Act No. 235/2004 Coll.*VAT law*

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235

LAW

of 1 April 2004

on Value Added Tax

Parliament has passed the following Act of the Czech Republic:

**PART ONE**

**BASIC PROVISION**

**TITLE I**

**GENERAL CONDITIONS**

**§ 1**

**Subject matter**

This Act incorporates relevant European Union legislation [**1 )**](https://www.zakonyprolidi.cz/cs/2004-235#f2551531) and regulates value added tax.

**§ 2**

**Subject of tax**

**(1)** The subject of the tax is:

**(a) the** supply of goods for consideration by a taxable person acting as such with the place of supply within the territory of the country,

**(b) the** supply of services for consideration by a taxable person acting as such with a place of supply within the territory of the country,

**(c)** acquisition

**1.** goods from another Member State for consideration with a place of supply within the territory of the country by a taxable person acting as such or by a non-taxable legal person,

**2. a** new means of transport from another Member State for consideration by a non-taxable person;

**(d) the** importation of goods with a place of supply within the country.

**(2) A** taxable transaction is a transaction which:

**(a)** is subject to tax; and

**(b)** is not exempt.

**§ 2a**

**Tax exemption**

**(1)** The acquisition of goods from another Member State shall not be subject to tax if the supply of such goods

**(a)** would be exempt within the territory of the country pursuant to Article 68 (1) to (10); or

**(b)** in the Member State of commencement of dispatch or transport of those goods, the use shall be subject to tax

**1. a** special scheme for traders of second-hand goods, works of art, collectors' items and antiques,

**2. a** transitional regime for the means of transport used; or

**3.** special arrangements for sale by public auction.

**(2)** The object of taxation is the acquisition of goods from another Member State if

**(a) the** total value of the goods acquired, net of tax, did not exceed CZK 326000 in the relevant or immediately preceding calendar year; and

**(b) the** acquisition of goods is effected

**1.** a taxable person established within the territory of the country who is not a taxable person,

**2. a** liberated person who is not a payer,

**3.** a taxable person who carries out only transactions which are exempt without deduction,

**4.** a taxable person who is covered by the common flat-rate scheme for farmers in another Member State, or

**5.** a non-taxable legal person.

**(3)** Up to the total value of purchased goods pursuant to paragraph 2 (a). (a) the value acquired is not included

**(a) a** new means of transport,

**(b)** goods subject to excise duty,

**(c) the** goods referred to in paragraph 1.

**(4)** Paragraphs 1 and 2 shall not apply to the acquisition of goods subject to excise duty and to the acquisition of a new means of transport.

**§ 2b**

**Choice of tax subject**

A person who carries out the acquisition of goods from another Member State who is not subject to tax pursuant to Article 2a (2) may decide that such acquisition is subject to tax. The acquisition of goods from another Member State by that person before the end of the calendar year immediately following the calendar year in which they have so decided shall not be subject to Article 2a (2).

**§ 3**

**Territorial application**

**(1)** For the purposes of value added tax, the following definitions shall apply:

**a)** in the Czech Republic,

**(b) a** Member State of the territory of a Member State of the European Union, with the exception of its territory not covered by the Treaty on European Union and the Treaty on the Functioning of the European Union;

**(c) by** another Member State, a Member State other than the national territory;

**(d) a** third country outside the European Union;

**(e) the** territory of the European Union means the sum of the territories of the Member States.

**(2)** For the purposes of value added tax, the territory of a Member State of the European Union shall not be considered

**(a)** Mount Athos;

**(b) the** Canary Islands,

**(c) the** French territories referred to in Article 349 of the Treaty on the Functioning of the European Union;

**(d) the** Åland Islands,

**(e)** Channel Islands;

**(f) the** island of Helgoland;

**(g) the** territory of Büsingen,

**(h)** Ceuta,

**(i)** Melilla,

**(j)** Livigno,

**(k)** Campione d 'Italia;

**(l) the** Italian waters of Lake Lugano.

**(3)** For the purposes of value added tax, the territory of the Principality of Monaco shall be considered as the territory of the French Republic and the territory of the Isle of Man as the United Kingdom of Great Britain and Northern Ireland;

**§ 4**

**Definition of basic terms**

**(1)** For the purposes of this Act:

**(a) in** return for payment

**1. the** amount in cash or the value of the in-kind performance provided in direct connection with the performance;

**2. a** subsidy to a price which, for the purposes of value added tax, means funds received from the state budget, from the budgets of territorial self-governing units, state funds, from grants allocated under a special law, from a foreign state budget, from European Union grants or similar programs, if the recipient of the subsidy is obliged to provide benefits with a discount from the price and the amount of the discount is related to the unit price of the performance; in particular, a subsidy for profit or loss and for the acquisition of tangible and long-term intangible assets is not regarded as a grant to the price,

**(b)** per unit price, the price per unit of the quantity of goods or the price of the service;

**c)** output tax means the tax applied by the taxpayer for a taxable transaction pursuant to Sections 13 to 20 or on the consideration received relating to such transaction,

**(d)** excess tax deduction corresponding to the difference between the output tax and the tax deduction for the tax year, if the output tax is less than the deduction;

**(e)** the tax authority responsible for taxation; in the case of a license for sale at prices excluding tax and on importation of goods, the tax administrator is the competent customs office, except in cases where the obligation to declare tax on importation of goods arises to the taxpayer pursuant to Section 23 (2) to (4);

**(f) "** taxable person" means a person who has been assigned a tax identification number for the purposes of value added tax in the context of trade between Member States;

**g)** foreign person means a person who does not have a registered office or place of residence in the European Union,

**(h)** for a natural person

**1.** domicile an address kept in the basic population register or other similar register, or an address given by a natural person to the tax administrator, unless there is evidence that this address does not correspond to reality,

**2.** place of habitual residence, the place where a natural person usually lives because of personal or professional ties; where that person has professional ties in a country other than that in which he has personal ties, the place where the natural person is normally present is determined by personal ties,

**3. the** place of residence or habitual residence,

**(i) the** registered office of the taxable person shall be the address of his place of management, which is the place where the principal decisions concerning the management of the taxable person are taken or, where appropriate, the place where his management meets; if the natural person does not have his / her place of management, he / she shall have his / her registered office with that person,

**(j)** the place of business of a taxable person who can supply goods or services because he is sufficiently stable and has adequate staff and technical resources;

**(k)** goods subject to excise duty, goods subject to an excise duty, a tax on solid fuels or a tax on natural gas and certain other gases, with the exception of gas supplied through a transmission or distribution system situated in the territory of the European Union; the Union or any network connected to such a system,

