



# Doing Business in Czech Republic

Accounting / Audit / Tax / Advisory

Smart decisions. Lasting value.



# Welcome

## to Doing Business in the Czech Republic

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Doing Business in the Czech Republic has been prepared by the Crowe Global member firm in the Czech Republic in order to provide general information for persons planning to do business with or in the country concerned and/or individuals intending to live and work in the Czech Republic temporarily or permanently.

This Guide includes relevant information about business operations and taxation matters. It is intended to assist organizations that are considering establishing a business in the Czech Republic either as a separate entity or as a subsidiary of an existing foreign company. It will also be helpful to anyone planning to come to the Czech Republic to work and live here either on secondment or as a permanent life choice.

Unless noted otherwise, the information contained in this Guide is believed to be accurate as of 1 January 2021. However, general publications of this nature cannot be used and are not intended to be used as a substitute for professional guidance specific to the reader's particular circumstances.



## General information

|                                                                |                                 |
|----------------------------------------------------------------|---------------------------------|
| Local currency,<br>Exchange rate to<br>EUR as of<br>01/01/2021 | CZK , 1 EUR = 25,460 26.245 CZK |
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## Types of organization

### Limited Liability Company

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| Name in local language                                            | Společnost s ručením omezeným (abbreviation: s.r.o. or spol s.r.o.)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Registrable in commercial register / legal entity                 | Yes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Minimum capital                                                   | 1 CZK                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Minimal number of shareholders/<br>Maximum number of shareholders | Minimum 1 and no limitation for a maximum number                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Capital tax /<br>Registration fees                                | Notarial fee for preparation of notarial deed of Contract of Association / Deed of Foundation of CZK 2 000, notarial fee for preparation of notarial deed of confirmation of registration in the public registry of CZK 1 000, notarial fee for input in the Czech Commercial Register of CZK 300, court fee of CZK 2 700 (if registration is done by the notary) or CZK 6 000 (if done by Court of Registration), payable only if the founding document contains other than basic information, various administration fees of approximately CZK 2 500 (administration fee for registration of Trade License of CZK 1 000 if necessary (dependent on the activities of the company), administrative fee for extract from Real Estate Cadastre of CZK 100, administrative fee for extract for Criminal Register of CZK 100 per person, verification fees, etc.), translation fees (if the documents regarding the shareholders are in language other than Czech or Slovak, the amount depends on the scope/number of pages to be translated) |
| Written form/<br>notarization                                     | In the form of the notarial deed of the Contract of Association (společenská smlouva) if the company has more than 1 shareholder or a Deed of Foundation (zakladatelská listina) in case of only one shareholder                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

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| Registration with tax authorities | Yes: within 15 days as of establishment of the company for Corporate Income Tax, within 8 days as of the day of first obligation as a payroll taxpayer, within 15 days as of the day of exceeding the threshold of turnover of CZK 1 000 000 or as of the occurrence of specific statutory defined events for VAT                                                                                                                                                                                                                                                                                                                                                                                                                |
| Statutory audit                   | <ul style="list-style-type: none"> <li>• Big companies (total assets netto &gt; CZK 500 mil, turnover &gt; CZK 1 mld, AVG nr. of employees &gt; 250, public interest companies) – always</li> <li>• Middle-size companies (total assets netto &lt; CZK 500 mil, turnover &lt; 1 mld, AVG nr. of employees &lt; 250 which are not small companies) – always</li> <li>• Small companies (total assets netto &lt; CZK 100 mil, turnover &lt; CZK 200 mil, AVG nr. of employees &lt; 50 which are not micro-companies) - if as of the balance sheet date and the previous balance sheet date exceeded 2 of following criteria: total assets netto &gt; CZK 40 mil, turnover &gt; CZK 80 mil, AVG nr. of employees &gt; 50</li> </ul> |

## Public company (joint-stock company)

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| Name in local language                                            | Akciová společnost (abbreviation: a.s. or akc. spol.)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Registrable in commercial register / legal entity                 | Yes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Minimum capital                                                   | CZK 2 000 000 or EUR 80 000 for companies keeping books in EUR                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Minimal number of shareholders/<br>Maximum number of shareholders | Minimum 1 and no limitation for a maximum number                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Capital tax /<br>Registration fees                                | Notarial fee for preparation of notarial deed of Articles of Association dependent of the amount of registered capital, minimally CZK 12 800 in case of minimum capital, notarial fee for input in the Czech Commercial Register of CZK 8 000 of court fee for input in the Commercial Register of CZK 12 000, various administration fees of approximately CZK 2 500 (administration fee for registration of Trade License of CZK 1 000 if necessary (dependent on the activities of the company), administrative fee for extract from Real Estate Cadastre of CZK 100, administrative fee for extract for Criminal Register of CZK 100 per person, verification fees, etc.), translation fees (if the documents regarding the shareholders are in language other than Czech or Slovak, the amount depends on the scope/number of pages to be translated) |

