 4,821 information requests were answered orally and 1,723 in written. They mostly concerned claims refused by traders or consumers' dissatisfaction with their settlement.

Controls' results showed a lasting negative phenomenon concerning abidance with the respective legal regulations. The total rate of controls with findings is very high - 37.2%. Infringement rate in inspectorate's own actions which were not included in the inspection plan was even higher – almost 50%.

The inspectorates representatives actively participated in radio broadcasting about consumer protection and lectured on consumer rights at the University of the Third Age and for Salvation Army as well as for Konference Slezských dnů preventivní

medicíny and presented the controls' results in regional newspapers and on television.

Inspectorate's both offices are in touch with local branches of the Consumer Defence Association (SOS) in Ostrava and Olomouc. A Czech Trade

Inspection Authority's representative is a member of the Regional Expert Board of the Czech Consumer Association and actively participates in its meetings and its activities and participates in giving the price of SOS in the Moravskoslezský Region.

Moravskoslezský and Olomoucký Inspectorate of the CTIA

Name of the control action	Total number of controls	Number of controls with findings	Number of controls with findings in %
Action at the Stodolní Street	38	20	52.6%
Action Stations	38	19	50%
Taximeters	10	4	40%
Sale and services at cultural and sport events	19	7	36.8%

CONSUMER PROTECTION – SUMMARY DATA

Consumer protection

On the level of the European Union and its member states, the significance of consumer protection is demonstrated by the fact that it presents a separate policy that has a cross-sectional character. The origins of the consumer protection policy can be dated back to the first half of 1970's when the "EEC Preliminary Program of Consumer Protection" was approved, which became the basis of consumer legislation. The policy of consumer protection aims to ensure a high level of protection of consumer rights, which will be implemented within the entire territory of the European Union and will, therefore, contribute to the efficient functioning of the internal market. An integral part of this policy is the member states' obligation to ensure efficient enforcement of consumer rights on the private law level as well as public law level.

The aim of the Czech Trade Inspection Authority is to ensure a high level of consumer rights. While fulfilling this challenging task, however, it fully respects the principles of free movement of goods and services within the internal market of the European Union. One of the main prerequisites for achieving the given goal is a high quality and unbiased performance of supervisory activities. To a great extent, nevertheless, the quality of supervision also depends on the unification of supervisory procedures and a uniform interpretation of legal rules that govern the consumer protection within the entire organization. With regard to this objective requirement, and with a view to fulfill it, the Consumer Protection Department, which is a part of the General Inspectorate of the Czech Trade Inspection Authority, was newly constituted in March 2011. Its main task consisted of the unification of control procedures and the methodical support of inspection activities. Other activities of the department included the preparation, realization and evaluation of control projects in the field of consumer protection, as well as monitoring of development within individual market areas, and evaluation of the results of controls. Furthermore, the Consumer Protection Department realized and supported the communication of the Czech Trade Inspection Authority with public associations established in order to protect consumer rights, and it co-operated with professional and interest associations of entrepreneurs. At the same time, it participated in the coordination of control activity with other supervisory authorities on the department as well as inter-department level.

Consumer credit

In terms of market branch differentiation, a crucial project was conducted which focused on the control of compliance with generally binding legal regulations for offering, procurement and provision of consumer credit. The year 2011 was crucial for the legal regulation of consumer credit, because on January 1, the new enactment performed by the Act No. 145/2010 Coll., on consumer credit and on amendments to certain acts, which is a transposition of the directive of the European Parliament and of the Council 2008/48/EC of April 23, 2008, on contracts concerning consumer credit and on cancellation of the directive of the Council 87/102/EEC into the Czech law, came into effect. Besides consumer rights, extended and elaborated, the listing of subjects that are affected by this enactment as well as subjects authorized to control its compliance was also extended. The first area includes the determination and placing of obligations on the newly defined subject, which is the consumer credit agent. The second area includes the establishment of the Czech National Bank (CNB) as a supervisory authority authorized to control subjects that mediate and provide consumer credit and that are, at the same time, subjects supervised by the Czech National Bank according to the law on CNB. Another important change in the Trade Licensing Act was that it newly implements and defines the regulated trade "provision or mediation of a consumer credit" including the conditions which must be fulfilled by its provider.

The aim of this project, which was contributed to by all inspectorates of the Czech Trade Inspection Authority, was to check the compliance with requirements for the subjects mediating and providing a consumer credit from the new enactment, starting with advertising, provision of correct information on the consumer credit and its provision, to the control of concluded brokerage contracts and contracts on provision of consumer credit.

In total, 290 controls were carried out within this project in 2011. That presents an inter-annual growth by 134 controls compared to 2010 when 156 controls were carried out. Violation of the Act No. 145/2010 Coll., on Consumer Credit and on amendments to certain acts, was discovered in 141 controls which presents an inter-annual growth of 70 controls. The violation of legal requirements occurred most often in the sphere of advertising which did not fulfill the requirements concerning information that must be provided to consumers in advertising. The results from individual inspectorates are stated in the following table. It states the total number of performed controls and controls

which detected a violation of generally binding legal regulations as well as violation of the Act No.

145/2010 Coll., on Consumer Credit and on amendments to certain acts (credits).

CTIA inspectorate	Number of controls	Number of controls with findings		Number of controls with findings in % (credits)
		in total	credits	
Středočeský and Prague	47	13	7	14.9%
Jihočeský and Vysočina	32	18	18	56.3%
Plzeňský and Karlovarský	33	25	25	75.8%
Ústecký and Liberecký	28	11	10	35.7%
Královéhradecký and Pardubický	51	19	14	27.5%
Jihomoravský and Zlínský	46	29	28	60.9%
Moravskoslezský and Olomoucký	53	43	39	73.6%
In total	290	158	141	48.6%

The impact of the new enactment was unambiguously positive because it affected an area which had not been subject to any special enactment, i.e. in the area of mediation of consumer credit. The result is a limitation of the uncontrolled growth in the number of consumer credits, and also the specification and development of further juridical institutes concerning the provision of these financial services

for the benefit of consumers. The extension of the supervisory competence of state administration authorities enabled a control of providers and their activity. Besides the increase in the number of controls carried out, there has been an increase in the number of controls that discovered a violation of legislation concerning consumer credit.

Controls concerning consumer credit			
Year	Number of controls	Number of controls with findings (credit)	Number of controls with findings in %
2009	174	65	37.4%
2010	156	71	45.5%
2011	290	141	48.6%

E-commerce

E-commerce belongs to a wider group of consumer contracts concluded using means of distant communication which enable the conclusion of a contract without a parallel physical presence of contracting parties. On the level of European Union, the issue of these consumer contracts was legislatively regulated in 1997 by the directive 97/7/EC of the European Parliament and of the Council, on the protection of consumers in respect of distance contracts, which was transposed to our legal order by the Act No. 367/2000 Coll. which changes the Act 40/1964 Coll., Civil Code, as well as some other laws, in effect from January 1, 2001. Legislative enactment of distant consumer contracts, which is presently developing significantly, aims for consumer protection as well as the achievement of harmonization in the sphere of national legal regulation and, thereby, the creation of a space for maximum use of the potential for cross-border online shopping within the common market.

Online shopping is presently a phenomenon with a considerable potential for growth and, therefore, it is an area which will present a wide sphere of activity for traders as well as supervisory authorities. In

terms of commerce, the Internet presents an unlimited virtual space which enables business activities regardless of space and time. For supervisory authorities, it presents a rather demanding sphere for realization of control activities in terms of time, technology, and legislation. Besides the positive aspects, the absence of borders in this virtual space also brings negative aspects in the form of anonymity and inaccessibility of some subjects which operate within the network. These can present an unforeseeable danger and economic risk for consumers. Within the European Union, this eventuality is legally governed by the regulation (EC) No. 2006/2004 of the European Parliament and of the Council of October 27, 2004, on cooperation between national authorities responsible for the enforcement of consumer protection laws ("the regulation on consumer protection cooperation"), through which the discovered violations of this directive can be announced to national supervisory authorities, and those will then take respective measures. In other cases, consumer rights protection on the public-law level is practically unenforceable.

Results that were achieved within this project are stated in the following table. It states the number of controls carried out and the number of controls with

discovered violation of generally binding legal regulations.

CTIA inspectorate	Number of controls	Number of controls with findings	Number of controls with findings in %
Středočeský and Prague	201	159	79.1%
Jihočeský and Vysočina	78	50	64.1%
Plzeňský and Karlovarský	102	53	52%
Ústecký and Liberecký	113	79	69.9%
Královéhradecký and Pardubický	98	83	84.7%
Jihomoravský and Zlínský	237	170	71.7%
Moravskoslezský and Olomoucký	192	155	80.7%
In total	1,021	749	73.4%

The high percentage of controls that discovered violations of generally binding legal regulations can be attributed to the availability of entitlement to operate electronic business without any greater requirements concerning technical security and economic resources, which results in many uninformed subjects entering the market. It also results in the existence and activity of subjects which, on the contrary, have sufficient expert knowledge including technical knowledge, and which try to use this knowledge regardless of laws and consumer rights. An example of such conduct is the offer and retail of products violating some intellectual property rights from unaddressed Internet businesses. Another aspect which significantly influences the percentage of findings is the choice of subjects that are con-

trolled. A rather important role is played by notifications submitted by consumers and by targeted search of Internet businesses performed by competent workers. As for the structure of violations, the most common violation is the violation of the Act No. 634/1992 Coll., on Consumer Protection, or more precisely section 4 of this legal regulation which prohibits the use of unfair business practice. A violation of this regulation was discovered in more than half of the respective cases.

Based on the inter-annual comparison in the following table, it is clear that in the last 3 years there has been a significant increase in the number of controls and the number of discovered violations, which ranges from 69.3 to 73.4%.

Controls of online shopping			
Year	Number of controls	Number of controls with findings	Number of controls with findings in %
2009	488	338	69.3%
2010	590	412	69.8%
2011	1,021	749	73.4%

In terms of the future, therefore, it can be assumed that together with the development of information technologies there will be also a further development of electronic or more precisely online shopping which will create more space for the superviso-

ry activity of the Czech Trade Inspection Authority with, however, higher demands on technical equipment as well as expert knowledge of inspection workers.

Presentation and sales events

The enactment of consumer contracts concluded outside of business premises was implemented into the Czech legislation through the Act No. 367/2000

Coll. which changes the Act No. 40/1964 Coll., Civil Code, and some other laws, in effect from January 1, 2001, through a transposition of the Directive of

the Council of December 20, 1985, on Consumer Protection in the case of contracts concluded outside of business premises (85/577/EEC). The aim of this enactment is the protection of consumers in cases when they are exposed to sales pressure outside of business premises – i.e. in places and situations which consumers do not link to commercial activity and they are, therefore, not prepared for trade negotiations. The unpreparedness of consumers can result in a business decision which they would not make under ordinary circumstances. In terms of trade forms, this concerns mainly the house-to-house selling of goods and services, and the organization of the so-called presentation events, whether these events take place in the consumer's location or the consumer is exposed to such pressure from the seller during a "one day excursion that includes a presentation of products". Regardless of the form of such sales, they have one common characteristic – aggressiveness. In

the case of presentation events, this characteristic is amplified in that this aggressive practice during the offer of goods and services is used towards an especially vulnerable group of consumers - e.g. seniors or inhabitants of smaller geographical units who have limited options for the selection of goods and comparison of utility value and prices of individual products or services. Such activity can lead to a negative impact on consumers' economic interests.

Within its surveillance activity, the Czech Trade Inspection Authority used all possible means to control this business method. Primarily, it focused on the compliance with the prohibition to use deceitful and aggressive practices in the sense of the Act on Consumer Protection, including controls of consumer credit, i.e. contracts concluded during these events. The results of the controls within this project are stated in the following table.

CTIA inspectorate	Number of controls	Number of controls with findings	Number of controls with findings in %
Středočeský and Prague	83	65	78.3
Jihočeský and Vysočina	14	2	14.3
Plzeňský and Karlovarský	13	6	46.2
Ústecký and Liberecký	79	58	73.4
Královéhradecký and Pardubický	17	12	70.6
Jihomoravský and Zlínský	20	14	70.0
Moravskoslezský and Olomoucký	15	7	46.7
In total	241	164	68.1

In terms of proportions of individual findings, the dominant violation was the violation of the prohibition to use unfair commercial practices in the sense of section 4 of the Act on Consumer Protection. In several cases, at the same time, controls discovered discriminatory conduct consisting in keeping consumers (control workers) out of a presentation

event in spite of them being duly registered for the event.

In an inter-annual comparison, the number of executed controls increased by 108 compared to 2010, and at the same time, the number of controls that discovered a violation of respective legal regulations increased by 101.

Controls of presentation and sales events			
Year	Number of controls	Number of controls with findings	Number of controls with findings in %
2009	145	84	57.9
2010	133	63	47.4
2011	241	164	68.1

Controls of the above mentioned form of retail are very demanding in terms of their logistic arrangement and professional competence of inspectors because they require inspectors' high mental preparedness. Inspectors often took part in tense ne-

gotiations with persons who were under scrutiny, and in some cases it was necessary to call the Police of the Czech Republic.

Unfair commercial practices – offer and retail of products or services infringing intellectual property rights

The project focused on the compliance with the prohibition to use unfair commercial practices that lie in an offer and retail of products or services violating some intellectual property rights, as well as storage of such products with the aim to offer them or sell them, is a typical project focused on the compliance with a concrete rule of law which is, however, limited neither by the method of retail nor by the status ranking of industries. The particularity of controls oriented on the sphere of intellectual property rights lies not only in the given sphere itself but also in the interference with proprietary rights of controlled subjects when, while fulfilling statutory requirements, apprehension and subsequent decisions on expropriation of products violating some

intellectual property rights as well as their liquidation or use for humanitarian purposes takes place.