**(l)** a non - resident person a taxable person who:

**1.** is not resident in the country,

**(2)** the taxable supply of goods or services with a place of supply within the country is effected; and

**(3) it** has no establishment in its territory or has an establishment in its territory which does not take part in the performance,

**(m)** exempt person is a taxable person established or established in another Member State who, in that State, is a person with a status similar to that of a taxable person established in the territory of the country who is not a taxable person;

**(n)** the supply of goods or services effected for consideration by the taxable person acting as such.

**(2)** For the purposes of this Act, goods are understood

**(a) a** tangible thing, with the exception of money and securities;

**b)** construction right,

**(c) a** live animal,

**(d) the** human body and part of the human body;

**(e)** gas, electricity, heat and cold.

**(3) The** following shall be considered as goods

**a)** banknotes and coins of the Czech currency when delivered by the producer to the Czech National Bank, or when purchased from another Member State, or imported by the Czech National Bank,

**b)** banknotes, states cards and coins of Czech or foreign currency sold for collecting purposes at prices higher than their nominal value or conversion of their nominal value into Czech currency according to the exchange rate announced by the Czech National Bank,

**(c)** securities when they are delivered by the manufacturer to a national issuer or when they are acquired from another Member State or imported and exported as a product.

**(4)** For the purposes of this Act, it is further understood

**(a)** means of transport means a vehicle, other means or equipment which is designed to carry persons or goods from one place to another and which is normally designed for use in transport and can actually be used for it; a vehicle which is permanently immobilized or a container is not considered a means of transport,

**(b) a** new means of transport

**1. a** motor land vehicle with a cylinder capacity of more than 48 cm 3 or with an output of more than 7,2 kW, provided it has been delivered within 6 months of the date of first entry into service or has traveled less than 6000 km;

**2. a** ship of more than 7,5 m in length, provided it has been delivered within 3 months of the date of first entry into service or has traveled less than 100 hours, with the exception of seagoing ships used for commercial, industrial, fishing or rescue activities; or

**(3) an** aircraft with a maximum take-off mass of more than 1550 kg, provided it has been delivered within 3 months of the date of first entry into service or has flown less than 40 hours, except for aircraft used by international airlines;

**(c)** commercial property of an asset value which serves the taxable person and is intended for economic activities by that person;

**(d) non -** current assets means commercial assets that are:

**1.** tangible assets under the Income Tax Act [**7c )**](https://www.zakonyprolidi.cz/cs/2004-235#f2551546) ; tangible assets left for use under the contract, if agreed and at the date of conclusion of this contract it is clear that the ownership of the tangible assets used will normally be transferred to its users for the purposes of value added tax,

**2.** depreciated intangible assets under the Income Tax Act [**7c )**](https://www.zakonyprolidi.cz/cs/2004-235#f2551546) ,

**3.** land that is tangible fixed assets under accounting legislation [**7d )**](https://www.zakonyprolidi.cz/cs/2004-235#f2551547) ; land abandoned for use on the basis of a contract, if it is agreed that the title to the land used will be transferred to its users, for the purposes of value added tax, shall be treated as the fixed assets of the user, or

**4.** technical improvements under the Income Tax Act,

**(e)** own-account fixed assets means fixed assets which the payer has produced, built or otherwise generated in the course of his economic activities; technical improvement [**73 )**](https://www.zakonyprolidi.cz/cs/2004-235#f2551676) is considered as independent fixed assets created by own activities,

**(f) a** passenger car means of transport which has either M1 or M1G in its technical certificate ( [**4 )**](https://www.zakonyprolidi.cz/cs/2004-235#f2551537) or technical document; if the category is missing, this category is defined by a special legal regulation [**4a )**](https://www.zakonyprolidi.cz/cs/2004-235#f2551539) ,

**(g)** hiring, subletting and subletting; lease also means the establishment, duration or extinction of the easement established for the immovable property, if the characteristics of the lease are fulfilled,

**(h) the** transport of goods also includes the transport of money and securities.

**(i) the** supply of goods with installation or assembly the supply of goods connected with installation or assembly by the taxable person supplying the goods or by his authorized third party;

**(j) the** supply of goods through networks or supply networks

**1.** gas through a transmission or distribution system within the territory of the European Union or any network connected to such a system;

**2.** electricity, heat or cold networks.

**(5)** For the conversion of a foreign currency into Czech currency, the exchange rate valid for the person performing the conversion as of the date of the obligation to declare tax or to declare performance shall be used, namely

**(a)** the foreign exchange market rate announced by the Czech National Bank; or

**(b) the** last exchange rate published by the European Central Bank; conversion between currencies other than the euro shall be made using the exchange rate of each of those currencies against the euro.

**§ 4a**

**Turnover**

**(1)** For the purposes of this Act, turnover shall mean the sum of the tax-free remuneration due to the taxable person for the transactions performed with the place of performance in the Czech Republic in the case of remuneration for:

**(a) the** taxable transaction;

**(b) an** exempt transaction with right to deduct; or

**(c)** exempt transactions without the right to deduct pursuant to Sections 54 to 56a, unless they are ancillary activity carried out occasionally.

**(2)** Turnover shall not include consideration for the supply or provision of fixed assets, unless such performance is an integral part of the taxable person's normal economic activity.

**§ 4b**

**Special provisions**

**(1)** For the purposes of this Act, the provisions of a business establishment shall also apply to the part of a business establishment constituting a separate organizational unit.

**(2)** For the purposes of this Act, a trust fund, a mutual fund, an investment fund sub-fund and an organizational unit of a State that is an entity shall be treated as a legal entity.

**(3)** The provisions of this Act on Unit and Real Estate shall apply mutatis mutandis to a unit defined by the Act on the Ownership of Flats, together with its associated share in the common parts of the house and, if it is associated with the land, along with a share of this land.

**TITLE II**

**APPLICATION OF TAX**

**Episode 1**

**Tax subjects**

**§ 5**

**Taxable persons**

**(1)** A taxable person is a person who independently carries out economic activities or a group. A taxable person is also a legal entity that has not been established or established for the purpose of doing business if it carries out economic activities.

**(2) He** is not a taxable person

**(a) a** member of the group;

**(b) an** employee or other person in pursuit of an economic activity resulting from an employment, service or other similar relationship.

**(3)** For the purposes of value added tax, economic activity means the activity of producers, traders and persons providing services, including mining and agricultural production and the pursuit of the liberal and other similar professions under other legal regulations, for the purpose of obtaining regular income. In particular, an activity consisting in the use of tangible and intangible assets for the purpose of obtaining a regular income is considered an economic activity. A self-employed economic activity is not the activity of employees or other persons who have concluded an agreement with the employer, on the basis of which the employment relationship between the employer and the employee arises, or activities of persons who are taxed as income from employment.