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| Written form/<br>notarization        | In the form of notarial deed of the Articles of Association (stanovy)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Registration with tax<br>authorities | Yes: within 15 days as of establishment of the company for Corporate Income Tax, within 8 days as of the day of first obligation as a payroll tax payer, within 15 days as of the day of exceeding the threshold of turnover of CZK 1 000 000 or as of the occurrence of specific statutory defined events for VAT                                                                                                                                                                                                                                                                                                                                                                                                               |
| Statutory audit                      | <ul style="list-style-type: none"> <li>• Big companies (total assets netto &gt; CZK 500 mil, turnover &gt; CZK 1 mld, AVG nr. of employees &gt; 250, public interest companies) – always</li> <li>• Middle-size companies (total assets netto &lt; CZK 500 mil, turnover &lt; 1 mld, AVG nr. of employees &lt; 250 which are not small companies) – always</li> <li>• Small companies (total assets netto &lt; CZK 100 mil, turnover &lt; CZK 200 mil, AVG nr. of employees &lt; 50 which are not micro-companies) - if as of the balance sheet date and the previous balance sheet date exceeded 1 of following criteria: total assets netto &gt; CZK 40 mil, turnover &gt; CZK 80 mil, AVG nr. of employees &gt; 50</li> </ul> |
| Others                               | Mandatory company's webpage                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

## Branch (permanent establishment)

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| Name in local<br>language                                               | Pobočka (stálá provozovna) or if registered in the Czech Commercial Register odštěpný závod (abbreviation: o.z.)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Registrable in<br>commercial register<br>/ legal entity                 | May be registered; however, it is not statutorily required by the law (permanent establishment may be created upon fulfillment of statutory criteria, even if not registered in the Czech Commercial Register)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Minimum capital                                                         | No minimum capital                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Minimal number of<br>shareholders/<br>Maximum number<br>of shareholders | No shareholders (only founder, i.e. the founding foreign entity)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Capital tax /<br>Registration fees                                      | Legal fee for preparation of Decision of Founding of approximately CZK 2 500, court fee for input in the Commercial Register of CZK 6 000, various administration fees of approximately CZK 2 500 (administration fee for registration of Trade License of CZK 1 000 if necessary (dependent on the activities of the company), administrative fee for extract from Real Estate Cadastre of CZK 100, administrative fee for extract for Criminal Register of CZK 100 per person, verification fees, other notarial fees, etc.), translation fees (if the documents regarding the shareholders are in language other than Czech or Slovak, the amount depends on the scope/number of pages to be translated) |

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| Written form/<br>notarization     | Permanent establishment is created upon fulfillment of statutory conditions, no founding document is required. Branch registered in the Czech Commercial Register is founded by a simple resolution of the founder in the written form, no need for notarial deed form.                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Registration with tax authorities | Yes: within 15 days as of establishment of the branch or permanent establishment for Corporate Income Tax, within 8 days as of the day of first obligation as a payroll taxpayer, within 15 days as of the day of exceeding the threshold of turnover of CZK 1 000 000 or as of the occurrence of specific statutory defined events for VAT                                                                                                                                                                                                                                                                                                                                                                                      |
| Statutory audit                   | <ul style="list-style-type: none"> <li>• Big companies (total assets netto &gt; CZK 500 mil, turnover &gt; CZK 1 mld, AVG nr. of employees &gt; 250, public interest companies) – always</li> <li>• Middle-size companies (total assets netto &lt; CZK 500 mil, turnover &lt; 1 mld, AVG nr. of employees &lt; 250 which are not small companies) – always</li> <li>• Small companies (total assets netto &lt; CZK 100 mil, turnover &lt; CZK 200 mil, AVG nr. of employees &lt; 50 which are not micro-companies) - if as of the balance sheet date and the previous balance sheet date exceeded 2 of following criteria: total assets netto &gt; CZK 40 mil, turnover &gt; CZK 80 mil, AVG nr. of employees &gt; 50</li> </ul> |

## Limited Commercial Partnership

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| Name in local language                                            | Komanditní společnost (abbreviation: k.s. or kom. spol.)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Registrable in commercial register / legal entity                 | Yes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Minimum capital                                                   | Amount is not stipulated by the law                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Minimal number of shareholders/<br>Maximum number of shareholders | At least two members                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Capital tax /<br>Registration fees                                | Legal fee for preparation of Contract of Association of minimally CZK 2 000, notarial fee for preparation of the notarial deed of confirmation of registration in the public registry of CZK 1 000, notarial fee for input in the Czech Commercial Register of CZK 300, court fee of CZK 2 700 (if registration is done by the notary) or CZK 6 000 (if done by Court of Registration), payable only if the founding document contains other than basic information, various administration fees of approximately CZK 2 500 (administration fee for registration of Trade License of CZK 1 000 if necessary (dependent on the activities of the company), administrative fee for extract from Real Estate Cadastre of CZK 100, administrative fee for extract for Criminal Register of CZK 100 per person, verification fees, etc.), translation fees (if the documents regarding the |

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|                                      | shareholders are in language other than Czech or Slovak, the amount depends on the scope/number of pages to be translated)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Written form/<br>notarization        | In the written form of Contract of Association (společenská smlouva) with notarized signatures of members                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Registration with tax<br>authorities | Yes: within 15 days as of establishment of the company for Corporate Income Tax, within 8 days as of the day of first obligation as a payroll taxpayer, within 15 days as of the day of exceeding the threshold of turnover of CZK 1 000 000 or as of the occurrence of specific statutory defined events for VAT                                                                                                                                                                                                                                                                                                                                                                                                                |
| Statutory audit                      | <ul style="list-style-type: none"> <li>• Big companies (total assets netto &gt; CZK 500 mil, turnover &gt; CZK 1 mld, AVG nr. of employees &gt; 250, public interest companies) – always</li> <li>• Middle-size companies (total assets netto &lt; CZK 500 mil, turnover &lt; 1 mld, AVG nr. of employees &lt; 250 which are not small companies) – always</li> <li>• Small companies (total assets netto &lt; CZK 100 mil, turnover &lt; CZK 200 mil, AVG nr. of employees &lt; 50 which are not micro-companies) - if as of the balance sheet date and the previous balance sheet date exceeded 2 of following criteria: total assets netto &gt; CZK 40 mil, turnover &gt; CZK 80 mil, AVG nr. of employees &gt; 50</li> </ul> |