In 2011, controls of unfair commercial practices concerning offering and retail of counterfeits focused not only on conventional methods of retail but also on retail of goods through the Internet which the Czech Trade Inspection Authority pays more and more attention to. The table below expresses in numbers the controls performed by individual inspectorates including controls that discovered a violation of the prohibition to use unfair commercial practices in the form of offering or selling products or services violating some intellectual property rights, or through storage of such products in order to offer them or sell them (PDV).

CTIA inspectorate	Number of controls	Number of controls with findings		Number of controls with findings in %
		in total	PDV	
Středočeský and Prague	397	240	153	60.5%
Jihočeský and Vysočina	180	166	26	92.2%
Plzeňský and Karlovarský	880	809	339	91.9%
Ústecký and Liberecký	151	112	103	74.2%
Královéhradecký and Pardubický	89	60	11	67.4%
Jihomoravský and Zlínský	117	115	110	98.3%
Moravskoslezský and Olomoucký	330	230	100	69.7%
In total	2,144	1,732	842	80.8%

Results of controls performed within this project were influenced by two principal facts – firstly, by localization of subjects offering products that infringe some intellectual property rights. These subjects operate mainly in the borderland (Karlovarský and Plzeňský Regions) where an increased demand for this type of products continues, as well as in localities attractive for tourists (Prague, Karlovy Vary). Secondly, due to the intensive and coordinated activity of supervisory authorities, there has recently been a decrease in supply, a gradual decline in stalls selling, and movement of part of the respective assortment into stores and e-shops.

In 2011, the number of controls focused on compliance with the prohibition to use unfair commercial

practices, or more precisely the prohibition of offering or retail of products and services violating some intellectual property rights increased by more than 400 controls. At the same time, there was an increase in the number of controls, by several hundred percent compared to 2010, that led to the apprehension of goods infringing some intellectual property rights. Compared to 2009 and 2010, there was a significant increase in the value of apprehended products calculated in the value of originals. The balance of confiscated products violating some intellectual property rights is distorted by the confiscation of 88,634 fake packages "Claudia" which were confiscated in 2010. Thus, the number of confiscated products doubled compared to 2009.

Controls focused on retail of products or services infringing some intellectual property rights					
Year	Number of controls	Number of controls with discovered faults	Number of controls with discovered counterfeits	Number of confiscated counterfeits	Value of confiscated counterfeits based on the price of originals in CZK
2009	1,738	1,233	382	41,804	59,038
2010	1,710	1,213	256	133,833	53,502
2011	2,144	1,732	842	86,417	214,681

The assortment of products confiscated within performed controls is stated in the following table:

Assortment	Textile and clothing	Footwear	Watches	Audio-video	Other
Number of pieces	31,296	3,693	3,720	35,342	12,366
Proportion in %	36.2%	4.3%	4.3%	40.9%	14.3%

To achieve a maximal effect and prevent undesirable practices of sellers in the sphere of protection of some intellectual property rights, the Czech Trade Inspection Authority cooperated with other state administration authorities not only in the sphere of direct supervisory activity, but also on the level of an inter-resort commission that is involved in the given matter. This cooperation was exploited during the realization of controls in 817 cases in total. The Customs Administration of the Czech Republic was the CTIA's partner in controls focused on the offering and sale of products or services infringing some intellectual property rights.

Results – see the table in the section International Cooperation

Controls of compliance with the prohibition to use unfair commercial practices by violation of intellectual property rights were demanding since they include several separate processes: preparation in cooperation with owners of the intellectual property rights or other supervisory institutions, realization of the control and the subsequent manipulation of

products from the confiscation to the phase of their forfeiture and liquidation, or handover to humanitarian purposes. That required conveniences not only during the control but also during manipulation with confiscated counterfeits. The complexity of conducting a control also increases together with the increase of consumers' awareness in the sphere of intellectual property rights, the necessity of preparation with regard to a specific orientation of each control, assessment of individual products, and evaluation of the extent of the rights violation, with regard to the number of protected features and scope of the respective enactment. In the sphere of using unfair commercial practices by violation of intellectual property rights, a further increase in retail through means of distance communication, mainly the Internet, and, therefore, the necessity of increased intensity of control activity oriented on this sphere can be expected. That will henceforth require an enhancement of the expert level and technical equipment of workers of the Czech Trade Inspection Authority.

Environmental area

Batteries and accumulators

According to section 76a of the Act No. 185/2001 Coll., on Wastes, the Czech Trade Inspection Authority controls the fulfillment of obligations concerning the placement of batteries and accumulators on the market or into circulation, their labeling and arrangement of return collection by the manufacturer and last seller.

In total 353 distributors within retail sale were inspected within the control project in 2011. The exe-

cuted controls did not discover any serious deficiencies in fulfillment of obligations concerning placement of batteries and accumulators on the market or into the circulation. Minor deficiencies identified were corrected during the controls or before the completion of the control. The surveillance activity of the Czech Trade Inspection Authority was mainly preventive and informative. This surveillance activity will be further continued within planned controls.

Clean air protection

Inspectorates of the Czech Trade Inspection Authority carried out 113 controls focused on the violation of the Act No. 86/2002 Coll., on Clean Air Protection. Infringements of this law were found in 7 cases.

In relation to the protection of clean air, a control of compliance with the required quality of solid fuels was realized in 2011 through regular analysis of black coal and brown coal focused on the Moravskoslezský Region and the Severočeský Region. Within this inspection project, 25 samples of black coal and brown coal from various plants were analyzed. Results of laboratory tests did not give proof of an increased specific sulfur content and insufficient heating power according to ordinance No. 13/2009 Coll. Results of these controls were handed over to the Ministry of Industry and Trade, De-

partment of Electricity, and Department of Support of Renewable Energy Resources.

Controls focused on labeling of regulated substances in products containing such substances and labeling of products and devices containing fluorinated greenhouse gases were carried out in the trade network. These controls discovered 14 violations of sections 27 and 30 of the Act No. 86/2002 Coll. and section 4 of the executing notice No. 279/2009 Coll., on preventing emissions of regulated substances and fluorinated greenhouse gases.

The Czech Trade Inspection Authority will further continue this supervisory activity within year-round controls. In the case of solid fuels, these controls will be focused on the first, third and fourth quarter of the calendar year.

Packaging

Controls focused on compliance with the fulfillment of obligations according to the Act No. 477/2001 Coll. on Packaging took place within a year-round control project from January to December 2011. They concerned mainly the control of prevention, conditions concerning the launch of packaging in the market, labeling and repeated use, securing of

return collection, and securing of sale of drinks in returnable deposit packaging. Controls of vendors of drinks were carried out, i.e. in store chains and other plants with the respective assortment, and of persons who place packaging on the market (manufacturers and importers of packaging).

The inspection and monitoring of fuel quality

All inspectorates participated in the collection of fuel samples (motor petrol, motor oil, mixed fuel, LPG, CNF, and Ethanol E85) and control of their quality within the entire territory of the Czech Republic. Controls concerned the compliance with the provi-

sion of section 3 par. 1 of the Act No. 311/2006 Coll., on Fuels.

Quality of fuels in 2011

Out of 2,303 samples collected in 2011, 102 samples – i.e. 4.4% - did not meet the quality requirements.

Unsatisfactory samples in %								
Year 2011	motor petrol	motor oil	mixed fuel*	FAME*	LPG	CNG*	Ethanol* E85	In total
January	0	5.1	0	66.7	0	0	33.3	4.5
February	1.5	5.2	40.0	50.0	0	0	28.6	5.8
March	1.1	6.0	20.0	0	0	0	not taken	3.7
April	2.2	7.7	0	0	0	0	0	4.4
May	1.0	6.5	16.7	33.3	0	0	50.0	4.5
June	3.4	3.4	0	0	0	0	0	3.1
July	4.1	2.7	50.0	0	0	0	0	3.5
August	0	3.7	25.0	0	0	0	0	2.5
September	6.8	6.9	40.0	not taken	0	0	0	7.0
October	1.1	6.2	0	0	0	0	0	3.3
November	2.8	6.7	14.3	0	0	0	not taken	4.6
December	1.4	11.8	11.1	not taken	0	not taken	50.0	7.4
Total in %	2.1	6.0	17.7	17.4	0	0	21.7	4.4
Number of samples	21	61	11	4	0	0	5	102

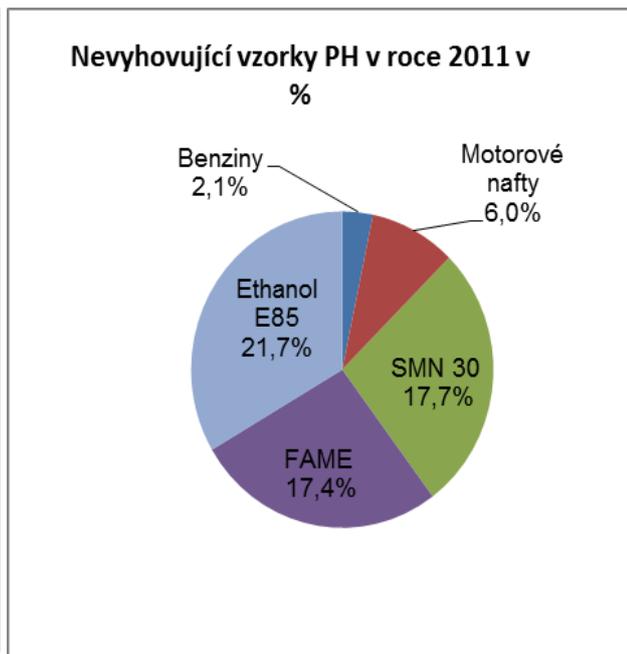
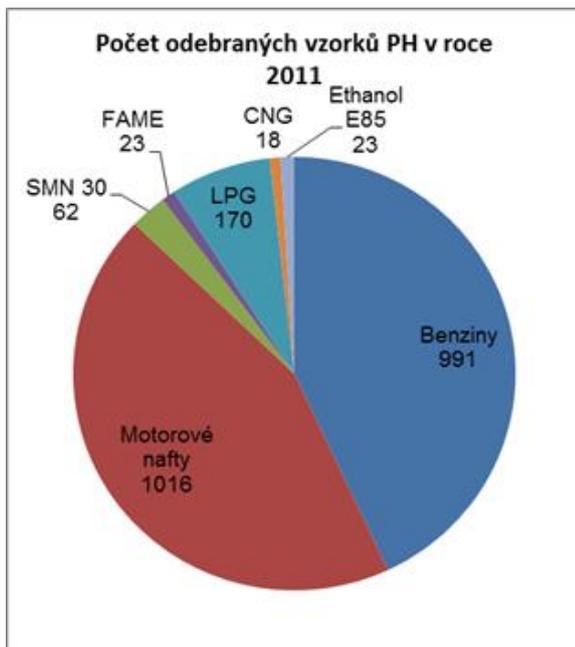
* Available in the market network in limited amount

A comparison of results from individual months shows that the quality of controlled fuel samples varied in 2011. The highest proportion of unsatisfactory fuel samples – 7.4% was discovered in December, and lowest – 2.5% in August. In other months, the proportion of low-quality samples of controlled fuel ranged between 3.1 – 5.8%.

The most frequent parameters of motor petrol that did not meet requirements of technical standards were the end of distillation, distilled volume at 100 °C, the content of ethanol and oxygen, vapour pressure, and Research Octane Number and Motor Octane Number. In terms of other checked parameters, deviations were discovered in the content of potassium, density, and distilled volume at 150 °C.

As for motor oils, a lower flashpoint prevailed among unsatisfactory parameters, samples showed flaws in the temperature of 95% of distilled volume at 350 °C. Several analyzed samples of motor oil did not meet the requirements in terms of sulfur content, density, content of fatty acid methyl esters of (FAME), and filterability.

Controlled samples of fatty acid methyl esters failed the requirements in terms of the flashpoint, mixed fuels in terms of the flashpoint quality parameter, and in FAME content. Deviations in the vapour pressure, and the content of ethanol and petrol were detected in the Ethanol E 85 samples.



(left) **Number of collected fuel samples in 2011**

SMN 30 (Mixed fuel)	62
FAME	23
CNG	18
Ethanol E85	23
Motor petrol	991
Motor oils	1,016

(right) **Unsatisfactory fuel samples in 2011 in %**

Motor petrol	2.1%
Motor oils	6.0%
SMN 30 (Mixed fuel)	17.7%
FAME	17.4%
Ethanol E85	21.7%

As an addition to the standard way of monitoring fuel quality, collected samples were controlled at filling stations using the mobile laboratory of the company SGS from the beginning of 2011. In total 113 samples were controlled using this mobile laboratory, and the suspicion of quality violation was confirmed in 11 cases (9.7%), which is twice the number found in standard controls. In these cases, a ban on the sale of these low-quality fuels was subsequently issued until a remedy was implemented, so they could not be sold to consumers

any more – that concerned a ban of sale of fuels in the volume of 56,441 liters amounting to 1,890,591 CZK.

According to the Act on Fuels (Act No. 311/2006 Coll.), the Czech Trade Inspection Authority published legitimate decisions concerning imposed fines from April 2011. In total, 103 fines amounting to 12,290,000 CZK were imposed for the sale of low-quality fuels in 2011.