**(4)** The state, counties, municipalities, government departments, provinces and municipalities, voluntary associations of municipalities, the City of Prague and its city districts and corporate entities incorporated or established by a special law or pursuant to a special regulation [**7a )**](https://www.zakonyprolidi.cz/cs/2004-235#f2551544) in the exercise of powers they shall not consider taxable persons, even if they levy fees or other remuneration for the exercise of those powers.

**(5)** A person under paragraph 4 shall be considered a taxable person if he / she carries out activities,

**a)** which are listed in Annex 1 to this Act, or

**(b)** the exercise of which is deemed to constitute a significant distortion of competition by the fact that the person referred to in paragraph 4 has not been or is not considered to be a taxable person; these activities shall be determined by the Government by regulation.

**(6) The** capital city of Prague and each of its boroughs shall be considered as a taxable person.

**Group**

**§ 5a**

**(1)** For the purposes of this Act, a group means a group of connected persons with a registered office or business establishment in the Czech Republic, which is registered for taxation as a payer pursuant to Section 95a. Where persons who are part of a group (hereinafter referred to as "group members") have their head office or place of business outside the territory of the country, those parts of the group shall not be part of the group. Each person can be a member of only one group.

**(2)** For the purposes of this Act, related parties shall mean related entities or other related entities.

**(3)** Capital related persons are persons of which one person directly or indirectly participates in the capital or voting rights of the other person, or one person directly or indirectly participates in the capital or voting rights of several persons, and this proportion represents at least 40% or 40% of the voting rights of such persons.

**(4)** Otherwise related parties are persons whose management is shared by at least one identical person.

**§ 5b**

**(1)** For the purposes of this Act, a representative member shall act on behalf of the Group. Representative member means a member of a group domiciled in the country who is authorized to act on behalf of the group. If there is no resident member of the group, any member of the group may be the representative member.

**(2)** The members of the group shall be jointly and severally liable for the group's obligations under tax law. The Group shall be responsible for these obligations even after its cancellation or termination of its membership in the group for the period in which they were members of the group.

**§ 5c**

**(1)** The rights and obligations arising from this Act to persons who became members of the group shall be transferred to the group on the day of registration of the group.

**(2)** The rights and obligations arising from this Act to a person who joined the group shall be transferred to the group on the date of the person's accession.

**Payers**

**§ 6**

**(1)** The taxpayer shall be a taxable person with a registered office in the Czech Republic whose turnover for a maximum of 12 immediately preceding calendar months exceeds CZK 1000000, except for a person who carries out only exempt transactions without the right to deduct.

**(2)** The taxable person referred to in paragraph 1 shall be a taxpayer from the first day of the second month following the month in which it exceeded the set turnover, unless it becomes a taxpayer pursuant to this Act.

***§ 6a****repealed*

**§ 6b**

**(1)** A taxable person shall be a taxpayer from the date of acquisition of the property, if it acquires such property

**a)** for the purpose of carrying out economic activities on the basis of a privatization decision pursuant to a law regulating the conditions for the transfer of state property to other persons, or

**(b)** from the payer by the acquisition of a commercial establishment.

**(2)** A taxable person shall be a taxpayer from the date of entry of the transformation of a legal person into the public register or its corresponding records kept under the law of the relevant state, if it is transferred or transferred by the taxpayer.

**(3) A** legal entity which, when changing its legal form to another form, does not cease or transfer its assets to the legal successor, only changes its internal legal relations and the legal status of its partners, does not cease to be a payer.

**§ 6c**

**(1)** A taxable person established within the territory of the Czech Republic who provides services with a place of supply in the Czech Republic, with the exception of services exempt without deduction of tax, or who dispatches goods to a place of supply within the territory of the country, establishments located outside the Czech Republic are the payer from the date of provision of these services or the delivery of these goods.

**(2)** A taxable person not established in the Czech Republic who carries out a taxable supply of goods or services with a place of supply in the Czech Republic, with the exception of transactions in respect of which the person to whom the supplies are made or the supply is liable, to which the one-stop scheme is applicable, the payer shall be the payer from the date of the chargeable event.

**(3)** A taxable person not established in the territory of the country shall not be an exempt person and shall supply the goods to another Member State which are dispatched or transported from that country by that person, the acquirer or an authorized third party to the person for whom goods in another Member State subject to tax shall be payer from the date of delivery of such goods.

**§ 6d**

A taxable person who is a member of a group and who carries out the taxable supply of goods or services with a place of supply within the territory of the country situated outside the territory of the country, except for transactions in respect of which the supplying person is liable from the date of such performance.

**§ 6e**

**(1) The** heir who acquired the property from the deceased payer and who continues to carry out economic activities shall be the payer from the date of the transfer of the deceased's tax liability.

**(2)** For the purposes of this Act, continuation of economic activities means continuation of business on the basis of a trade or other authorization or continuation of other economic activities.

**§ 6f**

**(1)** A taxable person having its registered office or establishment in the Czech Republic, who carries out or will carry out the right to deduct, shall be a taxpayer from the day following the date of notification of the decision by which this person is registered.

**(2)** A taxable person who has no registered office or place of business in the Czech Republic and who will carry out the right to deduction with the place of supply in the Czech Republic shall be a taxpayer from the day following the date of notification of the decision by which this person is registered.

**Identified persons**

**§ 6g**

A non-taxable person or a non-taxable legal person is an identified person if it acquires goods from another Member State subject to tax in the Czech Republic, except for goods acquired by an intermediate person under the simplified procedure for supplies within the European Union in the form of a trilateral trade, from the date of first purchase of these goods.

**§ 6h**

A taxable person domiciled or a non-taxable establishment is an identified person from the date of receipt of the taxable supply with the place of supply in the country from a non-resident person, if

**(a) the** provision of a service;

**(b) the** supply of goods with installation or assembly; or

**(c) the** supply of goods by networks or networks.

**§ 6i**

A taxable person domiciled or a non-taxable establishment is an identified person from the date of supply of a service with a place of supply in another Member State pursuant to Article 9 (1), except for a supply which is exempt in another Member State .

**§ 6j**

A taxable person who is not a taxable person, having its registered office or place of business, who will provide selected services under the special scheme of one administrative point, is the identified person from the day following the date of notification of the decision by which that person is registered.

**§ 6k**

A non-taxable person or a non-taxable legal person who will acquire goods from another Member State in the country are identified persons from the day following the date of notification of the decision by which they are registered.

**§ 6l**

A taxable person established or domiciled in the territory of the country which is not a taxable person is an identified person from the day following the date of notification of the decision by which that person is registered if:

**a)** will accept from the person not established in the Czech Republic a taxable supply with the place of supply in the Czech Republic, if

**1. the** provision of the service,

**2. the** supply of goods with installation or assembly; or

**3. the** supply of goods through networks or networks; or

**(b)** provide a service with a place of supply in another Member State pursuant to Article 9 (1), with the exception of the provision of a service which is exempt in another Member State.