## General Commercial Partnership

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| Name in local<br>language                                               | Veřejná obchodní společnost (abbreviation: v.o.s. or a veř.obch.spol. or name of at least one partner and addition "a spol.", i.e. "and Co." in English)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Registrable in<br>commercial register<br>/ legal entity                 | Yes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Minimum capital                                                         | n/a                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Minimal number of<br>shareholders/<br>Maximum number<br>of shareholders | At least two partners                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Capital tax /<br>Registration fees                                      | Legal fee for preparation of Contract of Association of minimally CZK 2 000, notarial fee for preparation of notarial deed of confirmation of registration in the public registry of CZK 1 000, notarial fee for input in the Czech Commercial Register of CZK 300, court fee of CZK 2 700 (if registration is done by the notary) or CZK 6 000 (if done by Court of Registration), payable only if the founding document contains other than basic information, various administration fees of approximately CZK 2 500 (administration fee for registration of Trade License of CZK 1 000 if necessary (dependent on the activities of the company), administrative fee for extract from Real Estate Cadastre of CZK 100, administrative fee |



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|                                      | for extract for Criminal Register of CZK 100 per person, verification fees, etc.), translation fees (if the documents regarding the shareholders are in language other than Czech or Slovak, the amount depends on the scope/number of pages to be translated)                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Written form/<br>notarization        | In the written form of Contract of Association (společenská smlouva) with notarized signatures of partners                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Registration with tax<br>authorities | Yes: within 15 days as of establishment of the company for Corporate Income Tax, within 8 days as of the day of first obligation as a payroll taxpayer, within 15 days as of the day of exceeding the threshold of turnover of CZK 1 000 000 or as of the occurrence of specific statutory defined events for VAT                                                                                                                                                                                                                                                                                                                                                                                                                |
| Statutory audit                      | <ul style="list-style-type: none"> <li>• Big companies (total assets netto &gt; CZK 500 mil, turnover &gt; CZK 1 mld, AVG nr. of employees &gt; 250, public interest companies) – always</li> <li>• Middle-size companies (total assets netto &lt; CZK 500 mil, turnover &lt; 1 mld, AVG nr. of employees &lt; 250 which are not small companies) – always</li> <li>• Small companies (total assets netto &lt; CZK 100 mil, turnover &lt; CZK 200 mil, AVG nr. of employees &lt; 50 which are not micro-companies) - if as of the balance sheet date and the previous balance sheet date exceeded 2 of following criteria: total assets netto &gt; CZK 40 mil, turnover &gt; CZK 80 mil, AVG nr. of employees &gt; 50</li> </ul> |

## Value added tax (VAT)

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|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Tax rates          | Standard rate of 21%, reduced rates of 15% (among others services related to waste, medical services, entrance to museums, food, medical devices and equipment, plants, electronic books) and 10% (among others water supply and cleaning, restaurant services, accommodation services, personal services, fitness centers, sport and cultural events, specific types of food, drinking water, medicines, and paper and electronic books)                                                                                               |
| Supply of goods    | Subject to VAT unless VAT exempt (see below), place of taxable supply is generally located where the transportation starts, exceptions apply e.g. to real estates where the place of taxable supply is located where the real estate is located; gas, electricity, and similar goods supplied via distribution network the place of taxable supply is located where the supplier is located; and supply of goods with the assembly and/or montage when the place of taxable supply is located where the assembly or montage takes place |
| Supply of services | Subject to VAT unless VAT exempt (see below), place of taxable supply is generally located in the seat of a recipient in case of B2B transactions and in the seat of a supplier in case of B2C transactions, specific rules apply e.g. to services related to real                                                                                                                                                                                                                                                                      |

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|                                                     | estate (place of taxable supply where the real estate is located), entrances to cultural, entertainment, sport and other events (place of taxable supply where the event takes place), telecommunication services (place of taxable supply in the seat of receiver)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Special provisions (exemptions to the general rule) | See above                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Reverse charge on local supplies                    | Various types of domestic reverse charge mechanism are applicable: (a) permanent for the supply of gold, supply of real estates, provision of assembly or civil engineering services, supply of waste materials; (b) temporary for emission allowances, mobile phones, devices with integrated circuit, tablets, laptops, game consoles, supply of gas and electricity to their sellers, provision of telecommunication services, supply of cereals and technical plants, supply of metals, supply of specific goods as decided by the Ministry of Finance and allowed by the EU                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Import of services                                  | Subject to the reverse charge mechanism on the side of the receiver, tax-neutral impact if used for realization for taxable supply (i.e. for economic purposes) since VAT refund may be claimed                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Deadline and conditions for VAT refund              | Deadline for submission of VAT reports (VAT return, VAT Ledger Statement and European Sales list, if applicable) is 25 day of the month following the relevant VAT period                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Major Tax exemptions                                | Specific supplies are exempt with VAT refund claim (such as supply of goods to another EU Member State, transportation and other services directly linked to import and export of goods, international transportation of people, etc.) or without VAT refund claim (such as postal services, radio and TV services, financial services, insurance services, supply of real estates and rent of real estate if specific conditions are met, medical and social care services, etc.)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Real Estate                                         | Place of taxable supply in case of supply of real estates as well as in case of services related to real estates is located where the real estate is located. Standardly, supply of real estate is subject to the VAT rate of 21%, with exception of supply of buildings for social accommodation (flats up to 120 square meters, family houses up to 350 square meters, etc.) as well as civil engineering services related to the social accommodation. VAT exempt are specific taxable supplies related to real estates: (a) supply of land which does not create a functional unit with building and is not a building land; (b) supply of buildings after 5 years as of issuance of colaudation approval or as of commencement of use; (c) rent of real estates, except of short term rent, accommodation services, rent of parking spaces, rent of safe boxes and other equipment and machines firmly connected with real estate. The VAT refund from supplies received in relation to the VAT exempt supplies may not be claimed since this is so-called VAT exemption without VAT refund claim. The latter one may be subject to VAT voluntarily if supplied to another VAT payer. |