Comparison concerning the quality of collected fuels according to their type in 2010 and 2011

fuel type	January – December 2010						January – December 2011					
	collected samples		unsatisfactory samples		satisfactory samples		collected samples		unsatisfactory samples		satisfactory samples	
	number	%	number	% from the fuel type	number	% from the fuel type	number	%	number	% from the fuel type	Number	% from the fuel type
motor petrol	747	40.0	42	5.6	705	94.4	991	43.0	21	2.1	970	97.9
motor oil	877	47.0	84	9.6	793	90.4	1,016	44.1	61	6.0	955	94.0
mixed fuel	21	1.1	5	23.8	16	76.2	62	2.7	11	17.7	51	82.3
FAME	4	0.2	1	25.0	3	75.0	23	1.0	4	17.4	19	82.6
LPG	186	10.0	1	0.5	185	99.5	170	7.4	0	0.0	170	100.0
CNG	8	0.4	0	0.0	8	100.0	18	0.8	0	0.0	18	100.0
Ethanol E85	23	1.2	15	65.2	8	34.8	23	1.0	5	21.7	18	78.3
In total	1,866	100.0	148	7.9	1,718	92.1	2,303	100.0	102	4.4	2,201	95.6

Out of 2,303 samples collected in 2011, 102 samples – i.e. 4.4%, did not meet the quality requirements, while in 2010 there were 148 unsatisfactory samples – i.e. 7.9% out of 1,866 collected samples. If we look closer at the structure of findings, it is obvious that there was a decrease in the amount of low-quality fuel among all types of controlled fuels – from 5.6% to 2.1% in the case of motor petrol, and from 9.6% to 6% in case of motor oil. There was no

discovery of low-quality samples in the case of LPG – all 170 samples met the required quality. There was also an improvement of results concerning Ethanol 85 – from 65.2% in 2010 to 21.7% in the last year, although so far this fuel is available on the market in a limited amount and only 23 samples were collected (CTIA has controlled the quality of Ethanol 85 since the second half of 2010).

Development of fuel quality in an inter-annual comparison

Period	Unsatisfactory samples in %							
	motor petrol	motor oil	mixed fuel*	FAME*	LPG	CNG*	Ethanol* E85	In total
2nd half of 2001	5.7	15.8	42.7	-	-	-	-	13.5
Year 2002	4.0	12.2	27.7	-	-	-	-	9.0
Year 2003	10.4	13.4	20.8	-	12.9	-	-	12.4
Year 2004	6.3	12.3	14.5	-	2.5	-	-	8.6
Year 2005	4.1	7.9	10.3	-	4.3	-	-	6.1
Year 2006	2.4	6.9	17.5	-	2.0	-	-	4.8
Year 2007	3.3	5.4	46.7	-	2.0	-	-	4.6
Year 2008	1.8	8.9	66.7	-	4.0	-	-	5.6
Year 2009	2.5	7.9	40.0	-	1.5	-	-	5.0
Year 2010	5.6	9.6	23.8	25.0	0.5	0.0	65.2	7.9
Year 2011	2.1	6.0	17.7	17.4	0.0	0.0	21.7	4.4

* The higher proportion of unsatisfactory samples of these fuels is influenced by the low number of collected samples of motor fuel. The minimal number of collected fuel samples is stated since June 1, 2010, by the regulation No. 133/2010 Coll. From this date, monitoring of the composition and quality of fuels is broadened by motor fuels FAME, CNG, and Ethanol E85.

The table concerning the inter-annual comparison shows that the quality of fuels controlled by the Czech Trade Inspection Authority was more or less

the same in 2006 – 2009. There was a considerable downgrade in 2010, while 2011 shows the lowest number of findings since 2001, i.e. 4.4%.

In 2011, the quality of fuels improved in almost all motor fuels. However, controls still discovered serious deviations when there were components added to fuels that belong in them. That presents not only harm to consumers and the environment, but also tax evasions. Therefore, the Czech Trade Inspec-

tion Authority will cooperate with the customs service, the General Financial Directorate, and the Police of the Czech Republic, and it will continuously provide information on discovered deficiencies in the quality of fuels in the Czech market.

Overview of results of control projects according to the Plan of Inspection Activities of the Czech Trade Inspection Authority for 2011

NATIONAL GENERAL CONTROLS

Title of control project	Number of controls in total	Number of controls with findings	Number of controls with findings in %
Inspection and monitoring of fuel quality , including the collection of samples	1,306	80	6.8%
Offering or sale of products and services violating intellectual property and industrial property rights , including online shopping	2,144	842	39.3%
Packaging of products – compliance with the Act on Packaging. Monitoring of occurrence of environmentally unsatisfactory packaging and screening of packaging placed on the market or into circulation, including the return collection	1,508	71	4.7%
Online shopping Continuous monitoring of development concerning this form of sale	1,021	749	73.4%
General discrimination Auditing for potential discrimination of consumer groups – mainly in terms of ethnicity, age, nationality, gender, etc. according to the Act on Consumer Protection	1,099	19	1.7%
Discrimination of handicapped persons Targeted auditing for potential discrimination of handicapped persons and their accompaniment	270	3	1.1%
Consumer credit Auditing of terms concerning negotiation of consumer credit	290	141	48.6%
Presentation and sales events Auditing for a potential violation of legal regulations concerning the sale of goods outside of usual premises, orientation on deceitful business practices	241	164	68.1%
All for sport Sale of sports equipment, services associated with sports - compliance with legal regulations	374	129	34.5%
Taxi services Inspection of compliance with legal regulations concerning taxi services	217	58	26.7%
Summer tourist season Control of services in camps in prominent regional tourist areas	1,073	341	31.8%
Winter tourist season Controls oriented on public alimentation, rentals. Ski lifts in the respective period.	392	123	31.4%
Waste procurement centres Control of compliance with legal regulations – informing consumers on prices of procurement and accuracy of measuring devices	209	72	34.4%
Sale of phones with added Czech – over Internet Examination of compliance with binding legal regulations	31	9	29%

concerning the offering and sale of this assortment			
Solid fuels			
Quality control	85	51	60%
Liquid fuels			
Quality control	7	3	42.9%
Special offers and seasonal clearance sales			
Examination of compliance with binding legal regulations concerning the offering and sale of this assortment	3,453	1 319	38.2%
Funeral services			
Compliance with binding legal regulations concerning the offering and provision of funeral services	78	27	34.6%

Note: This table of controls focused on compliance with specific legal standards shows only discovered violations of the given controlled topic. E.g. for packaging, it shows only violations of the Act No. 477/2001 Coll., for counterfeits only violations of section 5, par. 2 of the Act No. 634/1992 Coll., on Consumer Protection, etc. The same applies to the discovered discrimination or to controls according to the Act No. 145/2010 Coll., on Consumer Credit.

SURVEILLANCE OF PRODUCTS

In the sphere of technical control, the Czech Trade Inspection Authority controls legal entities and physical entities selling or supplying products and goods to the domestic market. In terms of management, its primary goal is to ensure surveillance and control activity in the sphere of consumer protection and protection of domestic market with regard to the development within the European Community and with regard to the application of rules for a free movement of goods and technical requirements for products. Therefore, measures were taken to harmonize the system of market surveillance and control with systems of the European Community. During the last year, the Czech Trade Inspection Authority applied a more effective system concerning enforcement of legislation using cooperation with other state surveillance authorities and specialized workplaces, including international affiliations. At the same time, it created pressure for the enhancement of unity of control procedures and effective use of modern methods/ best practice for surveillance, including the optimal use of the technical potential of authorized and accredited persons as well as other capacities.

The technical control includes not only products meant for consumers but also products meant for operators (technical devices). Therefore, a Technical Control Department (TCD) with a national sphere of activity was established at Středočeský and Prague Inspectorate for the executive technical control concerning respective products. This centralization has proved useful in practice, mainly in terms of completion of controls at manufacturer's location. At the same time, though, it had a higher demand concerning management and arrangement of inspectors' logistics.

At the same time, the technical control concerning respective products (according to the Act No. 22/1997 Coll.) was separated from controls that fall

under the general safety of products (according to Act No. 102/2001 Coll.). Based on this partition, the more technically demanding products were under the surveillance of the Technical Control Department, and products falling under the general safety were left within the supervisory power of all inspectorates. This detachment of more demanding controls enabled a targeted use of specialized technical inspectors for individual spheres of surveillance, including the options for specialist supplementary courses and training.

The surveillance of products was centrally controlled through the Plan of Inspection Projects, and on the regional level through individual inspectorates. Evaluations of each control project contained a final report (Plan of Inspection Projects is available on the CTIA website).

The statutory order concerning toys was detached from the sphere of respective products and competence of the Technical Control Department. It was with the view of an intensified targeted surveillance concerning the market of this monitored commodity and also for the purpose of enabling a faster intervention by inspectors into the market in the case of an occurrence of a dangerous product designated for the directly endangered consumer group – children.

Within the membership of the Quality Council of MIT, the Czech Trade Inspection Authority continued together with the Czech Metrology Institute and the Association of Czech Consumers in projects which are oriented on the support of metrological, control, and testing mechanisms in spheres where economic or other legitimate interests can be endangered.

Cooperation within the MIT department

Czech Metrology Institute

CTIA inspectorate	Number of controls	Number of controls with findings	Number of controls with findings in %
Středočeský and Prague	16	3	18.8
Jihočeský and Vysočina	4	0	0.0
Plzeňský and Karlovarský	10	0	0.0
Ústecký and Liberecký	9	3	33.3
Královéhradecký and Pardubický	2	1	50.0

bický			
Jihomoravský and Zlínský	22	0	0.0
Moravskoslezský and Olomoucký	6	2	33.3
In total	69	9	13.0

Metrological control (verification) of respective measuring devices continued through a control, performed together with the Czech Metrology Institute, at fuel dispensing pumps and for outright packed goods. In relation to the management of

fuels, cooperation with the Customs Administration was established. This control is important not only for consumers – it generally supports market clarity and equal conditions for entrepreneurs in the market.

NATIONWIDE PRODUCT CONTROLS (Outside of Technical Control Department)

Control projects performed according to the Plan of Inspection Activities of the Czech Trade Inspection Authority for 2011 (other specialized controls of the

TCD are stated in the activity of the Středočeský and Prague Inspectorate)

Title of control project	Number of controls in total	Number of controls with findings	Number of controls with findings in %
Children's bicycles Including collection and assessment by a competent person	28	2	7.1%
Baby-coaches Including collection and assessment by a competent person	127	27	21.3%
Sale of children toys – swimming aids Control concerning elimination of danger resulting from incorrect use due to neglected duty to provide required information	114	14	12.3%
Toys sold from vending machines Control of documentation and testing of the product	156	25	16%
Children's playgrounds	26	2	7.7%

Suggestions for controls declared by the section of technology, international cooperation, services, and consumer protection within the General Inspectorate

Suggestion of control	Number of controls	Number of controls with discovered violation	Proportion of controls with discovered violation in %
Teddies	112	15	13.4%
Paper lanterns	136	25	18.4%
Road catching systems for vehicles	24	4	16.7%
Control of mountain bikes – chain guards	51	20	39.2%
Balcony railings	15	9	60%
Candles Forest	96	21	21.9%
Sets of plastic toys for sandpits	123	26	21.1%

Surveillance cooperation with the Czech Telecommunication Authority

CTIA inspectorate	Number of controls	Number of controls with findings	Number of controls with findings in %
Středočeský and Prague	6	6	100%
Jihočeský and Vysočina	0	0	0%
Plzeňský and Karlovarský	3	2	66.7%
Ústecký and Liberecký	39	25	64.1%
Královéhradecký and Pardubický	0	0	0%
Jihomoravský and Zlínský	8	8	100%
Moravskoslezský and Olomoucký	3	2	66.7%
In total	59	43	72.9%

Control of toys

Controls of toys took place throughout the year as well as outside of the scope of planned independent control projects. In total 1,500 controls were per-

formed in workplaces with this assortment for the target group – children.

CTIA inspectorate	Number of controls	Number of controls with findings	Number of controls with findings in %
Středočeský and Prague	219	70	32%
Jihočeský and Vysočina	287	58	20.2%
Plzeňský and Karlovarský	288	116	40.3%
Ústecký and Liberecký	247	76	30.8%
Královéhradecký and Pardubický	206	52	25.2%
Jihomoravský and Zlínský	99	44	44.4%
Moravskoslezský and Olomoucký	154	102	66.2%
In total	1,500	518	34.5%

Collection of samples and their assessment

The plan of CTIA projects contained controls focused on the sphere of general consumer protection as well as controls for general safety of products. Another part was controls in the sphere of fulfillment of technical requirements for respective products before their placement on the market or into circulation. The control activity was oriented mainly on products from third-party countries.

In terms of product groups, this concerned mainly toys, low voltage electrical equipment, machinery, construction products, pressure equipment and other.

During the year, a total of 239 product types, besides fuel samples, were collected out of which 115 types did not comply with legislative requirements. Total expenses concerning the analysis of samples (without fuels) amounted to 1,389,950 CZK. Similarly to the previous years, budget use was influenced by examination of notifications from consumers and the entrepreneurial public. In total 20,382 notifications were received in 2011. In some cases, it was necessary to collect samples to perform an analysis in order to secure the necessary safety of consumers.

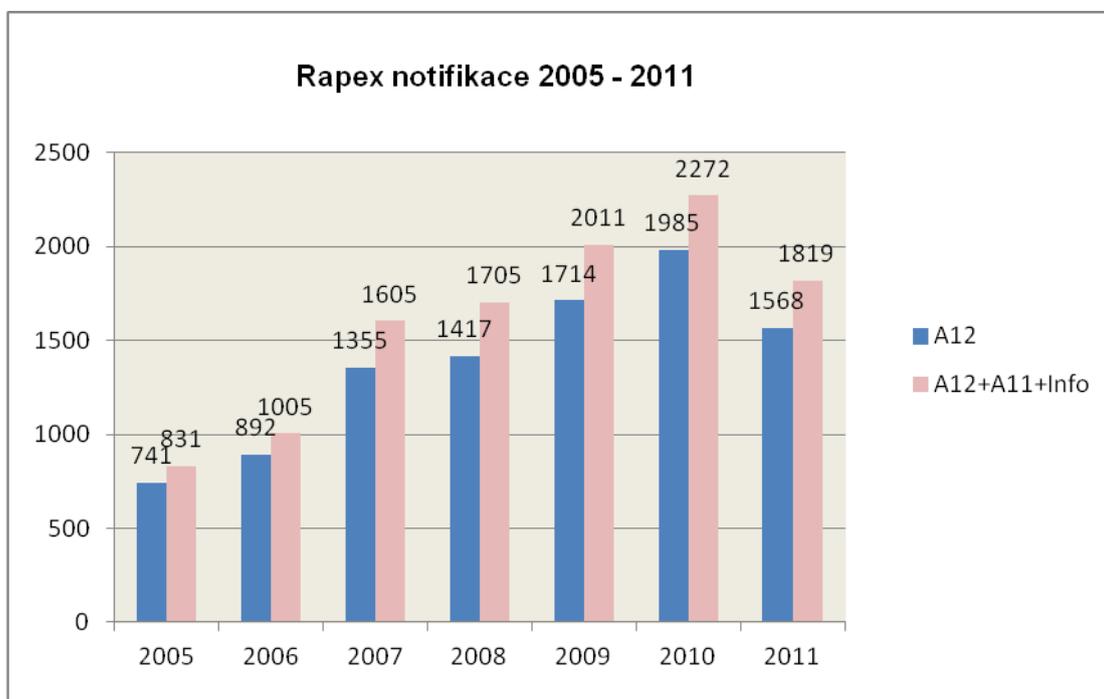
RAPEX (Rapid Alert System)

CTIA started working with the European system for rapid exchange of information on dangerous products - RAPEX (Rapid Alert System) - when the Czech Republic joined the European Union; it was via the national contact place, which for non-food products is the Ministry of Industry and Trade. The RAPEX warning system was established according to directive No. 2001/95 of the European Parliament and of the Council of December 3, 2001, on General Product Safety. Participation of all member states in the system is continuously evaluated by the General Product Safety Directive Committee of the European Commission, and experience gained from the system operation serves as a ground for further modifications of the European legislation.

