

## Is a bureau-de-change licence necessary for accepting foreign currency payments?

Regulations	<ul style="list-style-type: none"> <li>• Act No. 277/2013 Coll., on Bureau-de-Change Activities, as amended (<b>AoBdCA</b>)</li> <li>• Act No 370/2017 Coll., on Payments, as amended (<b>AoP</b>)</li> </ul>
Provisions	<ul style="list-style-type: none"> <li>• Articles 2, 4 and 6 of the AoBdCA</li> <li>• Articles 2(3)(b) and 3(1) of the AoP</li> </ul>
Question	<b>Is a bureau-de-change licence required if, in a shop, goods or services are paid for in a foreign currency and any change is given in Czech koruna?</b>

**Answer** The contracting parties may agree that payment for the goods or services that are the subject of that agreement will be made in a foreign currency. In such situations, the question may arise whether a licence pursuant to Article 6 of the AoBdCA is required for the fulfilment of such obligations, especially if change is given in a currency other than that used for payment.

Pursuant to Article 2(1) in conjunction with Article 4 of the AoBdCA, a bureau-de-change licence is required for transactions “consisting in the exchange of banknotes, coins or cheques denominated in one currency for banknotes, coins or cheques denominated in another currency” and for transactions “consisting in the exchange of non-cash or electronic money denominated in one currency, where the payer has submitted a payment order to transfer such non-cash or electronic money through a recipient conducting the exchange, for banknotes, coins or cheques denominated in another currency”.

Pursuant to Article 2(2) of the AoBdCA, a bureau-de-change licence is not required when “a supplier of goods or services pays out cash to the customer in the event of payment for goods or services in excess of the payment due” or in the case of “a currency exchange which the recipient or another person offers through an ATM or at the point of sale of goods or provision of services before commencing the payment transaction” (in this case, however, it is necessary to fulfil the information duty laid down in Article 254(3) of the AoP).

Where the purpose of the mechanism described above and the subject of the separate service for the customer is not the exchange of currency, but only the settlement of an obligation, we assume that in the case of **accepting payment in a foreign currency or giving change in another currency, bureau-de-change registration is not necessary.**

An exception to this would be instances where settlement of an obligation is only the superficial or purported reason and the parties’ true aim is to conduct a currency exchange transaction and circumvent the rules laid down in the AoBdCA.

It is necessary to point out, however, that the systematic refusal of domestic banknotes and coins could constitute the elements of the criminal offence of threatening the circulation of domestic money pursuant to Article 239(2)(a) of the Criminal Code, which makes anyone who rejects domestic money without legal reason subject to prosecution.

The AoP, not the AoBdCA, applies to cashless payments in a foreign currency for goods or services. Here again, however, the acceptance of cashless payments in a foreign currency for goods or services does not constitute provision of a payment service and hence does not require a special permit on the part of the merchant. In the contractual relationship, the merchant is the recipient (Article 2(3)(b) of the AoP) and the merchant’s provider and the payer’s provider provide the payment service consisting in the transfer of funds in payment for goods or services.

Consumer protection obligations also apply to the acceptance of foreign currencies

in payment for goods or services. These include the obligation to inform the consumer of the price of goods pursuant to Article 12 of the Consumer Protection Act. In the case of non-financial goods or services, however, compliance with these obligations is not subject to CNB supervision.

Importance of  
the answer for  
those to whom it  
is addressed

This answer expresses the opinion of Czech National Bank staff members. The courts and the Bank Board of the Czech National Bank may be of a different opinion.

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