Foreign taxable persons (VAT registration)

Foreign taxable persons (i.e. with no seat in the Czech Republic) may be VAT registered as VAT payers or as VAT identified persons ("partial" VAT registration for intra-EU transactions only, with less administrative obligations and no VAT refund claim) voluntarily or on an obligatory basis if the statutory conditions are met (fixed establishment is created, supply of goods or provision of services with place of taxable supply in the Czech Republic - where reverse charge mechanism is not applied - are realized, etc.)

## Corporate Income Tax

Accounting rules

Accounting rules are stipulated by the Act No. 563/1991 Coll., on accounting, as amended and by the related regulation issued by the Ministry of Finance. All entities registered in the Czech Commercial Register are obliged to keep accounting books following these rules since the tax base is based on the accounting profit/loss as calculated based on these rules.

Tax rate

19% and a special tax rate of 5% applies for income of certain investment funds and 0 % for pension funds

Tax base

Tax base is based on the accounting result (profit/loss), calculated based on Czech statutory accounting standards (see above) and adjusted by items decreasing (non-taxable revenues) and increasing (tax non-deductible costs) the tax base. Accrual principle is followed by the Czech Income Tax Act.

Tax assessment period

Standardly, the taxable period is 12 months, either a calendar year or a financial year (any other 12-months period, always starting as of the 1st day of the chosen month other than January). The taxable period may be longer as well as shorter in specific cases (change of calendar year to the financial year and vice versa, year of establishment or abolishment of the company, entering into liquidation, etc.). The tax assessment period is 3 years and starts as of the deadline for submission of the relevant tax return. However, if any of the following events have occurred in the last 12 months before the expiry of the current tax assessment period, the assessment period is extended by 1 year: (a) submission of an additional tax return or receipt of call to submit an additional tax return, if this request led to an additional assessment of the tax; (b) receipt of notification of tax assessment decision; (c) initiation of proceedings on an extraordinary remedy or supervisory remedy; (d) notification of a decision on an appeal or a supervisory remedy, or (e) notification of a decision declaring a tax assessment to be void. Further, the tax assessment period commences again, provided that a tax audit is initiated, an ordinary tax return is submitted or a call to submit an ordinary tax return has been initiated before the expiry of the tax assessment period. The tax assessment period ends no later than 10 years from its original beginning. There are - however - still certain exceptions to this rule related to the utilization of tax losses and to economic criminal activities.

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| Loss set-offs/<br>carry forwards                                                                     | <p>Tax base may be reduced by tax losses generated in previous tax periods and may be carried forward for up to five years. Tax losses up to CZK 30 millions may be carried back for two years, as it was introduced firstly for the tax periods ending as of 30 June 2020 and later. However, the possibility to utilize a tax loss carried forward from previous tax periods is generally restricted, provided that the company was subject to a change in ownership or participated in a legal transformation and that the scope of business of the company materially changed in comparison with the tax period when the tax loss was incurred. A legally binding ruling could be obtained from the Czech tax authorities on whether the tax loss could be utilized in a particular case</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Tax/ accounting<br>depreciation                                                                      | <p>Accounting depreciation of fixed assets, tangibles as well as intangibles, may be decided by the relevant tax subject; however, shall comply with reality and ensure that the accounting books are true and fair view of the taxpayer's status. On the other hand, tax depreciation is governed by the Czech Income Tax Act. The tangible fixed assets are tangibles with input price exceeding the threshold of CZK 80 000 and operational and technical function for longer than 1 year; buildings, houses and flats; stipulated civil constructions; growing units of permanent plants with fertility period of more than 3 years; and animals and their groups with input price exceeding the threshold of CZK 80 000. The tangible fixed asset is depreciated annually in the span of 3 - 50 years, depending on the type and the appropriate depreciation group (there are 6 of them). The tax depreciation may be linear or accelerated. The Czech Income Tax Act does not recognize intangible fixed assets. The similar applies to the technical appreciation of the fixed assets.</p>                                                                                                                                                                                                                   |
| Tax deductibility<br>of interest,<br>Excessive<br>interest rate rule,<br>Thin<br>capitalization rule | <p>Under the Czech Income Tax Act, various rules need to be observed when considering the tax deductibility of loan interests and other financial costs. Firstly, financial costs associated with participation in a subsidiary are considered fully tax non-deductible (e.g. interest on a loan related to the purchase of shares). Secondly, financial costs associated with tax exempt revenues as well as with the loan where the amount of these costs (or the maturity of these costs) depends on the amount of the borrower's profit, are also non-tax deductible. Further, interest from loans and related costs including costs for processing of loans, guarantee fees, etc. rendered between related parties are subject to the thin capitalization rule. Generally, 4:1 equity/loan ratio is relevant for tax deductibility of interests from loans (and related costs) from related parties. Lastly, financial costs are tax deductible up to CZK 80 million, or 30% of earnings before interest, taxes, depreciation and amortization (EBITDA) within one tax period. In this respect, the Czech Income Tax Act stipulates special rules for calculating EBITDA, which differ from the calculation of accounting EBITDA. Financial costs above these limits will be considered non-tax deductible.</p> |



Reserves for bad debts, leaves, etc.