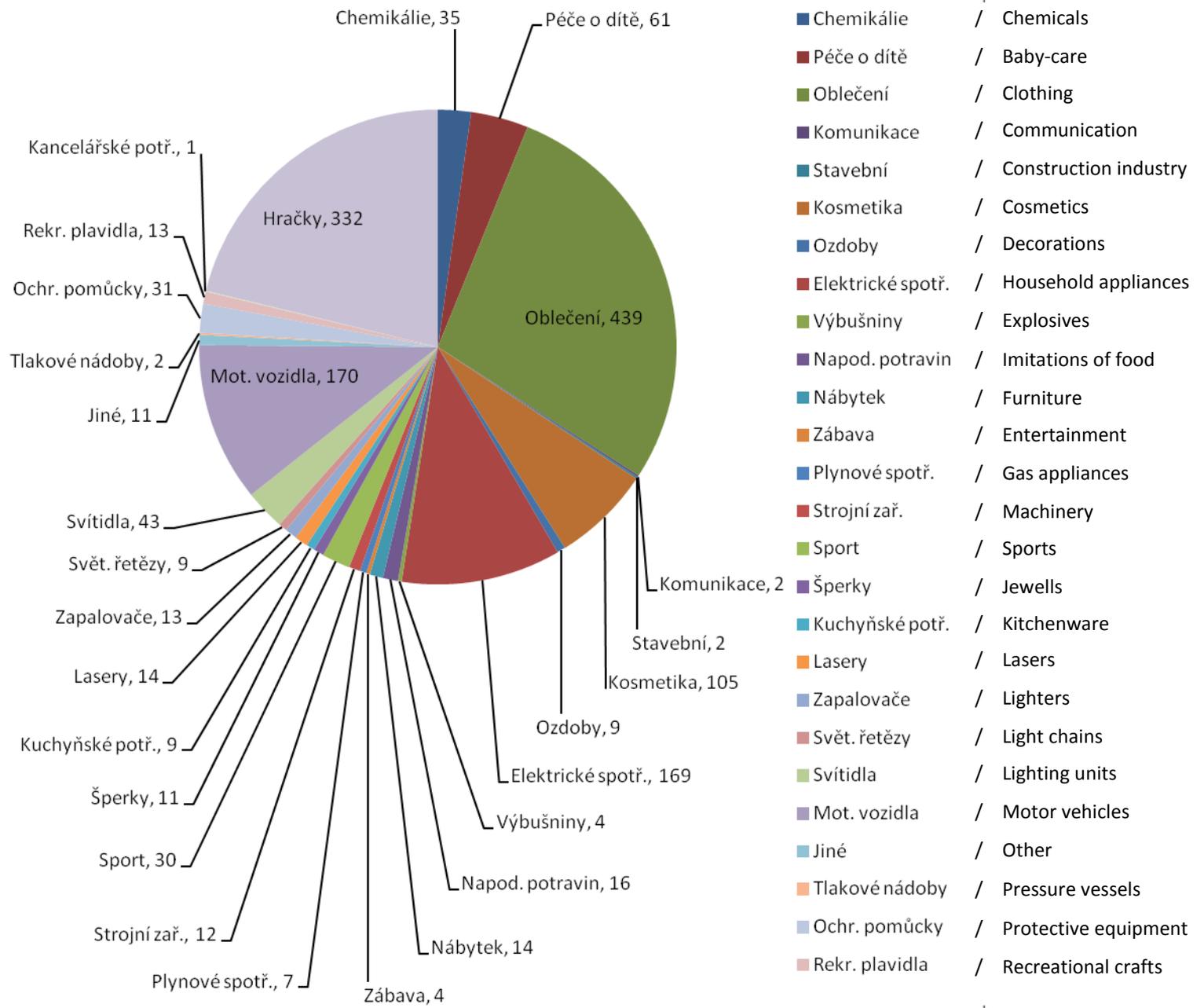
In 2011, for the first time since the activity of the system Rapex was initiated, there was an inter-annual decrease in the number of notified products compared to the previous year. In that year, new "Instructions for Management of the Rapex System" were in force, and they determined a more precise way to assess the risk from dangerous products. This change significantly increased the competence of filed notifications, and at the same time there was a decrease in their number. Thus, the efficiency of the entire system Rapex was significantly increased.

In total 1,819 notifications concerning dangerous products were filed, out of which 1,568 were filed pursuant to article 12 GPSD – a serious risk.

Rapex notifications from 2005 to 2011



Categories of EU notifications in 2011 Kategorie notifikací EU 2011

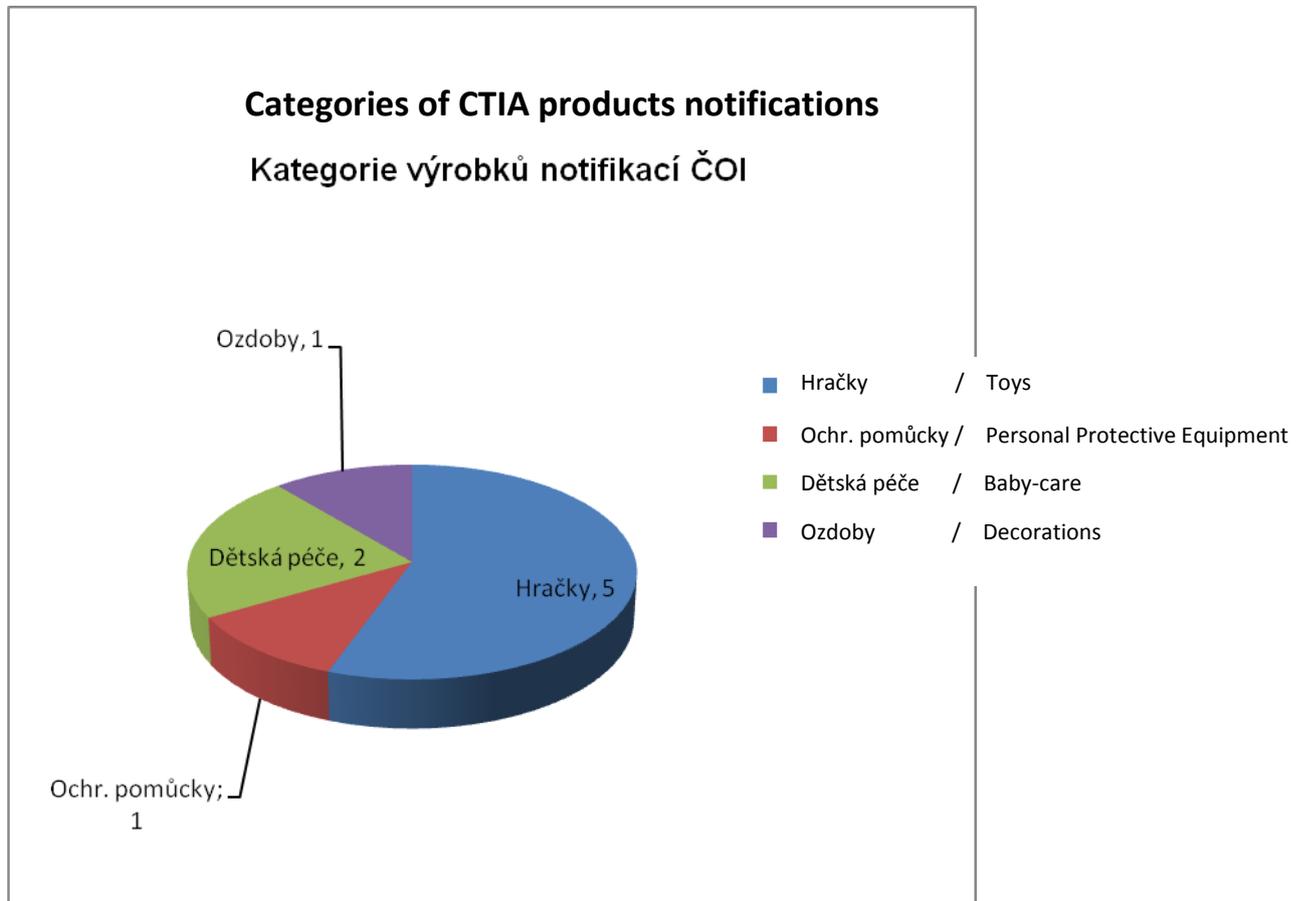


Notifications which from various reasons did not meet all criteria for publishing according to article 12 (serious risk) were published in the category of article 11 (moderate risk) or INFO (for information).

The Czech Trade Inspection Authority put through the inspection activity all issued notifi-

cations which concerned the area of market which falls within its surveillance competence as provided by law.

The Czech Republic participated in notifications of dangerous products according to article 12 with 8 notifications in total.



The Czech Trade Inspection Authority was also addressed with the Announcement of a Voluntary Action of Manufacturer in seven cases. These announcements were performed in compliance with article 5 GPSD, and the

Czech Trade Inspection Authority received them and processed them in compliance with the Instructions for Management of the Rapex System issued by the European Commission.

INTERNATIONAL COOPERATION

Meeting of workgroup - COEN (medical devices)

The meeting discussed the issue of parallel import/distribution, and emphasized the need for a precise definition of the terms “parallel trader” and “economic operator”. The aim was to make clear the obligations and roles of persons in connection with the re-packaging and labeling of products with regard to their safety and quality. It also discussed the question of the format for address of manufacturer and authorized representative as a part of product labeling. The European Commission also specified the definition of the term “medical device”, “putting into operation”, “placement on the market”, and “devices stored in hospital”. A

reworking of Directives on medical devices and further cooperation with customs authorities was discussed as well. The European Commission developed a draft of a checklist for medical devices which could be used by customs authorities as well as by authorities performing market surveillance. The meeting also addressed the frequent problems associated with the export from third-party countries such as incomplete technical documentation of products, problems with certificates, re-packaging of products, and non-identical classification of medical devices at customs.

Meeting of workgroup ADCO-ATEX (environment with explosion risk)

A report from the joint supervisory project concerning ATEX products was presented including a recapitulation of completed checklists. The evaluation of control on the territory of the

Czech Republic was without flaws. Furthermore, some problematic products were discussed.

ADCO RTTE meeting ADCO RTTE (radio and telecommunications terminal equipment)

The Czech Trade Inspection Authority presented its findings concerning the occurrence of American cordless phones DECT 6.0 on the Czech market, and together with the Czech Telecommunication Office, it initiated an effort to change the labeling DECT/DECT 6.0 in a way that would declare the limitation concerning the operation of these phones in specific countries (e.g. DECT EU / DECT USA). In terms of surveillance in the Czech Republic, other significant topics of negotiation were GSM repeaters, GPS and GSM jammers, and the issue of risk assessment.

A form in 20 languages of EU countries was prepared for the RRTE directive. It is intended for inspectors in the field as well as for handover of information on discordant products within ADCO RTTE. An important point of the meeting was the cooperation with national customs authorities concerning the release of goods into free circulation and the preparation of a joint approach for informing the public and economic operators on GSM jammers, GPS, etc. Within this meeting, it was agreed that the 40th meeting ADCO RTTE would take place in Prague, within a joint organization by CTO and CTIA.

ADCO EMC meeting (electromagnetic compatibility)

The meeting took place with the participation of the CTIA entrusted with the coordination of the current international surveillance campaign ADCO EMC focused on LED light sources. Therefore, CTIA presented the updated results of the campaign at the meeting – the status of

sample collection within the joint database on the CIRCA server. With regard to the acceptance of the final report from the previous 3rd ADCO EMC campaign (entertainment consumer electronics), the CTIA approach con-

cerning the promotion of these results in media was appreciated.

The 4th EMC ADCO campaign was formally ended by the acceptance of the final report. The chairman expressed thanks to participants and organizers including the CTIA. There was a constitutive discussion concerning the matter of convertors – inverters 12 V DC / 230 V AC for vehicles (whether they belong within the

directive for vehicles or the EMC directive) on which the Commission representative promised a standpoint. The European form for evaluation of EMC directive requirements, the so-called “*Data Input Form*”, was accepted and it will be used for CTIA surveillance activity and for future forwarding of information within ICSMS *). CTIA registered itself as a coordinator of the international surveillance campaign focused on LED light sources.

Meeting of workgroup - ADCO TOYS (safety of toys)

The meeting concerned the issues of standardization and other harmonization within the directive *Toys*. Furthermore, new *Guidelines* suitable for use by surveillance authorities were introduced – e.g. for toys used in water, music instruments for children, packaging of toys, mosaics, and puzzles. It also discussed the issues concerning the correct application of standards for risk analysis and presented specific cases of analysis nonconforming to risks or excessive risk analysis. The use of recommended materials and the coordination of sur-

veillance activity will show in an enhanced safety of toys in the joint EU market.