**Episode 2**

**Place of performance**

**Section 1**

**Determination of the place of performance upon delivery**

**§ 7**

**Place of performance when goods are delivered**

**(1)** The place of performance at the time of delivery of the goods, if the goods are delivered without dispatch or transport, shall be the place where the goods are located at the time of delivery.

**(2)** The place of performance on delivery of the goods, if the goods are dispatched or transported by the person providing the goods or by the person for whom the goods are delivered, or by an authorized third party, is the place where the goods are at the time the carriage of goods begins. However, where the dispatch or transport of the goods begins in a third country, the place of supply at the time of importation of the goods and the subsequent supply of the goods by the person who carried out the importation shall be deemed to be the Member State in which the obligation to declare or pay the import tax is incurred.

**(3)** In the case of delivery of goods with installation or assembly, the place of performance shall be the place where the goods are installed or assembled.

**(4)** However, where goods are delivered on board a ship, aircraft or train during the transport of persons carried out within the territory of the European Union, the place of performance shall be deemed to be the place of commencement of the transport of persons. Return transport is considered as a separate transport.

**(5)** For the purposes of paragraph 4:

**(a) the** place of commencement of the carriage of passengers shall be the first place where persons could enter the territory of the European Union;

**(b) the** place of termination of the transport of persons, the last place where persons may have disembarked within the territory of the European Union;

**(c)** passenger transport within the territory of the European Union means that part of the transport carried out without a stop in a third country between the point of departure and the end of the transport of persons.

**(6)** The place of performance in the supply of immovable property is the place where the immovable property is located; in the case of building rights, this is where the land subject to the building rights is located.

**§ 7a**

**Place of performance when supplying gas, electricity, heat or cold**

**(1)** The place of performance in the delivery of goods by the systems or networks to the trader is the place where the trader has its registered office or the place of business to which the goods are delivered.

**(2)** For the purposes of paragraph 1, a trader shall mean a taxable person who purchases gas, electricity, heat or cold for the purpose of resale and whose own consumption of these goods is negligible.

**(3)** The place of performance when delivering the goods by the systems or networks to a person other than the person referred to in paragraph 1 shall be the place where the person to whom the goods are delivered consumes the goods. Where the person to whom the goods are delivered does not consume all the goods supplied, the place of performance for the unused goods shall be deemed to be the place where that person is established or has an establishment to which the goods are delivered.

**§ 8**

**Place of performance when sending goods**

**(1)** The place of performance in the dispatch of goods is the place where the goods are located after the end of their dispatch or transport.

**(2)** The place of performance in the dispatch of goods is the place where the goods are located at the time when their dispatch or transport begins, if

**(a) the** goods dispatched are not subject to excise duty; and

**(b) the** total value of the goods sent by the taxable person to the Member State of end of dispatch or transport of the goods, excluding tax, does not exceed in the relevant or immediately preceding calendar year

**1.** CZK 1140000 if the goods are dispatched or transported from another Member State to the Czech Republic, or

**2. the** amount fixed by another Member State when the goods are dispatched or transported from the territory of the country to another Member State.

**(3)** The taxable person who consigns the goods may, if the conditions set out in paragraph 2 are met, decide that the place of supply when sending the goods is the place where the goods are located after the end of their dispatch or transport. In such a case, it is obliged to do so by the end of the calendar year immediately following the calendar year in which it decided to do so.

**(4)** For the purposes of this Act, the dispatch of goods shall mean the delivery of goods between Member States where:

**(a) the** goods are dispatched or transported from a Member State other than the Member State of end of their dispatch or transport

**1.** the taxable person supplying the goods, or

**2. a** third party authorized by it,

**(b) the** goods are delivered to a person for whom the acquisition of goods in the Member State of end of dispatch or transport of goods is not subject to tax; and

**(c) it** is not a supply

**1. a** new means of transport,

**2.** goods with installation or assembly; or

**3.** second-hand goods, works of art, collectors' items or antiques, the supply of which is the subject of a special arrangement.

**(5)** The condition pursuant to paragraph 4. (a) shall be deemed to be fulfilled if the goods are dispatched or transported from a third country and imported by the person supplying the goods to a Member State other than the Member State of end of their dispatch or transport. In that case, the Member State of dispatch or transport of the goods shall be deemed to be the Member State of importation of the goods.

**Section 2**

**Determination of the place of performance when providing the service**

**§ 9**

**Basic rules for determining the place of performance when providing the service**

**(1)** The place of performance in the provision of services to a taxable person acting as such is the place where that person has its registered office. However, where that service is provided to the place of business of the taxable person situated in a place other than that of his place of business, the place of supply shall be the place where that place of business is situated. This establishment shall be deemed to be a branch of the taxable person who may receive and use the services provided for the needs of that establishment because it is sufficiently stable and has adequate staff and technical resources.

**(2)** The place of performance in the provision of services to a non-taxable person is the place where the person providing the service has its registered office. However, where that service is provided through the place of business of the taxable person situated in a place other than that of his place of business, the place of supply shall be the place where that place of business is located.

**(3)** For the purposes of determining the place of performance in the provision of services, a taxable person acting as such shall be deemed to be a taxable person

**(a)** a taxable person in respect of all services rendered to him, even if they are provided for a non-taxable activity;

**(b)** a non-taxable legal person who is an identified person or a taxable person in another Member State.

**(4)** Unless this Act provides otherwise, the basic rule for determining the place of performance in the provision of services pursuant to paragraphs 1 and 2 shall apply.

**§ 9a**

**Place of supply for the supply of services to a taxable person established or established in a third country**

The place of supply of services to a taxable person who has his registered office or place of business in a third country and is a payer, with the exception of the supply of services exempt, shall be deemed to be a national where:

**(a)** the place of performance is determined in accordance with Article 9 (1) in a third country; and

**(b)** actual use or consumption takes place within the country.

**§ 10**

**Place of performance in the supply of services relating to immovable property**

**(1)** The place of performance in the provision of services relating to immovable property, including the services of an expert, appraiser and real estate agency, accommodation services, granting of rights of use of immovable property and services in the preparation and coordination of works, such as is where the real estate is located.

**(2)** For the purposes of determining the place of supply, a service relating to immovable property shall be a service which has a sufficient direct link with the immovable property under a directly applicable European Union regulation laying down implementing measures for the Directive on the common system of value added tax [**7e )**](https://www.zakonyprolidi.cz/cs/2004-235#f2551548) .