Bad debt provisions and reserves are tax deductible only if created in accordance with the Act No. 593/1992 Coll. on reserves, as amended. As stipulated by the relevant legislation, following reserves are considered as tax deductible if further statutory conditions are met; e.g. bank reserves, insurance reserves, reserves for repair of tangible fixed asset, reserves for silvicultural operations and some very specific reserves in agriculture. Other reserves than stipulated by the Act on reserves (e.g. reserve for unconsumed holiday, reserve for bonuses or severance payments) are tax non-deductible. As regards for bad debt provisions, the condition for the tax deductibility is its recording in accounting books, due date after 31 December 1994 and recognition in revenues, i.e. inclusion in the tax base in the past. So called tax bad debt provisions may be created to (a) receivables towards debtors in insolvency proceeding; (b) receivables after due date more than 18 months (up to 50%) and more than 30 months (up to 100%). Tax bad debt provisions may not be created for receivables arising from securities and other investment instruments, loans, borrowings, guarantees, advances, performance in favor of equity, compensation for loss of the company, contractual penalties and interest on arrears, late fees, penalties and other sanctions from obligations, to receivables acquired free of charge and to a set of receivables. Another exception, when provisions may not be treated as tax deductible, are receivables between related parties.

Other Major tax adjustments  
a) increasing  
and b)  
decreasing  
taxable profit

In general, any cost is tax deductible provided that it has been incurred to generate, maintain and secure taxable revenue and that the taxpayer is able to prove its occurrence. This general definition is accompanied by a non-exhaustive list of costs, which are expressly stated as tax deductible, e.g. (a) tax depreciation of fixed assets (see above); (b) tax net book value of tangible and intangible assets upon their disposal by way of sale or liquidation; (c) health insurance and social security contributions payable by employers (provided that they have been paid no later than one month after the end of the taxable period); (d) certain taxes paid (including real estate and real estate transfer tax and road tax); (d) business trip allowances for employees (e.g. expenditure on accommodation, travel expenses and meal allowances up to certain statutory limits); (e) specific employee benefits (e.g. severance payment payable upon termination of employment caused from the employer's side) stipulated by internal company regulation, a collective agreement or employment or other agreement with employee, unless tax law stipulates otherwise for some kind of benefits; (e) provisions and reserves created in accordance with the Act No. 593/1992 Coll. on reserves, as amended; (e) Expenses on the holding of a share in a subsidiary, including interest expenses, etc. On the other hand, the Czech Income Tax Act stipulates also tax non-deductible costs, such as (a) refreshment and representation costs; (b) shortages and damages, unless caused by an unknown offender, resulting from a natural disaster and/or compensated; (c) fines and penalties, etc. A tax base may also be deducted by certain tax base allowances (e.g. charity donations, tax losses generated in previous taxable periods, R&D allowances, deductions for vocational training). Further, tax liability calculated from a final tax base may be decreased by certain tax relieves (e.g. tax relief for disabled employees).

|                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|----------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Transfer pricing,<br>Transfer pricing<br>documentation,<br>Related parties | <p>The transfer pricing rules under the Czech tax legislation require related parties to have prices agreed on arm's length principle. In the case of a tax inspection, the Czech tax authorities might scrutinize relevant contractual arrangements between related parties and required documentation justifying the price level between related parties. However, the elaboration and / or public disclosure of transfer pricing documentation is not statutory required. Generally speaking, the tax authorities follow the OECD Transfer Pricing Guidelines when determining the arm's length price between taxpayers. Persons related by capital are those whose direct or indirect participation in the capital of, or voting rights in, one company by another company is greater than 25%. Persons related in another way are those who have relationships between persons directly or indirectly participating in management or control, or have entered into a legal relation for the purpose of decreasing the tax base or increasing the tax loss.</p> |
| Withholding tax                                                            | <p>Standardly, the withholding tax is applied to the specific incomes such as especially those payable to the Czech tax non-residents. Generally, the tax rate is 15%; however, the 35% withholding tax rate applies to dividend, interest and royalty payments made to "tax haven" countries. A country is deemed to be a tax haven if it is not: (a) a Member State of the EU or the EEA; (b) a country that has a double tax treaty or a tax information exchange agreement in effect with the Czech Republic; or (c) a country that is a party to a multilateral convention on tax information exchange to which the Czech Republic is also a party. For payments made to recipients in countries with which the Czech Republic has a double tax treaty, the rates of withholding tax may be reduced under the terms of the treaty. Payments related to the financial leasing are subject to the withholding tax of 5%.</p>                                                                                                                                     |
| Interest                                                                   | <p>Revenues from interests are subject to the standard Corporate Income Tax at the rate of 19%. If interests are paid to the recipient abroad, they may be subject to the withholding tax (see above).</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Royalties                                                                  | <p>Revenues from royalties are subject to the standard Corporate Income Tax at the rate of 19%. If royalties are paid to the recipient abroad, they may be subject to the withholding tax (see above).</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Services                                                                   | <p>Revenues from the provision of services are subject to the standard Corporate Income Tax at the rate of 19%. If services are carried out in the territory of the Czech Republic and are paid to the recipient abroad, they may be subject to the withholding tax (see above).</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Group taxation                                                             | <p>Tax grouping has not been introduced; therefore, each taxpayer must file its own tax return and intra-group transaction cannot be consolidated for Czech Income Tax purposes. Furthermore, the fiscal unity concept has not been introduced and thus, it is not possible to offset intra-group losses and profits in order to optimize the taxation.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