Furthermore, the difference between a toy and a sporting article was discussed. The harmonization process in the sphere concerning chemical risk of toys (conclusions of the expert group REACH) was presented, and information on normalization in the sphere of domestic trampolines was given. The meeting also discussed the progress of work on the joint surveillance project “children’s costumes”.

ADCO LVD meeting (low-voltage devices)

The meeting discussed specific technical, political, standardization, and legislative spheres of problems concerning the surveillance of the LVD directive (e.g. hot surfaces, sunbeds, deep fryers, new light sources, outlet systems, swimming pools, etc.). Participants approved a letter addressed to the European Commission concerning an initiative initiated by the Czech Republic. The LVD ADCO meeting discussed

technical, legislative, standardization, and political issues, presented the updated version of Guide LVD, and discussed the relation of LVD to other directives. Furthermore, it discussed the issues concerning joint surveillance activities in the sphere of LVD.

Meeting of workgroup ADCO PPE (personal protective equipment)

The workgroup discussed the current market surveillance and security activities of individual member states. The horizontal commission of notified persons for personal protective equipment submitted a report concerning its activity. The meeting also discussed projects of indi-

vidual states concerning e.g. standards for safe footwear, fall arresters, as well as safety vests for fencing, buoyancy aids, protective clothing against chemicals, footwear for fire-fighters, and helmets for cyclists.

Meeting of workgroup WG PPE (personal protective equipment)

The meeting discussed the deducibility between the declaration of conformity and the EC type-examination certificate. It also assessed

the operating instructions that include all types of protective equipment for eyes/face, a categorization of wet suits and other suits for any

type of water sports, dry suits and protective gloves against microorganisms, clothing pro-

tecting against UV radiation and other products intended for consumer protection.

ADCO MACHINERY meeting (machinery)

The meeting assessed the usability of ICSMS system which will be suitable for all products. Furthermore, the meeting discussed inadequacies and risks concerning machinery – e.g. machinery for processing of firewood, brake testers for heavy trucks, remote-controlled mowers, system for transport of caterpillar excavator, shaping machines (benders and presses), stable rolling blinds, columnar service lifters, etc. The issue of market surveillance and surveillance concerning safety of machinery operation as well as the database of accidents was also evaluated.

The meeting also discusses the issue concerning the draft EU regulation on normalization, mutual approval of EC type-examination certificates, inappropriately used lifting devices, equipment for control of the operation of harvesters, risk of overturned loaders, forest machines – wood chipping machines, discrepancies concerning drilling rings, etc. Furthermore, it discussed the usability of the document *Best Practice*, some normalization matters (mobile electric power saws, power hammers for hammering of posts) and joint projects for 2012 were suggested.

Workgroup meeting - ADCO RCD (recreational crafts)

An information on *Guidelines* - DG TAXUD *) was provided and results of the work on risk analysis material were presented. Participants received information on the legislative procedure of work concerning the acceptance of the new European directive. The meeting also discussed technical, legal and standardization

issues in the sphere of recreational crafts. Furthermore, it discussed the processed MIC (*Manufacturer Identification Code*) overview and the need to have available also identification codes of manufacturers from China and other third-party countries.

Workgroup meeting - ADCO NOISE (noise emission)

The meeting introduced the surveillance activity of Great Britain into the sphere of the directive concerning noise performed according to the elaborated *checklist*, including all subse-

quent activities according to British legislation. The commission submitted a report on fulfillment of the article 16 of the directive, i.e. data collection.

ADCO CPD meeting (construction products)

Information on the forthcoming change in regulation 765 concerning the sphere of market surveillance was provided – the draft document will be available in the beginning of 2012. The meeting also discussed the joint initiative for market surveillance concerning products made

out of expanded polystyrene, windows, and water-tight membranes. Furthermore, it discussed the proposal concerning copyright (protection of the mark of certificates); risk analysis for construction products and questionnaire for controls concerning the construction.

WELMEC WG5 meeting (surveillance in European metrology)

The meeting discussed national plans for market surveillance. Furthermore, it discussed the future strategy for surveillance and WG5 activities. The response of CECIP *) concerning the support of surveillance in the sphere of NAWI *) was presented. Information was provided on metrology surveillance in

some member states. The updating of *Guide 5.2.* in connection with NLF *) and the development in the material for risk assessment *Guide 5.3* were presented. It is necessary to secure coordination of surveillance in the sphere of European metrology and cooperation with legal metrology authorities.

PROSAFE general meeting (Workgroup for enhancement of surveillance)

CTIA participated in creating a strategy for further development in surveillance within NLF and other forthcoming legislation, and it was positively evaluated for good cooperation concerning the Prosafe activities. A summary report on the Prosafe activity for the past period, results of projects EMARS I and II *), reports and results of joint activities administrated by Prosafe, were presented and new representatives for the Prosafe board were elected. Furthermore, goals and strategies of Prosafe for

the next period were discussed including contributions from DG ENTERPRISE, DG SANCO, DG TAXUD, and EFTA *). The meeting emphasized the role of Prosafe in connection with NLF, revision of GPSD *) and the forthcoming consolidation of surveillance by the so-called "*Single Act*". The active participation of CTIA in creating a further strategy of Prosafe helps in the coordination of surveillance within NLF.

EMARS II conference

CTIA participated in creating the future strategy of Prosafe. In evaluation of both the projects EMARS I and II, the model approach of the Czech Republic (CTIA) concerning the application of results of both the projects and the Prosafe activity (propagation and use of *Best Practices*, etc.) was praised.

The meeting of the final EMARS II conference recapitulated the development and outputs of both the projects EMARS I and II and the view concerning the further use and development of

these outputs. Proposals concerning the further strategy of Prosafe within the changing legislation, revision of GPSD and the new view concerning the surveillance of „*Single Act*“, were created in the form of workshops. Representatives of individual work chapters "*Task*" presented accomplished goals of respective projects. There were also talks by representatives of the European Parliament, European Commission, both general directorates, and EFTA.

EMARS II Strategy Workshop

Important issues and strategic goals of the project EMARS and PROSAFE for the next period were discussed according to NLF as well as according to the revision of the GPSD directive. Besides usual matters, the general meeting discussed strategic matters concerning the further direction of PROSAFE and its possible integration within NLF and

GPSD. The questions discussed at this three-day bloc are immensely important for the further development concerning the routing of policy and coordination of market surveillance within the new EU legislation. The cooperation between Prosafe and the Czech Republic (CTIA) was rated very positively, among others.

International surveillance project “LIGHTERS II”

Further progress of this project – enhancement of cooperation with customs authorities – was discussed. Work was initiated on the document *Guidelines* which is intended for distributors and importers of lighters, and questions associated with further media campaign for consumers were discussed. Information on the

state of amendment concerning the product standard was provided. DG TAXUD introduced its *Guidelines* and the possibility of close cooperation with authorities involved in market surveillance in this sphere. Meetings evaluated the existing results concerning surveillance in all participating countries.

International surveillance project “SUNBEDS II”

The present state of the joint surveillance project Sunbeds II was presented. The Czech Republic together with the Netherlands were evaluated as the most active participants. Issues with legislation in some countries and the relation to activities of industrial associations within the sun-tan industry were discussed. A media campaign “new approach” using mobile phones was suggested. The representative of the Czech Republic asked for help in the issue of calibration of reference lamps for measurement with an OL device.

information campaign using SMS on mobile phones, discussed the final report which will be submitted to European Commission, and presented the proposal and state of negotiation with CENELEC *) concerning updating the product standard for sunbeds. Representatives of industry associations (ESA) evaluated the cooperation with surveillance.

The final meeting evaluated the joint project Sunbeds II together with representatives of the industry, interested parties, and the European Commission. The meeting also presented an

Within the evaluation of the surveillance project subsidized from EU funds, CTIA belonged to the most active surveillance bodies, and the cooperation between CTIA and industry association was also highly praised.

Introductory workshop PROSAFE within international surveillance activity "JA 2010"

Individual coordinators presented the structure of five forthcoming joint surveillance projects: Laser Pointers, Ladders, Visibility Clothing, Imitation of Child Appealing Food, and Children Carnival Clothing. The meeting also discussed the horizontal impact of these activities, cooperation with customs authorities, international cooperation, cooperation with interested parties and industry, propagation and use of results from activities, impact on standardization, further perspective of the project EMARS II and suggestions concerning projects for 2011.

CTIA participates in three international surveillance activities (out of five declared) subsidized from EU funds - Laser Pointers, Ladders, and Visibility Clothing. The participation of CTIA in international surveillance campaigns will lead to an increase in the safety of controlled types of these products sold in the market of the Czech Republic. These activities are subsidized from funds of the European Union.

International surveillance activity “LASER POINTERS”

The aim of this activity is to ensure a withdrawal of dangerous strong laser pointers for consumers (with output more than 1mW) from the market and, furthermore, within testing in accredited laboratories, to discover strong

laser pointers with declared laser output lower than what they actually emit.

Participants of meetings evaluated the hitherto results of the joint surveillance activity JA

Laserpointers. Samples were informatively measured and a new procedure for joint activities and negotiations with interested parties and industry was determined. A revision concerning the status of collection of samples of laser pointers took place (CTIA was one of the first ones to fulfil and report the

required number of samples), together with a discussion to determine criteria for the selection of the accredited laboratory for examination of these samples. A scientific study concerning the risk due to an eye being hit by lasers of category 2 and 3R was distributed.

International surveillance activity “LADDERS”

It was decided that technical standards concerning these products globally would be compared, and that it would be subsequently considered whether it is possible to enhance the safety parameters of updates concerning this European standard. The application of new testing methods will lead to an increased safety of this product group. A time-schedule for the joint surveillance project was determined and approved together with conditions for se-

lection of the testing laboratory, standardization and legislation issues concerning the respective sphere, administration requirements concerning the project, and the link towards interested subjects and industry associations. The second meeting took place in the premises of the Dutch surveillance authority (VWA) where participants were shown a number of testing procedures and potential defects were demonstrated on various ladders.

International surveillance activity – “VISIBILITY CLOTHING”

The aim of the activity is to ensure that visibility clothing and accessories on the EU market comply with requirements of European legislation. PROSAFE emphasized the use of the manual *Best Practice Techniques in Market Surveillance, RAPEX Guidelines, PPE Guidelines, and Risk Assessment Guidelines*, and

furthermore, it informed on individual steps concerning risk assessment and on tasks in individual phases of the project. BTTA *) presented harmonized standards for visibility clothing intended for professional as well as unprofessional use, and for accessories for unprofessional use.

Training concerning risk analysis Rapex, EMARS-II, chapter E

The training presented a fulfillment of the planned output of the project EMARS II. The participation of CTIA was enabled by the partnership with the Engineering Test Institute because it did not initiate a direct active participation in this project. This training was subsequently followed by the training of CTIA work-

ers in the sphere of risk assessment – the scope and results were reported to the EMARS II project manager in a final report. Through its experience, CTIA actively participates in the development of materials concerning risk analysis and its further use in the system Rapex.

SOGS-MSG meeting (for standardization and conformity assessment policy – market surveillance group)

The current status for application of Regulation 765/2008 and Regulation 768/2008/EC in member states was discussed. Furthermore, the overview of reported surveillance plans in member states according to article 18 of Regulation 765/2008/EC was discussed. The progress of work on the material for risk

assessment procedure for covering all products according to Regulation 765 was presented, and the status of cooperation with customs authorities according to article 27 to 29 of the regulation was discussed. An overview of notifications within Rapex 2010 was presented and information on the status of

implementing the information database ICSMS was provided. The system was already purchased by the European Commission and it will be put into effect in the near future.

The initiative concerning the change of status of ADCO and PROSAFE groups was supported. The progress of work on the material for risk assessment procedure was presented and the joining of CTIA into the *Risk Assessment Task Force* was discussed.

Meeting of the workgroup MARS WP6 for market surveillance in the field of regulated sphere and normalization

The presentation of a document concerning market surveillance, including the situation of finding a discordant product and corrective measures, took place. Sectional initiatives in a semi-finished phase together with the initiative in the sphere of medical devices were introduced. A video-conference in the sphere of risk management was also a part of the program.

The director of the Slovak Trade Inspection introduced a practical example of surveillance activities concerning the implementation of the New Legislation Framework and Regulation 765/2008/EC. An important emphasis was put on sectional programs of member countries according to article 18(5).

Meeting of the customs authorities expert group (DG TAXUD)

The meeting of the expert group, with participation of representatives of customs and surveillance authorities, concerned the newly created draft document "Instructions for Control of Import in the Sphere of Product Safety". The aim is to enhance the cooperation and communication between customs and surveil-

lance authorities, and mainly to improve the efficiency of surveillance of product safety during customs control. A draft of these "Instructions" – their general and specific part - was introduced. NLF results in closer cooperation of CTIA with customs authorities.

Strategic workshop of customs authorities group (DG TAXUD)

Participants of the workshop worked in three groups which dealt with the following topics: options concerning implementation of "Instructions" in member countries, measuring of procedures concerning the safety of products,

securing continuity of cooperation between surveillance authorities and EU customs authorities, and options concerning presentation of results to public.

Meeting for improving the functioning of the EU single market, including the role of surveillance, consumers, traders, and national institutions

Single Market Forum – the forum concerning the single internal market aimed to assess the situation of the single internal market, the implementation and application of directives, and the exchange of approved methods in this sphere. The forum was also supposed to play a role in monitoring the implementation of the Act on the single market and its impact at the

local level. The event brought together more than 1,000 participants – small and medium entrepreneurs, representatives of non-governmental consumer organizations, journalists, workers from ministries and authorities on the central, regional, and local level, as well as representatives of European institutions.

Workgroup meeting - SOGS-MSG - RATF (risk analysis)

The meeting introduced a model for risk analysis which aims to become a methodology for general risk analysis in the sphere of directives concerning the New Approach and NLF. An integral part of the meeting was the process of

comments related to the material, and discussion concerning the respective topic. CTIA participates in *Risk Assessment Guidelines* within NLF, and it uses them for its own surveillance practice.