**(3)** The place of performance in the provision of services relating to the right of construction is the place where the land subject to the right of construction is located.

**§ 10a**

**Place of performance when providing passenger transport**

The place of performance in the provision of the passenger transport service is the place where the relevant section of the transport takes place.

**§ 10b**

**Place of performance in the provision of services in the fields of culture, arts, sports, science, education and entertainment**

**(1)** The place of performance in the provision of services in the field of culture, arts, sports, science, education and entertainment shall be the place of cultural, artistic, sporting, scientific, educational, entertainment or similar events in respect of:

**(a) a** service consisting of authorization to enter such an event, including a service directly related to that authorization; or

**(b) a** service relating to such an event, including a directly related service, as well as the provision of a service to the non-taxable person by the organizer of such an event.

**§ 10c**

**Place of performance in the provision of catering services**

**(1)** The place of performance in the provision of the catering service is the place where the service is actually provided.

**(2)** However, where boarding is provided on board a ship or aircraft or on a train during the passenger transport section of the territory of the European Union, the place of performance shall be the place of commencement of passenger transport.

**(3)** For the purposes of determining the place of performance in the provision of catering services pursuant to paragraph 2 shall be understood

**(a) a** section of passenger transport carried out within the territory of the European Union means a section of transport carried out without a stop in a third country between the point of departure and the point of end of the transport of persons;

**(b) the** place of the commencement of the transport of persons, the place of the first intended embarkation of persons on the territory of the European Union after a possible interruption of the journey in a third country;

**(c) the** place of termination of the transport of persons, the place of the last scheduled disembarkation of persons on the territory of the European Union who entered the territory of the European Union before any interruption of the journey to a third country.

**(4)** In the case of a return journey, the return transport shall be considered as a separate transport.

**§ 10d**

**Place of performance when the vehicle is hired**

**(1)** The place of performance in providing a short-term lease of a means of transport is the place where the person to whom the service is provided actually takes over the means of transport. Short-term hiring of a means of transport for the purpose of determining the place of performance in the hiring of means of transport means the continuous possession or use of the means of transport for a period not exceeding 30 days and for ships not exceeding 90 days.

**(2)** The place of performance in the case of providing non-short-term rental of means of transport to a non-taxable person shall be the place of the recipient of the service designated under a directly applicable European Union regulation laying down implementing measures for the Directive on the common system of value added tax [**7e )**](https://www.zakonyprolidi.cz/cs/2004-235#f2551548) .

**(3)** The place of performance in the provision of non-short-term charter to a non-taxable person shall be the place where that person actually physically takes the ship, provided that the person providing the service has its registered office or place of business there. through the establishment.

**(4)** If the place of performance when providing the rental of a means of transport is determined in accordance with paragraphs 1 to 3

**(a)** in the territory of the country and the actual use or consumption takes place in a third country, the place of supply shall be the third country;

**(b)** in the third country and the actual use or consumption takes place in the territory of the country, the place of supply shall be deemed to be inland.

**§ 10e**

**Place of performance when the intermediary provides the service to a non-taxable person**

The place of supply for the provision of services to a non-taxable person by a person acting on behalf of and for the account of another person is the place where the place of supply of the provided supply is.

**§ 10f**

**Place of performance in the supply of goods transport services to a non-taxable person**

**(1)** The place of performance in the provision of the transport of goods to a non-taxable person is the place where the relevant section of the transport takes place.

**(2)** However, where the transport of goods between Member States is provided to a non-taxable person, the place of supply shall be the place where the transport begins.

**(3)** For the purpose of determining the place of performance in the provision of the transport of goods to a non-taxable person, the following shall be understood:

**(a) the** carriage of goods between Member States means the carriage of goods where the place of departure and place of transport are in the territory of two different Member States;

**(b) the** place of commencement of the carriage of goods, the place where the carriage of goods actually begins, irrespective of the distance traveled to the place where the goods are located;

**(c)** where the shipment of goods ends, the place where the shipment of goods actually ends.

**§ 10g**

**Place of performance in the supply of services directly related to the carriage of goods and services for the valuation of movable tangible goods and work on movable tangible goods to a non-taxable person**

The place of supply of services to a non - taxable person shall be the place where the service is actually provided in respect of:

**(a) a** service directly related to the carriage of goods, such as loading, unloading, handling and the like;

**(b)** a work on movable tangible property or a valuation service on movable tangible property.

**§ 10h**

**Place of supply of services to a non-taxable person in a third country**

The place of supply of services to a non-taxable person shall be the place of the recipient of the service designated in accordance with a directly applicable European Union law laying down measures for the implementation of the Directive on the common system of value added tax [**7e )**](https://www.zakonyprolidi.cz/cs/2004-235#f2551548) .

**(a) the** transfer and assignment of copyright, patent, license, trade mark and similar rights;

**b)** advertising service,

**c)** advisory, engineering, consulting, legal, accounting and other similar services, as well as data processing and provision of information,

**d)** banking, financial and insurance services, with the exception of the hire of safe deposit boxes,

**(e) the** supply of workers;

**(f)** rental of movable tangible property, with the exception of means of transport;

**(g)** granting access to the gas transmission or distribution system located in the territory of the European Union or any network connected to it, the electricity or heat or cold networks, and the transmission or distribution of gas, heat or cold, or the transmission or distribution of electricity through such networks or networks, including the provision of directly related services,

**(h) a** commitment to abstain, in whole or in part, from pursuing an economic activity or the right referred to in points (a) to (g).

**§ 10i**

**Place of performance in the provision of telecommunications services, radio and television broadcasting services and electronically supplied services to a non-taxable person**

**(1)** The place of supply of services to a non-taxable person shall be the place of the recipient of the service designated under a directly applicable European Union regulation laying down measures for the implementation of the Directive on the common system of value added tax [**7e )**](https://www.zakonyprolidi.cz/cs/2004-235#f2551548) as regards

**a)** telecommunication service,

**(b)** radio and television broadcasting services; or

**(c)** electronically supplied service.

**(2)** For the purposes of value added tax:

**(a)** telecommunications service means a service connected with the transmission, transmission or reception of signals, text documents, images, sounds or any information by cable, radio, optical or electromagnetic systems, including appropriate transmission or right to use capacity for such transmission, transmission or reception or access information networks,

**(b)** radio and television broadcasting service means a service consisting of audio or audiovisual content, such as radio or television programs for simultaneous listening or viewing on the basis of a program composition provided to the public via communication networks by a media service provider under its editorial responsibility;

**(c) '** electronically supplied service' means a service provided through a public data network or an electronic network, with the exception of only communication by electronic address, in particular:

**1.** hosting of websites,

**2.** provision of software and its updating,

**3.** providing pictures, texts or information or making databases available;

**4. the** provision of music, films or games, the provision of political, cultural, artistic, sporting, scientific or entertainment programs or events, with the exception of programs which are radio and television broadcasting services; or

**5.** provision of distance learning services.

**(3)** Paragraph 1 shall not apply to the provision of a service by a person established in one Member State and not established in the other Member States, or established outside the territory of the European Union and established in only one Member State, provided that:

**(a) the** place of the recipient of the service is in a Member State other than the Member State in which the person providing the service is established or established; and

**(b) the** total value of those services, net of tax, does not exceed EUR 10000 or the equivalent of that amount in national currency for the calendar year immediately preceding that year, using the exchange rate published by the European Central Bank on 5 December 2017.