## Personal Income Tax

|                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Taxable income                           | All incomes are subject to tax (5 categories: employment, self-employment, capital, rental, other income), unless tax-exempt.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Income from employment/self-employment   | Employment income tax base is calculated as gross income including taxable benefits increased by mandatory social and health insurance contributions due by employer. Self-employment income tax base is calculated as income decreased by related expenses (or lump-sum expenses of 40%-80% of income). The tax rate in both cases is 15%. Since 2021, voluntary flat-rate tax for self-employed persons in the amount of CZK 65,628 per year (in case the annual income from business does not exceed CZK 1 million). In case of flat rate tax, it is not possible to claim tax credits.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Income from property and property rights | Rental income tax base is calculated as income from rent of immovables / real estates, decreased by related expenses (or lump-sum expenses of 30% of income). The tax rate is 15%.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Income from capital                      | Gross capital income represents the tax base, i.e. may not be decreased by any expenses (capital income from abroad taxed within tax return at the rate of 15%, domestic capital income is taxed by withholding tax at the rate of 15%).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Other income                             | Tax base from other income (e.g. extraordinary and occasional activities, rent of movables, sale of real estates, sale of securities and shares, awards and prizes, etc.) is calculated as income, decreased by the relevant expenses. The tax rate is 15%.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Withholding tax                          | Generally, the withholding tax applies to various incomes, such as dividends and loan interests, regardless of the tax residency of receiver as well as royalties and incomes from activities of medical doctors, lawyers, architects and similar professions as well as artists and sportsmen, payable to Czech tax non-residents, if carried out in the territory of the Czech Republic. Generally, the tax rate is 15%; however, the 35% withholding tax rate applies to dividend, interest and royalty payments made to "tax haven" countries. A country is deemed to be a tax haven if it is not: (a) a Member State of the EU or the EEA; (b) a country that has a double tax treaty or a tax information exchange agreement in effect with the Czech Republic; or (c) a country that is party to a multilateral convention on tax information exchange to which the Czech Republic is also a party. For payments made to recipients in countries with which the Czech Republic has a double tax treaty, the rates of withholding tax may be reduced under the terms of the treaty. |
| Interest                                 | Income from interests is subject to withholding tax at the rate of 15%, whereas the applicable double tax treaty may decrease the rate.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

|              |                                                                                                                                         |
|--------------|-----------------------------------------------------------------------------------------------------------------------------------------|
| Royalties    | Income from royalties is subject to withholding tax at the rate of 15%, whereas the applicable double tax treaty may decrease the rate. |
| Dividends    | Income from dividends is subject to withholding tax at the rate of 15%, whereas the applicable double tax treaty may decrease the rate. |
| Capital gain | Capital gains are subject to withholding tax at the rate of 15%, whereas the applicable double tax treaty may decrease the rate.        |

## Mandatory social contributions

|                                  |                                                                                                                                                                                                                   |
|----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Contribution rates               | Social security: employee 6.5%, employer 24.8%; Health insurance: employee 4.5%, employer 9%                                                                                                                      |
| Minimum and maximum contribution | Social security: minimum n/a, maximum annual contributions are from assessment base of CZK 1 701 168; Health insurance: minimum CZK 15 200, maximum n/a                                                           |
| Self-employed individuals        | Social security: 29.2% from assessment base (profit from self-employment activity or minimum assessment base where applicable), sickness insurance voluntary; Health insurance: 13.5% from assessment base (dtto) |
| Employed individuals             | Social security: employee 6.5%, employer 24.8%; Health insurance: employee 4.5%, employer 9%                                                                                                                      |

## BEPS implementation

|                                         |     |
|-----------------------------------------|-----|
| CFC                                     | Yes |
| DAC6                                    | Yes |
| CRS                                     | Yes |
| Profit shifting rule                    | Yes |
| GAAR/ other anti-abuse rules (PPT, etc) | Yes |

## Global employment issues

|                           |                                                                                                                                                                                                                                                                                                                                |
|---------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Work and Residence permit | The rules vary based on the citizenship of the person in question. In case of citizens of EU Member States, work permits are not required; however, a notification duty applies for the employer or the recipient person. Any employer who employs an employee or any person (recipient) who accepts assignment of an employee |
|---------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|



from any EU Member State within the territory of the Czech Republic is obligated to notify the Labor Authority about: (a) employment/assignment of such employee, namely as of the day of commencement of work, at the latest; and (b) termination of the employment/assignment of such employee, namely within 10 calendar days from termination of the employment/assignment, at the latest. Such foreigners also have to register their stay with the Police (with some exceptions). A visa is not required for the purpose of performing employment activities within the territory of the Czech Republic. In case of citizens of any country other than an EU Member State, they are required to obtain a single residence permit for the purpose of employment (so-called "Employee Card") before the commencement of employment within the territory of the Czech Republic (certain exemptions are available, e.g. in the case of relatives of citizens of EU member countries or experts). For positions requiring high qualifications a Blue Card may be issued to foreign employees, which serves as both residence and work permit. A special type of permit is applicable in case of an intra-group secondment of employees. A work/residency permit is not required in specific case of students, pedagogical workers, etc. if specific conditions are met. In addition, certain exceptions or special treatment may apply based on international treaties concluded between the Czech Republic and a respective country. These foreigners also have to register their stay with the Police.