Meeting of the Hungarian Authority for Consumer Protection and CTIA

During the meeting of CTIA representatives with the managing director of the Hungarian Authority for Consumer Protection (NFH), a discussion concerning possible methods of cooperation between the authorities and elaboration of mutual agreements took place. That

included an introduction of the authority (NFH) and a visit to its laboratories. These laboratories have an accreditation for testing of groceries, detergents, as well as toys or electro assortment.

Conference concerning the directive on unfair commercial practices

The structure of the forthcoming website – a database of information on the directive concerning unfair commercial practices – was introduced to participants. They were subsequently informed on the forthcoming report regarding the application of the directive concerning unfair commercial practices in the sphere of financial services and real estate (a questionnaire on this topic was filled out and sent also by CTIA). The presented contribu-

tions concerned the issue of applying the directive on unfair commercial practices in relations “C2B”, issue of so-called *environmental claims*, and specifics of legal regulation of special offers and clearance sales in France. Within this conference, participants were informed on forthcoming steps on the part of the Commission, and they exchanged their experience in applying the directive on unfair commercial practices.

Workshop for the directive on unfair commercial practices, workshop for the directive on inadequate contract conditions

The current situation and expected development in legislation in the sphere of unfair commercial practices was presented. The crucial part of the workshops consisted of a discussion concerning key questions that arose in connection with the application of directives within workgroups, and in the subsequent summary of conclusions found by representa-

tives from member states. The interpretation of directives was also commented on by experts present from the academic sphere. Furthermore, the meeting answered some disputable questions concerning the application of the directives and interpretation of definitions contained in the directives.

Single Market Forum

The aim of the Single Market Forum was an assessment of the situation of the single internal market, implementation and application of directives, and exchange of approved methods in this sphere. The forum was also supposed to play a role in monitoring the implementation of the Act on single market and its impact on the local level. The event brought together

more than 1,000 participants – small and medium entrepreneurs, representatives of non-governmental consumer organizations, think tanks, journalists, ministries and authorities on the central, regional, and local level, as well as representatives of European institutions and Polish political scene. At the close of the forum, the Krakow Declaration was accepted

which summarized all main ideas including results from debates in 8 completed work-

shops.

Benefit of foreign official trips

Owing to Czech Republic being a member of the EU, CTIA workers participated in many international activities. These activities are an integral part of the cooperation of CTIA within the structure of European surveillance authorities and other authorities (PROSAFE, SOGS-MSG, DG TAXUD, etc.) including the participation in the information system RAPEX concerning dangerous products. CTIA participates in the preparation for integration of the Czech Republic into the database information system of surveillance authorities ICSMS. Since 2009, the European Consumer Centre has operated within the CTIA. It was established within the network of consumer centres in individual member countries of the EU, or more precisely EEA.

CTIA workers are expert members of several workgroups: e.g. the ADCO commission for LVD – low-voltage devices, radio and telecommunication terminal equipment, toys, recreational crafts, construction products, machinery and pressure equipment, and personal protective equipment; for the sphere of electromagnetic compatibility – the EMC group, WELMEC for metrology, and COEN for the sphere of medical devices. The subject of the cooperation is mainly the removal of technical legislative barriers during placement of prod-

ucts within the single market, and more efficient performance of surveillance including closer cooperation between individual member states. Workers participate in regular meetings and they cooperate interactively in the online system CIRCA *).

Within cross-border activities during the monitored period, CTIA actively participated in some European surveillance projects. That concerned grant projects co-financed by the European Commission focused on, for example, lighters, ladders, laser pointers, reflective clothing and accessories, battery chargers, lawnmowers, and products intended for children, i.e. products whose normal use can lead to damage to consumers' health or other harm. Participation in these surveillance projects presents the use of "best practice", deepening of international cooperation between surveillance authorities, cooperation with customs authorities in the respective field, and creating of relations with representatives of industry associations and other concerned parties. The results of these projects serve other surveillance activities of the CTIA, and they have an impact on European standardization. Enforcement of the EU law towards Chinese authorities responsible for products assessment takes place as well.

International joint inspection projects of the European Union resulting from CTIA activity in ADCO and PROSAFE workgroups

The Czech Trade Inspection Authority was the organizer of the work meeting of participants of the international surveillance project "ladders" in the Czech Republic. It has been preparing the international meeting ADCO RTTE in Prague for the following year, and it has also considered organizing a general meeting for Prosafe, also in Prague. CTIA participated in some projects concerning an international exchange of surveillance officers, presented international activities of CTIA for a delegation from Montenegro, and secured other events. Selected workers of the department of technology, international cooperation, services and protection of inhabitants within the General Inspectorate perform, among other things, trainings of

workers of CTIA regional inspectorates on the topic of CTIA – EU.

Inspection projects with participation of inspectors from Polska Inspekcja Handlowa also took place within the cross-border cooperation. The inspection projects were oriented on the potential discrimination of consumers during selling of products and provision of services, correctness of billing foreigners (tourists) or use of unfair commercial practices.

The participation of CTIA representatives in meetings abroad contributed to a better implementation of binding European rules determined by „*acquis communautaire*“ (“*European*

Union Regulations) and, therefore, also to health protection and consumer safety, or more precisely to protection of consumers' lawful rights. Also the positive evaluation of CTIA activity at the international forum contributed to a successful presentation of the Czech market surveillance authority within the EU. From a long-term perspective, however, the

most important part of international activities is the participation of the Czech Trade Inspection Authority in the preparation of the future strategy of European surveillance, monitoring of the preparation of the new European legislation from the perspective of the "*Single Act*", and use of this legislation in preparation of the concept and strategy of CTIA.

***) Abbreviations – explanation**

ICSMS – Alert system of the EU for unsatisfactory and dangerous products – International information system of surveillance authorities

Guidelines - DG TAXUD – Instructions for control of import in the sphere of product safety and compliance with regulations

CECIP – European federation of weighing and metrological industry

NAWI – non-automatic weighing instruments

NLF – New Legislation Framework

EMARS – Workgroup for enhancement of surveillance level

DG ENTERPRISE – Directorate general for enterprise and industry

DG SANCO – Directorate general for health and consumer protection

DG TAXUD – Directorate general for taxation and customs union

EFTA – European Free Trade Association

GPSD – General Product Safety Directive

CENELEC – European Committee for Electrotechnical Standardization

BTTA – Service Company for technical textile applications

CIRCA - Portal for cooperation with partners of European institutions – Communication and information system of European institutions partners

CONTROL ACTIVITIES IN 2011 - STATISTICS

Total view of controls in other selected spheres

Controlled sphere	Number of controls	Number of controls with discovered violations	Proportion of controls with discovered violations in %
Public alimentation	4,447	1,547	34.8
Labeling of footwear and textile	5,119	2,505	48.9
Special offers and clearance sales	3,453	1,319	38.2
Christmas assortment	1,041	214	20.6
All Souls' Day goods	216	80	37.0
Chain stores	1,724	525	30.5
Aerosol sprays	1,780	642	36.1
Products interchangeable with food	348	169	48.6
Selling of furniture – information obligations	79	48	60.8
Cords and Drawstrings (Children's Clothing)	49	43	87.8
Farmers markets	168	64	38.1
Fairs-exhibitions-trade fairs, etc.	318	179	56.3
Accommodation services	108	19	17.6
Travel agencies	274	83	30.3
Specialized controls at importers	79	25	31.6
Specialized controls at manufacturers	386	154	39.9

Number of controls with discovered violations – inspectorates

CTIA inspectorate	Number of controls	Number of controls with discovered violations	Proportion of controls with discovered violations in %
Středočeský and Prague	8,152	2,625	32.2
Jihočeský and Vysočina	5,976	1,601	26.8
Plzeňský and Karlovarský	7,264	2,629	36.2
Ústecký and Liberecký	6,702	2,036	30.4
Královéhradecký and Pardubický	5,533	1,883	34.0
Jihomoravský and Zlínský	7,134	2,478	34.7
Moravskoslezský and Olomoucký	6,589	2,453	37.2
In total	47,350 *)	15,705	33.2 *)

*) An increase in results, with decreased number of inspectors, in 2010 – 48,001 controls, 31.8 % findings

Overview of imposed sanctions

CTIA inspectorate	Imposed sanctions in total	
	number	amount in CZK
Středočeský and Prague	1,718	18,827,500
Jihočeský and Vysočina	1,567	4,675,000
Plzeňský and Karlovarský	2,336	9,749,500
Ústecký and Liberecký	1,854	6,058,200
Královéhradecký and Pardubický	1,711	4,968,000
Jihomoravský and Zlínský	2,349	9,340,100
Moravskoslezský and Olomoucký	2,447	6,527,500
In total	13,982	60,145,800

Sanctions imposed in administrative procedures and imposed fines

CTIA inspectorate	Sanctions in administrative procedures		Imposed fines	
	number	amount in CZK	number	amount in CZK
Středočeský and Prague	1,638	18,766,500	80	61,000
Jihočeský and Vysočina	1,242	4,427,500	325	247,500
Plzeňský and Karlovarský	2,074	9,561,000	262	188,500
Ústecký and Liberecký	1,636	5,892,700	218	165,500
Královéhradecký and Pardubický	1,545	4,857,500	166	110,500
Jihomoravský and Zlínský	2,033	9,017,100	316	323,000
Moravskoslezský and Olomoucký	2,012	6,065,000	435	462,500
In total	12,180	58,602,300	1,802	1,558,500

In 2010, 15,346 fines amounting to 62,840,600 CZK became effective. The lower number of imposed sanctions in 2011 – 503 less orders given on the spot, 568 less orders, and 296 less fines, however, an increase of 4 decisions occurred – was influenced by fines for low-quality fuels in 2010. The total amount of fines was lower by 2,802,800 CZK – in 2010 the highest imposed fines amounted to 3 million CZK and 3.5 million CZK, in 2011 the highest fine was 1.5 million CZK. Due to the fact that fines come into force after a certain period of time following the discovery of a violation, the data concerning the amount of fines can be considered comparable.

Controls and discovered violations according to particular laws

Act No.	Description	Number of controls	Number of controls with findings
64/1986 Coll.	the Czech Trade Inspection Authority Act	18,963	2,225
634/1992 Coll.	the Consumer Protection Act	40,874	11,886
22/1997 Coll.	on Technical Requirements for Products (outside of Rapex)	7,737	1,234
102/2001 Coll.	on General Safety of Products (outside of Rapex)	9,921	240
311/2006 Coll.	on Fuels and Filling Stations	1,320	84
145/2010 Coll. (321/2001 Coll.)	on Consumer Credit (before January 1, 2011 on Certain Conditions for the Conclusion of Consumer Credit)	290	141
353/2003 Coll.	on Excise Duties	4,847	142
477/2001 Coll.	the Act on Packaging	1,508	71
455/1991 Coll.	the Trade Licensing Act	933	30
Rapex	search controls concerning products listed in the Rapex system	15,145	29

INTERDEPARTMENTAL COOPERATION

Trade Licensing Offices (TLO) Cooperation of CTIA and TLO

CTIA inspectorate	Number of controls with TLO	Number of controls with discovered violations of legal regulations within the competence of CTIA
Středočeský and Prague	870	267
Jihočeský and Vysočina	257	65
Plzeňský and Karlovarský	459	86
Ústecký and Liberecký	289	127
Královéhradecký and Pardubický	150	65
Jihomoravský and Zlínský	632	172
Moravskoslezský and Olomoucký	256	144
In total	2,913	926

Comparison of joint control activity in 2008 – 2011 (CTIA-TLO)

Period	2008	2009	2010	2011
Number of joint controls	3,081	3,192	3,075	2,913

General Directorate of Customs (GDC) Cooperation between CTIA and GDC

CTIA inspectorate	Number of controls with the Customs Administration in 2010	Number of controls with the Customs Administration in 2011
Středočeský and Prague	31	14
Jihočeský and Vysočina	29	7
Plzeňský and Karlovarský	244	304
Ústecký and Liberecký	27	24
Královéhradecký and Pardubický	6	0
Jihomoravský and Zlínský	18	14
Moravskoslezský and Olomoucký	54	26
In total	409	389

Comparison of the number and value of confiscated goods (counterfeits) based on estimated original price in 2007 – 2011 within controls performed in cooperation with GDC

Monitored period	Number of controls with detected counterfeits	Number of detected counterfeits in pieces	Value of detected counterfeits in CZK
2 nd half of 2007	71	18,915	20,830,520
2008	73	7,622	8,503,570
2009	66	5,444	11,798,490
2010	28	91,102	10,580,820

2011	123	30,311	53,725,438
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Note: Each inspection authority reported inspection activities according to its own criteria. Therefore, the number of joint inspections performed together with customs authorities and reported by the CTIA may not correspond with the evaluation performed by GDC. The number of confiscated pieces is influenced by the confiscation of 88,634 pieces of "Claudia" packages.