**(4)** Paragraph 1 shall apply to the provision of a service that exceeded the value under paragraph 3.

**(5)** The person providing the service pursuant to paragraph 3 may decide that the place of performance shall be determined in accordance with paragraph 1. In such a case, he shall be obliged to do so by the end of the calendar year immediately following the calendar year in which he has so decided.

***§ 10j, § 10k****repealed*

**Section 3**

Determination of the place of performance when goods are purchased from another Member State

**§ 11**

**Place of performance when acquiring goods from another Member State**

**(1) The** place of performance for the acquisition of goods from another Member State shall be the place where the goods are situated after the end of their dispatch or transport to the customer.

**(2) The** place of supply for the acquisition of goods from another Member State shall be deemed to be the Member State which issued the tax identification number under which the person acquiring the goods was established, the number and, unless the purchaser can prove that, in respect of that acquisition which was subject to tax in the Member State of dispatch of the dispatch or transport of the goods, he has complied in that Member State with the obligation to declare the tax or declare the transaction; the same procedure shall apply in the event that there is no obligation to declare performance. Where the place of supply is determined in accordance with the first sentence in the territory of the country, the person acquiring the goods shall not be entitled to deduct the tax applied on that acquisition of goods from another Member State. This provision shall be without prejudice to paragraph 1.

**(3)** However, if the acquisition of goods from another Member State is subject to the tax referred to in paragraph 1 in the Member State of completion of dispatch or transport of the goods after the tax has been declared or paid in accordance with paragraph 2, (b) in the country, the taxable amount on which the tax was paid or the value of the transaction declared in the Member State of completion of dispatch or transport of goods; the same procedure shall apply in the event that there is no obligation to declare performance. Section 42 shall apply mutatis mutandis to the reduction of the tax base.

**(4)** However, where a simplified procedure for the supply of goods to another Member State by way of triangular trade is applied, the place of performance for the acquisition of goods from another Member State shall be the place determined under paragraph 1 the supply of goods in the Member State of end of dispatch or transport of the goods referred to in paragraph 1 and the person to whom the goods were delivered in the Member State of end of dispatch or transport of goods is the person liable for VAT as .

**Section 4**

Determination of the place of performance upon importation of goods

**§ 12**

**Place of performance on importation of goods**

**(1)** The place of performance on importation of goods is the Member State in whose territory the goods are located when they enter the European Union from a third country.

**(2)** The place of performance on importation of goods shall be the Member State in which those goods cease to be subject to the relevant customs measures if the goods are on entry into the territory of the European Union

**(a)** temporarily stored; or

**(b)** placed under a customs procedure

**1.** external transit,

**2.** storage in a customs warehouse or free zone,

**3.** temporary admission with total relief from customs duties, or

**4.** inward processing.

**Episode 3**

**Delimitation of performance**

**§ 13**

**Delivery of goods**

**(1)** For the purposes of this Act, the supply of goods means the transfer of the right to dispose of the goods as owner.

**(2)** For the purposes of this Act, the supply of goods to another Member State shall mean the supply of goods actually dispatched or transported to another Member State.

**(3)** For the purposes of this Act, the supply of goods shall be considered

**a)** transfer of title to property for remuneration also on the basis of a decision of a state authority or arising from a special legal regulation,

**(b) the** supply of goods through a commission agent under a commission contract or a contract of a similar type; this supply of goods shall be deemed to be a separate supply of goods by the principal or a third party to the commissioner and a separate supply of goods by the commissioner to a third party or to the principal,

**(c) the** abandonment of the goods for use under the contract, if agreed and on the date of conclusion of the contract, it is clear that the ownership of the goods used will normally be transferred to its users.

**(4)** Delivery of goods for remuneration is also considered

**a) the** use of tangible assets for purposes not related to the economic activity of the payer,

**b)** restoration of a condition fit for use [**74 )**](https://www.zakonyprolidi.cz/cs/2004-235#f2551677) fixed assets created by own activity, if the taxpayer uses these assets for the purposes for which he is entitled to deduct tax pursuant to Section 72 (6),

**c)** issue of a settlement share in a corporation or share in the liquidation balance in non-monetary form in tangible assets, [**2 )**](https://www.zakonyprolidi.cz/cs/2004-235#f2551535) if a tax deduction has been applied to these assets or its part,

**(d) the** contribution of a non-monetary contribution in tangible assets, provided that the depositor has exercised a deduction on his or her part of the asset, except for the contribution of tangible assets forming part of the contribution of a commercial establishment; in this case, the depositor and the acquirer are responsible for fulfilling the obligation to declare the tax jointly and severally,

**(e) the** supply of returnable packaging together with goods domestically by the payer who places the returnable packaging together with the goods on the market [**10a )**](https://www.zakonyprolidi.cz/cs/2004-235#f2551552) if the returnable packaging of the same type has not been returned to that payer on the last day of the relevant accounting period [**7d )**](https://www.zakonyprolidi.cz/cs/2004-235#f2551547) of the payer or with a payer who does not keep accounts. For the purposes of this Act, returnable packaging of the same type shall also include returnable packaging with the same amount of special monetary amount charged upon delivery of returnable packaging together with the goods. This provision shall not apply to the delivery of returnable packaging together with goods for which the exemption pursuant to § 63 would apply,

**(f) the** handing over of the imported goods placed under the free circulation procedure without any change in the right of ownership until the time of delivery of the goods referred to in paragraph 1.

**(5)** For the purposes of this Act, the use of tangible property for purposes not related to the economic activity of the payer shall mean the permanent use of the business property of the payer for his personal consumption or his employees, permanent use for purposes other than without remuneration if a tax deduction has been applied to all or part of the property.

**(6)** For the purposes of this Act, the transfer of business assets by a payer to another Member State shall also be deemed to be the supply of goods for consideration. For the purposes of this Act, the transfer of assets shall mean the dispatch or transfer of assets by that payer or his third party authorized by him to another Member State for the purpose of carrying out his economic activities in another Member State. For the purposes of this Act, the supply of goods to another Member State by a payer shall also be deemed to be the transfer of goods acquired by that payer pursuant to Section 16 (4) from the country to another Member State.