|                |                                |
|----------------|--------------------------------|
| Minimum salary | CZK 15 200 per month (in 2021) |
|----------------|--------------------------------|

## Taxation of immovable property

|                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Tax depreciation        | Immovables are tax depreciated for purposes of calculation of Corporate Income Tax rate if owned by the taxpayer and used to generate, maintain and secure taxable revenue. The tax depreciation is governed by the Czech Income Tax Act.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Depreciation categories | Group 2: assembled construction from wood and plastics (to be depreciated for 5 years); Group 3: prefabricated and assembled constructions from concrete and assembled constructions from metal, greenhouses, bridges, towers and masts (to be depreciated for 10 years); Group 4: buildings made exclusively from wood and plastics, production buildings for energetics, silos, power stations, railway upper structures, industry chimneys (to be depreciated for 20 years); Group 5: all other buildings and immovables, not included in other groups (to be depreciated for 30 years); Group 6: hotels and other accommodation buildings, administrative buildings, malls, building for cultural and social purposes, for religion purposes, museums, libraries, non-residential units, historical or cultural monuments (to be depreciated for 50 years) |
| Land                    | Lands are not considered as immovable property; thus, are not depreciated.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

|                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Building                     | Buildings and civil engineering constructions/structures are considered as immovable fixed assets and thus, may be depreciated either linearly or in accelerated manner. More detailed rules see above in depreciation categories.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Tax base                     | The base from tax depreciation is the input price of the immovable fixed asset which may be purchase price if purchased, own costs if produced by own means, or so-called reproduction input price in other cases (including input in registered capital) which is basically value stated by an appointed expert.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Special depreciation         | n/a                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Real estate transfer tax     | n/a<br>The real estate transfer tax has been abolished with effect even retroactively for inputs in the real estate register from 1 December 2019.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Property tax (rate and base) | The Czech Republic levies an annual tax on land. The tax rate for agricultural land is 0.75% of the value of the land. A special reduced rate of 0.25% applies to ponds with intensive fish farming, as well as to meadows and forests. All other land is taxed by the square meter at rates ranging from CZK0.20 to CZK5 per m <sup>2</sup> . The tax rate may be subject to a multiplier depending on the number of inhabitants in the municipality or the location. Coefficients decreed by individual municipality regulations may also affect the rate. A tax is also levied on the ownership of buildings. The tax ranges from CZK2 to CZK10 per m <sup>2</sup> depending on the type and use of property. These rates may be subject to a multiplier depending on the number of inhabitants in the municipality or the location. Coefficients decreed by individual municipality regulations may also affect the rate. |
| Real estate funds            | n/a                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Owner of the fund assets     | n/a                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Valuation                    | See above in the section called Tax base.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Investment                   | n/a                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Risk diversification         | n/a                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

## Other significant business-related taxes

|                            |                                                                                                                                                                                                                                                              |
|----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Description of other taxes | <ul style="list-style-type: none"> <li>A road tax is levied on vehicles registered and operating in the Czech Republic for commercial purposes, subject to exemptions. The rates vary depending on the engine size and the weight of the vehicle.</li> </ul> |
|----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

- Consumption tax applies to certain products, including alcoholic beverages, tobacco products and mineral oils.
- Ecological taxes apply to electricity, solid fuels and gas, subject to exemptions. The tax base and rate vary according to the category of energy.

## Incentives

|                                                                                              |                                                                                                                                                                                                                                                                                                                                                        |
|----------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Investment incentives                                                                        | Investments incentives are available for technology centers, business support services centers and the manufacturing industry, whereas the amount depends on creation of new jobs and/or amount of investments. Further specific conditions must be met as well.                                                                                       |
| R&D incentives                                                                               | Subject to the fulfillment of statutory conditions, taxpayers may deduct qualifying R&D expenses from taxable income. Unused deductions may be carried forward for up to three years. Certain R&D expenses cannot be deducted, including expenses supported partially or fully by public funds.                                                        |
| Young employees, elderly employees                                                           | Tax relief for employment of disabled persons up to CZK 18 000 annually for every employee with disability and up to CZK 60 000 annually for every employee with heavy disability.                                                                                                                                                                     |
| Educational incentives                                                                       | Subject to the fulfillment of statutory conditions, taxpayers apply deduction for support of vocational training, namely for purchase of fixed asset used for such vocational training as well as for costs spent on student in the amount of CZK 200 per hour of vocational training. Unused deductions may be carried forward for up to three years. |
| Other special incentives/ tax regimes and opportunities for business models (where relevant) | Businesses established in the Czech Republic may be eligible to obtain support from the EU structural funds through a number of operational programs.                                                                                                                                                                                                  |

## Tax liabilities

|                                          | For taxpayers                                               | For directors<br>(chief officers) | For shareholders |
|------------------------------------------|-------------------------------------------------------------|-----------------------------------|------------------|
| Binding opinion/<br>Advanced tax rulings | Yes, in specific cases and if statutory conditions are made | No                                | No               |

|                                   |     |     |     |
|-----------------------------------|-----|-----|-----|
| Penalties for late payment of tax | Yes | No  | No  |
| Tax misdemeanor provisions        | Yes | Yes | Yes |
| Criminal provisions               | Yes | Yes | Yes |
| Piercing the corporate veil       | n/a | n/a | n/a |
| Advanced pricing agreements       | Yes | No  | No  |
| Other issues (if relevant)        | n/a | n/a | n/a |