Overview of cooperation with other authorities according to the number of performed inspections

State authority	Number of inspections 2010	Number of inspections 2011
Trade licensing offices	3,075	2,913
Alien Police Service	401	376
Police of the Czech Republic	128	287
Metropolitan police	76	39
Customs Administration	409	389
Municipal Office	22	20
Fire Rescue Service	10	17
Hygiene	46	34
Assay Office	1	2
Czech Metrology Institute	16	69
Czech Telecommunication Office	18	59
Czech Environmental Inspectorate	53	20
Czech Agriculture and Food Inspection Authority	5	1
Railway Authority	1	0
Czech Proof House for Firearms and Ammunition	3	6
Road Traffic Licensing Department	9	0
Foreign Supervisory Authority	7	10
Institute of Fuels and Lubricants	111	79

Inspections performed directly on the basis of consumer notifications

CTIA inspectorate	Number of inspections	Number of inspections with findings	Number of inspections with findings in %
Středočeský and Prague	1,515	664	43.9
Jihočeský and Vysočina	280	131	46.8
Plzeňský and Karlovarský	401	189	47.1
Ústecký and Liberecký	624	341	54.6
Královéhradecký and Pardubický	395	221	55.9
Jihomoravský and Zlínský	874	484	55.4
Moravskoslezský and Olomoucký	786	412	52.4
In total	4,873	2,442	50.1

RECEIVING AND DEALING WITH CONSUMER NOTIFICATIONS

CTIA inspectorate	Number of received notifications in individual inspectorates	Number of notifications solved within CTIA competence at individual inspectorates	Number of notifications forwarded to other inspectorates
General Inspectorate Prague	3,823	2,109	1,714
Středočeský and Prague	6,895	6,704	191
Jihočeský and Vysočina	1,376	1,296	80
Plzeňský and Karlovarský	1,237	1,127	110
Ústecký and Liberecký	1,921	1,729	192
Královéhradecký and Pardubický	1,559	1,462	97
Jihomoravský and Zlínský	3,311	3,177	134
Moravskoslezský and Olomoucký	2,935	2,778	157
In total	23,057	20,382	2,675

Note: Due to territorial affiliation, 11.6% of notifications were sent to a different inspectorate which then solved them.

According to their subject, the following notifications were accepted and registered

Subject of notification	Number
Spheres not falling within the competence of CTIA (besides food)	2,287
Food	844
Other - unspecified	2,967
Statute of sections 13 and 19 of the Act No. 634/1992 Coll. - complaints	2,111
Issue of complaints outside of the statute of sections 13 and 19 of the Act No. 634/1992 Coll., civil litigation	3,268
Statute of section 3 of the Act No. 634/1992 Coll. – billing, weight, amount	836
Unfair commercial practices outside of violation of industrial property and intellectual property rights	995
Violation of industrial property and intellectual property rights	110
Online shopping	2,466
Services (outside of public alimentation, taxi services, and travel agencies)	725
Public alimentation	610
Travel agencies	148
Taxi services	34
Safety of products	353
Information obligations	326
Forwarding and demonstration companies	389
Timesharing (newly monitored)	2
Failure to issue an invoice or difficult access to an invoice	254
Violation of the Act No. 22/1997 Coll. – on Technical Requirements for Products	209
Statute of section 12 of the Act No. 634/1992 Coll. – information on price	270
Statute of section 16 of the Act No. 634/1992 Coll. – evidence concerning provision of service / product	254
Discrimination	69
Act No. 311/2006 Coll. On Fuels	462
Consumer credit	234
Quality of consumer goods (outside of fuelling and food articles)	14
Act No. 477/2001 Coll. on Packaging	50

Unauthorized entrepreneurship	52
Act No. 379/2005 Coll. – protection of youth (alcohol, tobacco products)	24
Act No. 353/2003 Coll. – on excise duty - tobacco products	19
All notifications in general (even those not specified here)	20,382
Out of which: Notice, request, inquiry	11,509
Inputs and complaints	8,873
Out of which: Substantiated and partially substantiated (well-grounded and partially well-grounded)	1,781
Notifications with a different finding – outside of the scope of the notification subject	605
Proportions of substantiated inputs	In %
IN TOTAL (Proportion of substantiated and partially substantiated inputs comparing to the number of inputs)	20.1%
Statute of section 12 of the Act No. 634/1992 Coll. – information on price	52.2%
Statute of sections 13 and 19 of the Act No. 634/1992 Coll. – complaints	36.8%
Unfair commercial practices	21.9%
Public alimentation	19.1%
Online shopping	18.1%

COMPLAINTS

Complaints according to the Administrative Procedure Code Overview of complaints solved by the General Inspectorate

(According to the statute of section 175 of the Administrative Procedure Code filed against the procedure of an administrative body)

CTIA inspectorate	Substantiated complaint	Partially substantiated complaint	Unsubstantiated complaint	In total
General Inspectorate	0	0	1	1
Středočeský and Prague	0	3	7	10
Jihočeský and Vysočina	0	0	3	3
Plzeňský and Karlovarský	0	2	0	2
Ústecký and Liberecký	2	1	2	5
Královéhradecký and Pardubický	1	0	3	4
Jihomoravský and Zlínský	1	0	1	2
Moravskoslezský and Olomoucký	0	1	4	5
In total	4	7	21	32

Overview of complaints resolved by directors of individual inspectorates

(According to the statute of section 175 of the Administrative Procedure Code filed against the procedure of an administrative body)

CTIA inspectorate	Substantiated complaint	Partially substantiated complaint	Unsubstantiated complaint	In total
Středočeský and Prague	2	0	9	11
Jihočeský and Vysočina	1	0	33	34
Plzeňský and Karlovarský	0	1	8	9
Ústecký and Liberecký	0	0	4	4
Královéhradecký and Pardubický	0	0	9	9
Jihomoravský and Zlínský	1	0	10	11
Moravskoslezský and Olomoucký	0	0	20	20
In total	4	1	93	98

ANTICORRUPTION PROGRAM

Notifications received through the CTI anticorruption line (2009 and 2010)

Year	e-mail	green line	Box of satisfaction
2009	23	4	7
2010	32	60	10
2011	69	67	0

Spheres of notifications received through the CTI anticorruption line (2009 – 2011)

Year	Inquiry	Notice	Suggestion for a control	Complaint	Request
2009	23	4	7	16	1
2010	72	12	11	2	5
2011	66	1	69	0	0

Requests for information according to the Act No.106/1999 Coll.

Overview of received requests for information in 2011

CTIA inspectorates	Number of filed requests for information	Number of issued decisions on rejecting the request	Number of appeals filed against negative decisions	Transcription of relevant parts of each court resolution	Results of proceedings concerning sanctions for non-compliance with the applicable law	Number of complaints filed according to section 16a
General Inspectorate	12	3	1	was not issued	no proceedings against CTIA	0
Středočeský and Prague	4	1	0	was not issued	no proceedings against CTIA	0
Jihočeský and Vysočina	0	0	0	-	-	0
Plzeňský and Karlovarský	0	0	0	-	-	0
Ústecký and Liberecký	0	0	0	-	-	0
Královéhradecký and Pardubický	1	1	0	was not issued	no proceedings against CTIA	0
Jihomoravský and Zlínský	3	0	0	-	-	0
Moravskoslezský and Olomoucký	3	0	0	-	-	0
IN TOTAL	23	5	1	was not issued	no proceedings against CTIA	0

FINANCIAL RESOURCES MANAGEMENT

1. Information on income

Through a breakdown of binding indicators concerning the budget for 2011, income was set to the final amount of 42,950 thousand CZK. This amount was exceeded by 9,866.66 thousand CZK, and total income then amounted to 52,816.66 thousand CZK. Compared to 2010, there was a decrease of 1,429.44 thousand CZK in the monitored year.

The most significant part of the income budget was from received sanction payments for fines imposed in administrative procedures in the form of orders given on the spot as well as orders and decisions given within administrative proceedings (conducted at inspectorates). Received fines amounted to 36,162.15 thousand CZK. Compared to 2010, there was an increase of 62.13 thousand CZK.

Another significant part of the income budget was income received as compensation for proceeding expenses pursuant to the statute of section 79 par. 8 of the Administrative Procedure Code, amounting to 10,909.8 thousand CZK.

Obtained compensations for invoiced expenses of analyses concerning samples of products, which did not comply with the required quality or safety requirements, or products which advertised incorrect or un-

true information, were exceeded by 323.15% in 2011, i.e. fulfillment in the amount of 2,198.2 thousand CZK. Compensations for destroyed counterfeits were received in the amount of 181.29 thousand CZK. Additional compensation for expenses in the previous years, which could not compensate expenses, amounted to 2.68 thousand CZK.

Income from the sale of other long-term tangible property in the amount of 271 thousand CZK was obtained through the sale of 10 passenger vehicles.

The remaining income, amounting to 58.9 thousand CZK, consisted of low sums for received securities, late charges, compensations for damages caused by employees, other income not stated elsewhere, and unidentified income.

In total 1,358.7 thousand CZK was transferred from the reserve fund. These financial resources were used to settle the expenses resulting from the involvement of the CTIA in EU grants and for the operation of the European Consumer Centre.

Detailed information on fulfillment of income is stated in the table – see Appendix No. 1.

2. Information on expenses

The approved expense budget for 2011 was set to the amount of 272,857 thousand CZK, the modified budget amounted to 284,855 thousand CZK, while 285,794.77 thousand CZK, i.e. 100.32% of the modified budget was used. The final budget amounted to 286,243,708.28 CZK, which meant use of the reserve budget in the amount of 1,358,708.28 CZK, through integration in the income through the account of received subsidies. Out of this, spending on material expenses amounted to 77,602.81 thousand CZK, and investment expenditure amounted to 5,870.19 thousand CZK.

Compared to the previous year, the monitored year showed a decrease in expenses by 18,204.32 thousand CZK (the actual use in

2010 was 303,999.09 thousand CZK). The most significant decrease was observed in the area of wage funds and insurance – a total of 21,593 thousand CZK.

In connection with the intensive inspection activity in the sphere of fuel quality, and therefore also an increase in the number of collected samples by 437 compared to the year 2010, there was an increase in the expenses spent on their analysis. The total amount spent on analysis of fuels was 33,357.29 thousand CZK, and 1,389.96 thousand CZK was spent on analysis of other samples. Among other significant expenses, the purchase of small tangible assets amounted to c. 2,659.7 thousand CZK – this consisted of mainly updating computer

technology (76 laptops, 5 displays, 5 cameras) and the necessary equipment for inspections (tanks for draining fuels before collecting samples, acquisition of 7 fridges for transportation of fuel samples), or shelves for archives or storage of confiscated goods. A significant part of expenses was also presented by office supplies (toners, office paper, etc.) in the total amount of 2,493.19 thousand CZK (a decrease of 482 thousand CZK compared to 2010). Expenses for telecommunication services and data services - operation of land phone lines, mobile phones, mobile data services, VPN – amounted to 3,930.17 thousand CZK in total (a decrease of c. 193 thousand CZK compared to 2010). Expenses spent on postage amounted to 533.81 thousand CZK and expenses spent on service, trainings, and education services (languages and professional) amounted to 994.06 thousand CZK.

In total 5,206.54 thousand CZK was spent on the operation and maintenance of premises (energy, water, services, repairs, without rent), and 490.73 thousand CZK was paid for the rent (for office premises in Olomouc and parking places for company vehicles within the whole Czech Republic). In total 2,433.05 thousand CZK was spent on fuelling for company vehicles, and 4,508.61 thousand CZK was spent on domestic and foreign travel expenses (i.e. in connection with CTIA participation in the activity of EU authorities – ADCO, PROSAFE and other).

There was a significant decrease in expenses spent on external legal services, due to the use of the internal legal division. In total 1,304.52 thousand CZK, i.e. a decrease of 882.49 thousand CZK compared to 2010, was spent. The reasons for this expense were difficult labour-law relations and disputes concerning lease

3. Additional income

The CTIA performs inspection activities and issues as well as collects sanctions in connection with applicable legal proceedings. Receivables accrued based on sanctions imposed by the CTIA are enforced by customs authorities. In 2011, a special state budget revenue account was credited with the total amount of 36,162,150 CZK, which consisted of fines issued in administrative procedures.

contracts. In total 5,403.91 thousand CZK was spent on software, with regard to the accession of affiliations to the contract *Enterprise Agreement* concluded by the Ministry of Industry and Trade when all necessary Microsoft Windows licenses and Microsoft Office applications were arranged.

Investment resources were used within the sub-program 122014 “*Development and Renovation of Material-Technical Base*” for the purchase of 6 passenger vehicles (brand Škoda Octavia – 4 units and Kia Cee’d – 2 units) in the total amount of 2,275 thousand CZK, for supply and assembly of air-conditioning at the General Inspectorate in the total amount of 47.9 thousand CZK, and for the purchase of a spectrum analyzer for inspection activity - for measurement of radio broadcasting devices - in the amount of 296.38 thousand CZK. Investment resources were further used within the sub-program 122 011 “*Obtainment and Operation of ICT Management System of MIT*” for the purchase of software (technical assessment of the GINIS record management service, database system concerning the inspection activity of CTIA Mercurius, modifications of the module for travelling instructions in the accounting system EIS JASU, purchase of the license MS SharePointSvr – intranet, SW for virtualization or server infrastructure) and for the purchase of hardware (purchase of 2 units of IBM Blade servers and 1 disc array with 12 discs; 6 Dell laptops, exchange of 2 telephone switchboard units in Ústí nad Labem and Ostrava). The total expenses within the sub-program 122011 amounted to c. 3,251.17 thousand CZK.

Detailed information is stated in the table – see Appendix No. 2.

Besides fines issued in administrative procedures, including fines issued right at the inspection location, inspected physical entities were also issued fixed penalties for violation of respective provisions of Act No. 64/1986 Coll., the Czech Trade Inspection Act. In 2011, accounts of respective customs authorities were credited with the total sum of 1,273,800 CZK.

Further details are stated in the table – see Appendix No. 3.

4. Information on assets

On December 31, 2011, the total assets of the CTIA included in the accounting record and expressed in numbers were 451,364.55 thousand CZK. The largest part is represented by buildings, with the total value of 326,846.22 thousand CZK, followed by individual movables and sets of

movables (transportation vehicles, servers, telephone switchboard units, etc.) in the total amount of 44,306.37 thousand CZK.

Further details are stated in the table – see Appendix No. 4.

5. Economic activity

Inspection of economic activity by the Supreme Audit Office (SAO)

In April to October of the monitored year, an inspection of the CTIA was performed by the Supreme Audit Office within inspection project No. 11/32. The management of finances and state property in the period 2008 – 2010 was inspected.

Findings of SAO inspection workers established lack of economy in the process of public procurements on the part of the former CTIA general director. For example, the general director repeatedly called upon the same subjects to submit offers, did not respect the observance of the principle of transparency and equal approach in selection of suppliers for legal services and training services; also, it was not possible to justify the hiring of external providers of legal services. Presently, procedures concerning public procurements fully comply with binding legal regulations, including internal regulation of the governing body – the Ministry of Industry and Trade.