**(7)** For the purposes of this Act, the dispatch or transport of goods for the purpose of

**a)** delivery of goods with installation or assembly,

**(b) the** dispatch of goods to the Member State of termination of dispatch or transport of the goods;

**c)** delivery of goods by the payer on board ships, aircraft or trains during the transport of persons pursuant to Section 7 (4),

**(d) the** supply of goods by a taxpayer in the Member State of dispatch or transport of the goods, where the supply of goods is exempt in that Member State with a right to deduct;

**(e) the** export of goods where the goods are placed under the customs export procedure;

**(f) the** supply of services to the payer, including works on goods physically carried out in the Member State in which the dispatch or transport of the goods is terminated, provided that the goods are returned to the payer to the home country from which they were originally dispatched or transported;

**(g) the** temporary use of goods in the Member State where the dispatch or transport of the goods is terminated for the purpose of providing the service by the payer;

**(h)** temporary importation of goods for a period not exceeding 24 months in the territory of another Member State in which the importation of the same goods from a third country for temporary admission would benefit from a temporary admission procedure with total relief from customs duty;

**(i) the** supply of goods by networks or networks.

**(8)** If any of the conditions which are a prerequisite for the procedure under paragraph 7 is no longer fulfilled, the goods shall be deemed to have been moved from their territory to another Member State. In such a case, the transfer shall be deemed to take place when the condition in question ceases to be met.

**(9)** However, the supply of goods shall not be considered for the purposes of this Act

**(a) the** disposal of a commercial establishment in respect of tangible assets;

**b) the** issue or provision of assets in non-monetary form in tangible assets as compensation or settlement pursuant to a special legal regulation, [**11 )**](https://www.zakonyprolidi.cz/cs/2004-235#f2551554)

**c) the** provision of a gift in the framework of economic activity, if its purchase price excluding tax does not exceed CZK 500, or the provision of business samples without payment in the framework of economic activity,

**d)** delivery of returnable packaging, which is delivered together with the goods to the buyer for consideration, if such payment is directly linked to the returnable packaging and the buyer is guaranteed the full return of the payment upon return of the returnable packaging [**10a )**](https://www.zakonyprolidi.cz/cs/2004-235#f2551552) , or

**(e) the** return of the returnable packaging, whether in return for payment or not.

**§ 14**

**Service provision**

**(1)** For the purposes of this Act, the provision of a service means all activities that are not a supply of goods. For the purposes of this Act, the provision of the Service shall also be understood

**(a) the** disposal of an intangible asset;

**(b)** giving the goods to another;

**c)** establishment, duration and termination of easement,

**(d) a** commitment to an obligation to refrain from or to tolerate an act or situation.

**(2)** For the purposes of this Act, the provision of a service shall be considered

**a)** provision of services for remuneration also on the basis of a decision of a state authority or resulting from a special legal regulation,

**(b) the** provision of a service through a commission agent under a commission or similar contract; this service shall be deemed to be the separate provision of the service by the principal or third party to the commissioner and the separate provision of the service by the commissioner to the third party or to the principal.

**(3)** For the purposes of this Act, the provision of a service for consideration shall also be considered

**(a) the** provision of services for purposes not related to the economic activity of the payer;

**b) The** issue of settlement share business corporation or a liquidation share in kind in the form of intangible assets, [**2 )**](https://www.zakonyprolidi.cz/cs/2004-235#f2551535) when he was at the property or part thereof applied deduction.

**(c) the** entry of a non-monetary contribution in intangible assets where the depositor has exercised a deduction on his or her part of the asset, except in the case of a commercial establishment; in such a case, both the depositor and the acquirer are responsible for fulfilling the obligation to declare the tax jointly and severally.

**(4)** For the purposes of this Act, the provision of a service for purposes not related to the performance of economic activities of the payer shall be understood as:

**(a) the** temporary use of commercial property, with the exception of fixed assets, for the personal consumption of the payer or his staff, where a deduction has been applied to that property or part thereof; or

**(b) the** supply of services by the taxable person free of charge for the personal consumption of the taxable person or his employees, or for purposes other than those connected with the pursuit of his economic activities, where deductions have been made for directly related transactions received.

**(5)** However, the provision of a service is not considered for the purposes of this Act

**(a) the** disposal of a commercial establishment;

**b) the** release or provision of assets in non-monetary form in intangible assets, including the provision of services as compensation or settlement pursuant to a special legal regulation, [**11 )**](https://www.zakonyprolidi.cz/cs/2004-235#f2551554)

**(c) the** assignment of the debtor's own claim.

**§ 15**

**Voucher**

**(1)** For the purposes of value added tax, a voucher means a document,

**(a)** entails an obligation to accept it as consideration or part of consideration for the supply of goods or services; and

**(b)** on which or in the related documentation:

**1. the** goods to be supplied or the service to be provided; or

**2. the** person who is to supply the goods or services.

**(2)** For the purposes of value added tax, a single-purpose voucher shall mean a voucher for which at the time of its issue the supply of the goods or services to which it relates are known at least as follows:

**(a) the** rate of taxation in the case of a taxable transaction or the fact that it is an exempt transaction; and

**(b) the** place of performance.

**(3)** For the purposes of value added tax, a multi-purpose voucher means a voucher other than a single-purpose voucher.

**(4) The** voucher is issued at the moment when it is transferred to the first acquirer.

**§ 15a**

**Supply of goods or services in the case of a single-purpose voucher**

**(1)** For the purposes of value added tax, the transfer of a single-purpose voucher shall be deemed to be the supply of goods or services to which the voucher relates made by the taxable person on whose behalf the transfer is made.

**(2)** Actual handover of goods or actual provision of services on the basis of a single-purpose voucher by a taxable person holding the voucher in his own name

**(a)** issued and accepted as consideration, shall not be regarded, for the purposes of value added tax, as the supply of goods or services; or

**(b)** has not been issued and accepted as consideration, for the purposes of value added tax, shall be deemed to be the supply of goods or services covered by that voucher by that person to the person who issued the voucher in his own name.

**(3)** If the taxable person receives a single-purpose voucher as part of the remuneration for the actual handover of the goods or the actual provision of the service under this voucher, paragraph 2 shall apply to the actual handover of the goods or the actual provision of the service in the part corresponding to this part of the remuneration.

**§ 15b**

**Supply of goods or services in the case of a multipurpose voucher**

**(1)** For the purposes of value added tax, the transfer of a multi-purpose voucher shall not be deemed to be the supply of goods or services to which the voucher applies.