## Deadlines for reporting and payment of taxes and social contributions

| Type of tax                   | Reporting deadline                                                                                                                                                                                                           | Payment deadline                                                                                                                                                                                                                                              |
|-------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>CIT</i>                    | Within 3 or 6 months of the end of taxable period; e.g. for companies with calendar year: 1 April of the following year / 1 July (if company subject to statutory audit or CITR filed by tax advisor)                        | The same deadline as for filing the tax return                                                                                                                                                                                                                |
| <i>PIT</i>                    | 1 April of the following year / 1 July (if PITR filed by tax advisor)                                                                                                                                                        | The same deadline as for filing the tax return                                                                                                                                                                                                                |
| <i>VAT</i>                    | 25th day of the month following the tax period (usually a calendar month)                                                                                                                                                    | The same deadline as for filing the tax return                                                                                                                                                                                                                |
| <i>Social contributions</i>   | 20th day of the following month                                                                                                                                                                                              | 20th day of the following month                                                                                                                                                                                                                               |
| <i>Other (where relevant)</i> | Income subject to withholding tax: by the end of the month following the pay-out/posting the liability;<br>Road tax: by 31 January of the following year;<br>Tax on immovable property: by 31 January of the respective year | Income subject to withholding tax: the same deadline as for filing the Notification on income paid out; Road tax: by 31 January of the following year;<br>Tax on immovable property: generally by 31 May/31 November in specific cases of the respective year |

## Double taxation treaties

| Country         | Dividends                                     | Royalties                          | Interest | Affected by MLI |
|-----------------|-----------------------------------------------|------------------------------------|----------|-----------------|
| <b>Americas</b> |                                               |                                    |          |                 |
| USA             | 5% in case of shareholding of minimum 10%/15% | 10% for industrial/0% for cultural | n/a      | No              |



|                     |                                               |                                                                     |                             |     |
|---------------------|-----------------------------------------------|---------------------------------------------------------------------|-----------------------------|-----|
| Canada              | 5% in case of shareholding of minimum 10%/15% | 10%                                                                 | 10%                         | Yes |
| Chile               | 15%                                           | 5% for industrial and scientific/ 10% for others                    | 10% and 4% for banks        | Yes |
| Brasil              | 15%                                           | 15%/10%                                                             | 15% and 25% for trade marks | No  |
| Panama              | 10%                                           | 10%                                                                 | 10% and 5% for banks        | No  |
| <b>Asia/Pacific</b> |                                               |                                                                     |                             |     |
| China               | 5% in case of shareholding of minimum 25%/10% | 10%                                                                 | 7,50%                       | Yes |
| Hong Kong           | 5%                                            | 10%                                                                 | n/a                         | Yes |
| India               | n/a                                           | 10%                                                                 | 10%                         | Yes |
| Singapur            | 5%                                            | 0% for cultural, 5% for industrial, 10% for trade marks and patents | n/a                         | Yes |
| Vietnam             | 10%                                           | 10%                                                                 | 10%                         | No  |
| Australia           | 5% in case of shareholding of minimum 20%/15% | 10%                                                                 | 10%                         | Yes |
| <b>Europe</b>       |                                               |                                                                     |                             |     |
| Austria             | 0% in case of shareholding of minimum 10%/10% | 5%                                                                  | n/a                         | Yes |
| Slovakia            | 5% in case of shareholding of minimum 10%/15% | 10%                                                                 | n/a                         | Yes |
| Germany             | 5% in case of shareholding of minimum 25%/15% | 5%                                                                  | n/a                         | Yes |

|                               |                                                  |                                    |     |     |
|-------------------------------|--------------------------------------------------|------------------------------------|-----|-----|
| Poland                        | 5%                                               | 5%                                 | 5%  | Yes |
| Netherlands                   | 0% in case of shareholding of mininum 25%/10%    | 5%                                 | n/a | Yes |
| Switzerland                   | 0% in case of shareholding of mininum 10%/15%    | 10%                                | n/a | Yes |
| Albania                       | 5% in case of shareholding of mininum 25%/15%    | 10%                                | 5%  | No  |
| UK                            | 5% in case of shareholding of mininum 25%/15%    | 10% for industrial/0% for cultural | n/a | Yes |
| <b>Middle East and Africa</b> |                                                  |                                    |     |     |
| Israel                        | 5% in case of shareholding of mininum 15%/15%    | 5%                                 | 10% | Yes |
| JAR                           | 5% in case of shareholding of mininum 25%/15%    | 10%                                | 5%  | Yes |
| Morocco                       | 10%                                              | 10%                                | 10% | No  |
| UAE                           | 5%                                               | 10%                                | n/a | No  |
| Nigeria                       | 12,5% in case of shareholding of mininum 10%/15% | 15%                                | 15% | Yes |



## Contact Information

Dorota Pieszczocho

COO

[dorota.pieszczocho@crowe.pl](mailto:dorota.pieszczocho@crowe.pl)

Crowe Czech Republic

Member of Crowe Global

U garází 1611/1,

170 00 Praha 7 – Holešovice,

Czech Republic

Main Prague office: +420 221 111 611

Main Brno office: +420 542 425 824

[contact@crowe.cz](mailto:contact@crowe.cz)

## About Crowe in the Czech Republic

Crowe has been on the Czech market for 30 years. The Crowe network in the Czech Republic represents companies Crowe Advartis Accounting s.r.o., providing consulting and tax services, and Crowe Advartis Audit s.r.o., providing audit services.

We work closely with the company Contract Administration, spol. s r.o., which has been offering its clients professional services in the area of wage and personnel administration in the Czech Republic and other Central and Eastern European countries for more than 25 years.

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