Inadequacies were discovered also in accounting and concerned the following: nonobservance of content determination of some items within long-term assets or performance of inventory in 2008 and 2009, setting of goals, parameters, and performance of the final evaluation of some investment projects. Furthermore, the inspection discovered time delays in debt recovery and also in the rendering of some outstanding fines for recovery by customs authorities. In some cases, payment of adequate security according to the provision section 8a of Act No. 634/1992 Coll. was not required. Thus, it did not guarantee payment of the actual accrued costs of the surveillance authority for inspections performed based on notification in cases when the legitimacy of such notification was not proved. All discovered inadequacies that could be solved were corrected during the inspection, and internal measures for the elimination of reprovved issues were set.

Income as of December 31, 2011 in CZK

Appendix No. 1

Suc	Item	Auc	Description	Modified budget	Annual fulfillment	% of fulfillment
222	2111	1	income for provided information		4,041.00	0
222	2111		income from provided services and products		4,041.00	0
222	2132	0	income from real estate rentals	1,200,000.00	1,572,998.69	131.08%
222	2132		in total item: 2132	1,200,000.00	1,572,998.69	131.08%
222	2141	0	income from interest	500.00	607.53	121.51%
222	2141		income from interest	500.00	607.53	121.51%
222	21		income from own activities and transfers of surplus of organizations with a direct relation	1,200,500.00	1,577,647.22	131.42%
222	2212	0	accepted sanction payments-fines in administrative procedure	30,000,000.00	36,151,150.00	120.50%
222	2212	1	accepted sanction payments-fines in administrative procedure		11,000.00	0.00%
222	2212		sanction payments received from other subjects	30,000,000.00	36,162,150.00	120.54%
222	22		accepted sanction payments and transfers drawbacks	30,000,000.00	36,162,150.00	120.54%
222	2310	0	income from the sale of non-investment assets	0	0.00	0.00%
222	2310		income from the sale of short-term and long-term assets	0	0.00	0.00%
222	2322	0	received indemnities	0	2,442.00	0.00%
222	2322		received indemnities	0	2,442.00	0.00%
222	2324	0	received non-capital contributions and compensation payments – previous years	0	2,678.00	0.00%
222	2324	1	received non-capital contributions and compensation payments – refunds for analyses	519 500.00	2,198,243.40	423.15%
222	2324	2	received non-capital contributions and compensation payments – management expense compensations - section 79 par. 8. Act No. 500/2004 Coll.	11,230,000.00	10,909,800.00	97.15%
222	2324	3	received non-capital contributions and compensation payments – damaged goods, stocked goods	0	181,288.00	0.00%
222	2324	4	received non-capital contributions and compensation payments – damages	0	71,751.00	0.00%
222	2324	5	received non-capital contributions and compensation payments – invoicing of sample purchase	0	2,390.00	0.00%
222	2324		received non-capital contributions and compensation payments	11,749,500.00	13,366,150.40	113.76%
222	2328	0	non-identified income	0	1,800.00	0.00%
222	2328		non-identified income	0	1,800.00	0.00%
222	2329	0	other unclassified non-taxable income – secured collaterals	0	15,036.00	0.00%
222	2329	1	other unclassified non-taxable income – interest on late payments, court fees	0	41,455.84	0.00%
222	2329	4	other unclassified non-taxable income – not stated anywhere else	0	2,410.00	0.00%
222	2329		other unclassified non-taxable income	0	58,901.84	0.00%
222	23		income from the sale of non-capital assets and other non-taxable income	11,749,500.00	13,429,294.24	114.30%
222	3113	1	income from the sale of other long-term tangible assets	0.00	271,000.00	0.00%
222	3113		income from the sale of other long-term tangible assets	0.00	271,000.00	0.00%
222	31		capital income	0.00	271,000.00	0.00%
222	4132	0	transfers from other own funds - (cz-6o15)	0	17,860.00	0.00%
222	4132		transfers from other own funds	0	17,860.00	0.00%
222	4135	0	transfers from the state organizational sector funds	0	1,358,708.28	0.00%
222	4135		transfers from the OSS reserve funds	0	1,358,708.28	0.00%
222	41		non-investment received transfers		1,376,568.28	0.00%
In total				42,950,000.00	52,816,659.74	122.97%

Expenses in 2011

Appendix No. 2

as of December 2011	modified budget	final budget	overall utilization of budget	utilization in
*) use of RF and NN	in CZK	in CZK	in CZK	in %
Common expenses				
501- 2 Employee salaries and other payments for performed work*)	149,338,000.00	150,227,040.00	150,205,445.00	99.99%
from which 5011 Employee salaries *)	146,350,000.00	147,122,800.00	147,122,800.00	100.00%
5021 Other personal expenses*)	1,063,000.00	1,179,240.00	1,157,645.00	98.17%
5024 Compensation payments	1,925,000.00	1,925,000.00	1,925,000.00	100.00%
503 Mandatory insurance payments paid by the employer *	50,456,000.00	50,645,092.00	50,645,092.00	100.00%
from which 5031 Social security insurance payments *)	37,102,000.00	37,247,708.00	37,247,708.00	100.00%
5032 Health insurance payments *)	13,354,000.00	13,397,384.00	13,397,384.00	100.00%
513 – Material purchase*)	5,439,554.00	5,577,695.50	5,410,645.80	97.01%
from which 5132 Protective equipment	74,500.00	74,500.00	71,230.00	95.61%
5136 Books, teaching aids and press	192,820.00	192,820.00	186,527.70	96.74%
5137 Small long-term tangible assets	2,665,100.00	2,665,100.00	2,659,699.10	99.80%
5139 Purchase of material not listed elsewhere*)	2,507,134.00	2,645,275.50	2,493,189.00	94.25%
514 – Interest and other financial expenses - 5142 realized exchange-rate losses	23,600.00	23,600.88	23,456.70	99.39%
515 – Purchase of water, fuel and energy	5,737,466.00	5,737,466.00	5,700,517.40	99.36%
from which 5151 Water	215,900.00	215,900.00	213,855.66	99.05%
5152 Steam	1,169,100.00	1,169,100.00	1,140,546.99	97.56%
5153 Gas	616,400.00	616,400.00	615,156.11	99.80%
5154 Electrical energy	1,300,266.00	1,300,266.00	1,297,910.68	99.82%
5156 Fuels and lubricants	2,435,800.00	2,435,800.00	2,433,047.96	99.89%
516 – Purchase of services *)	51,240,800.00	51,266,301.49	51,201,016.09	99.87%
from which 5161 Postal services	535,200.00	535,200.00	533,810.00	99.74%
5162 Telecommunication services and radio communication services *)	3,933,700.00	3,936,440.99	3,930,172.10	99.84%
5163 Services of financial institutions	469,600.00	469,600.00	468,637.39	99.80%
5164 Rental fees	493,000.00	493,000.00	490,725.96	99.54%
5166 Consulting, advisory and legal services	1,305,000.00	1,305,000.00	1,304,520.00	99.96%
5167 Educational and training services*)	944,500.00	946,500.00	944,061.00	99.74%
5168 Data processing services	0.00	0.00	0.00	0.00%
5169 Purchase of unclassified services (alimentation, printing, sample analyses, etc.)*	43,559,800.00	43,580,560.50	43,529,089.64	99.88%
517 – Other purchases	13,188,610.00	13,302,314.41	13,283,450.30	99.86%
from which 5171 Repairs and maintenance	2,998,180.00	2,998,180.00	2,986,316.81	99.60%
5172 Software equipment	5,404,000.00	5,404,000.00	5,403,910.87	100.00%
5173 Travel expenses (domestic and abroad)	4,395,280.00	4,508,984.41	4,508,610.94	99.99%

5175 Food and refreshments	379,150.00	379,150.00	372,776.37	98.32%
5176 Conference participation fees	12,000.00	12,000.00	11,835.31	98.63%
5179 Other unclassified purchases	0.00	0.00	0.00	0.00%
518 – Paid deposits	0.00	0.00	0.00	0.00%
from which 5181 Deposits provided to inner organizational units	0.00	0.00	0.00	0.00%
5182 Deposits provided to own treasury	0.00	0.00	0.00	0.00%
5189 Deposits provided for VISA card	0.00	0.00	0.00	0.00%
519 - Expenses associated with non-investment purchases	907,750.00	907,750.00	905,817.56	99.79%
from which 5191 Paid sanction fees	2,000.00	2,000.00	1,094.14	54.71%
5192 Provided non-investment contributions and compensations	298,200.00	298,200.00	297,686.60	99.83%
5194 Material gifts	22,850.00	22,850.00	22,848.00	99.99%
5195 Payment for non-compliance with the obligation to employ persons with especially serious health handicap	0.00	0.00	0.00	0.00%
5199 Expenses associated with unclassified non-investment purchases	584,700.00	584,700.00	584,188.82	99.91%
534 - Non-investment transfers deposited into own funds *	1,468,000.00	1,471,228.00	1,471,228.00	100.00%
from which 5342 Non-investment transfers FKSP *)	1,468,000.00	1,471,228.00	1,471,228.00	100.00%
5344 Non-investment transfers deposited to own reserve funds	0.00	0.00	0.00	0.00%
5345 Non-investment transfers deposited to own budget accounts	0.00	0.00	0.00	0.00%
5346 Transfers deposited into reserve fund	0.00	0.00	0.00	0.00%
536 - Tax payments, fees, sanction payments	211,500.00	211,500.00	206,702.30	97.73%
from which 5361 Purchase of applicable revenue stamps	0.00	0.00	0.00	0.00%
5362 Tax and other fee payments	52,000.00	52,000.00	47,358.30	91.07%
5363 Sanctions and penalty payments to other budgets	159,500.00	159,500.00	159,344.00	99.90%
542 - Compensations paid to the population	873,720.00	873,720.00	871,205.00	99.71%
from which 5424 Compensations of wages for the period of sickness	873,720.00	873,720.00	871,205.00	99.71%
Common expenses in total	278,885,000.00	280,243,708.28	279,924,576.15	99.89%
from which material expenses	77,627,500.00	77,899,846.28	77,602,309.15	99.62%
Capital expenses				
611- Purchase of intangible investment property	1,847,440.00	1,847,440.00	1,809,976.30	97.97%
612 - Purchase of tangible investment property	4,152,560.00	4,152,560.00	4,060,214.80	97.78%
from which 6121 Buildings, halls, construction sites	0.00	0.00	0.00	0.00%
6122 Machines, devices and equipment	344,382.00	344,382.00	344,290.80	99.97%
6123 Transportation vehicles	2,365,618.00	2,365,618.00	2,274,727.00	96.16%
6125 Computer technology	1,442,560.00	1,442,560.00	1,441,197.00	99.91%

6126 Project documentation	0.00	0.00	0.00	0.00%
6130 Land	0.00	0.00	0.00	0.00%
6361 Transfer to reserve fund	0.00	0.00	0.00	0.00%
Investment expenses sub-program 122011	3,290,000.00	3,290,000.00	3,251,173.30	98.82%
sub-program 122014	2,710,000.00	2,710,000.00	2,619,017.80	96.64%
Investment expenses in total	6,000,000.00	6,000,000.00	5,870,191.10	97.84%
Expenses in total	284,885,000.00	286,243,708.28	285,794,767.25	99.84%

*) RF = reserve fund; NN = claims from unused expenses

Income – special revenue account

Appendix No. 3

A	B	C	D	E	F	G	H
Act number	2011		paid		transferred to		in total account 3754
	done	in receivables	in total	Receivables in 2010	CU/ subject	19	
353/2003	899,500	836,500	724,500	41,000	18,000	5,000	702,500
477/2001	213,000	224,000	224,000	0	10,000	1,000	213,000
22/1997	2,505,500	2,709,500	1,872,500	75,000	113,000	10,000	1,849,500
634/1992	27,728,500	30,209,500	19,051,800	596,500	1,877,300	74,000	17,876,000
64/1986	2,297,500	2,244,500	745,650	11,000	33,000	7,000	705,650
102/2001	686,000	828,000	473,000	5,000	0	4,000	469,000
379/2005	255,000	255,000	237,500	0	16,000	0	221,500
321/2001	25,000	16,000	10,000	10,000	0	0	10,000
311/2006	12,199,000	12,564,000	4,455,000	30,000	294,000	5,000	4,156,000
145/2010	326,000	448,000	238,000	0	0	0	238,000
552/1991	1,108,000	1,521,000	170,500	0	2,000	0	168,500
86/2002	20,000	20,000	20,000	0	0	0	20,000
orders at the location	9,532,500	9,532,500	9,532,500	0	0	0	9,532,500
incorrect payments							
TOTAL	57,795,500	61,408,500	37,754,950	768,500	2,363,300	106,000	36,162,150

Legend:

- B – the sum of issued fines in accordance with individual applicable laws executable in 2011
 C – the total of registered fines in receivables
 D – fines paid in 2011 (executable in 2011 or earlier)
 E – the total sum from the D column- fines paid from receivables registered in 2010
 F – fines returned to companies
 G – sums transferred over to the item No. 19 (proceeding expenses sent by mistake to the fines collection account)
 H - total of all sums that remained in the balance of CTI for 2011 (after the subtraction of the transfers in accordance with F and G)

CTIA assets as of December 31, 2011

Appendix No. 4

Type of asset	in thousand CZK
- software over 60 thousand CZK	16,068.04
- software up to 60 thousand CZK	10,040.68
- land	7,903.61
- art	130.51
- buildings – 6 buildings and 3 garages	326,846.22
- individual movable assets and sets of items	44,306.37
- small long-term tangible assets up to 40 thousand CZK	30,207.35
- other long-term assets (kept on accounts of balance sheet)	15,861.77
- incomplete long-term tangible assets	0
In total:	451,364.55

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All inspectorates are also available via e-filing registry on the website www.coi.cz