**(2)** For the purposes of value added tax, the actual handover of the goods or the actual provision of the service on the basis of the multi-purpose voucher by the taxable person who receives the voucher as consideration or part of the remuneration shall be deemed to be the supply of goods or services covered .

**(3)** Where a separate service is provided in direct connection with the transfer of a multi-purpose voucher by a taxable person other than the person obliged to accept the voucher as a consideration or part of the remuneration, paragraph 1 shall not apply to the provision of this service.

**§ 16**

**Acquisition of goods from another Member State**

**(1)** For the purposes of this Act, the acquisition of goods from another Member State shall mean the acquisition of the right to dispose of the goods as owner of the goods from a taxable person in another Member State or from a person they shall not be an exempt person if the goods are dispatched or transported from another Member State to a Member State other than that of them

**(a) the** person who supplies the goods;

**(b) the** acquirer, for the purposes of this Act, means a person who acquires goods from another Member State; or

**(c) an** authorized third party.

**(2)** For the purposes of this Act, the acquisition of goods from another Member State is not considered

**a)** delivery of goods with installation or assembly,

**(b) the** supply of goods through networks or networks;

**c)** sending of goods,

**d)** relocation of commercial assets from another Member State to the Czech Republic for the purposes referred to in Article 13 (7),

**(e) the** acquisition of a returnable packaging for consideration.

**(3)** Where goods are acquired by a non-taxable legal person for which the acquisition of goods is subject to tax, are dispatched or transported from a third country and the goods are imported by that person to a Member State other than the Member State of dispatch or transport, for the purposes of this Act, goods dispatched or transported from the Member State to which the goods are imported. Where the importation of goods is effected by a non-taxable legal person for whom the acquisition of goods is subject to tax, that person shall be entitled to a refund of the tax paid on the importation of the goods if he proves that the acquisition was subject to tax in the Member State where the dispatch or transport of these goods is terminated. In the case of tax refunds, the provisions of Sections 82 to 82b shall apply accordingly.

**(4)** For the purposes of this Act, the acquisition of goods from another Member State by a payer shall also mean the transfer of goods from another Member State to the country by a taxable person in another Member State who is not an exempt person and inland acquirer.

**(5)** For the purposes of this Act, the acquisition of goods from another Member State for consideration shall be considered

**(a) the** transfer of goods by the payer for the purpose of pursuing economic activities within the territory of the country where the goods are dispatched or transported from another Member State to the territory of the country and the goods have been produced, purchased, purchased from another Member State imported from a third country,

**(b) the** movement of goods by a taxpayer from another Member State into the country which has been dispatched or transported from a third country and the importation of goods is effected by the taxpayer in that other Member State and the dispatch or transport of the goods is completed within the country;

**(c) the** movement of goods by a taxable person in another Member State who is not an exempt person and who is not resident in the country or by a foreign taxable person not established in the country, for the purposes of carrying out economic activities there; transported from another Member State to inland,

**(d) the** assignment of goods from one Member State to another by the armed forces of another State which is a member of the North Atlantic Treaty or of a State participating in the Partnership for Peace, for their use or the accompanying civilian staff accompanying them, which allocates the goods if the importation of such goods is not exempt.

**§ 17**

**Simplified procedure for the supply of goods within the European Union in the form of triangular trade**

**(1) A** triangular trade is a trade which is concluded by three taxable persons in three different Member States and the object of the trade is the supply of the same goods between those three, with the goods being dispatched or transported directly from the Member State of seller to the Member State of the buyer.

**(2)** For the purpose of triangular trade, the seller means a person registered for taxation in the Member State of commencement of dispatch or transport of goods who is not an exempt person.

**(3)** For the purpose of a triangular trade, a buyer means a person registered for taxation in the Member State of cessation of dispatch or transport of goods who buys goods from an intermediate person.

**(4)** For the purposes of triangular trade, a middle person is a person registered for tax in a Member State other than the Member State of the seller and the Member State of the buyer who:

**(a)** is not an exempt person; and

**(b)** acquires goods from a seller in the Member State of the buyer with a view to the subsequent delivery of the goods to the buyer in that Member State.

**(5)** When applying the simplified procedure for triangular trade, an intermediate person may not register for tax in the Member State of the buyer and apply the exemption on the acquisition of goods in that Member State, under the conditions laid down by that Member State.

**(6) The** acquisition of goods from another Member State by an intermediary in the Czech Republic using the simplified procedure in the triangular trade is exempt under these conditions

**(a) the** acquisition of goods from another Member State is carried out by an intermediary who is neither a payer nor an identified person but is a taxable person in another Member State;

**(b) the** acquisition of goods from another Member State is carried out by an intermediary for the purpose of the subsequent supply of goods there;

**(c) the** goods acquired by the intermediate person are dispatched or transported directly from the Member State of the seller to the territory of the country and are intended for the buyer for whom the intermediate person carries out subsequent delivery of the goods;

**d) the** buyer is a payer or an identified person,

**(e) the** buyer is obliged to declare the tax on the supply of goods effected by an intermediate person as on the acquisition of goods from another Member State.

**(7) An** intermediate person who is a taxable person in another Member State and acquires goods from another Member State and delivers goods to a buyer who is a payer or an identified person is obliged to use the simplified procedure in a triangular trade

**(a)** meet the conditions laid down in paragraph 6 for the application of the exemption for goods acquired in another Member State effected within the territory of the country,

**b)** notify the same tax identification number to the seller and state it on the tax document for the buyer,

**(c)** issue a tax document to the buyer stating that it is a triangular trade.

**(8) The** buyer is obliged to notify the intermediary of the tax identification number assigned to the buyer in the Czech Republic and to declare the tax on the basis of a tax document issued by the intermediary as well as on the purchase of goods from another Member State.

***§ 18****repealed*

**§ 19**

**Delivery and acquisition of new means of transport within the European Union**

**(1)** A payer who supplies a new means of transport to another Member State for payment to a taxable person in another Member State shall carry out an exempt transaction with a right to deduct.

**(2)**In the case of new ships and aircraft, the date of first entry into service means the date of delivery by the manufacturer to the first buyer or owner or the first day on which the buyer or owner is authorized to dispose of the vehicle, the day earlier or the means of transport used by the manufacturer for demonstration purposes. The date of first entry into service of land motor vehicles shall be the date on which the vehicle was registered for use in the State of the manufacturer or the day on which the vehicle was registered in the State of manufacturer, whichever is the earlier. If the vehicle is not required to be registered in the State of manufacture, the date of first entry into service shall be the date on which the vehicle was taken by the buyer or its owner or the day of delivery to the buyer or its owner or the day on which the buyer or owner could dispose of it either the earlier day or the day the land motor vehicle was used for demonstration purposes. If the date of first entry into service is not so determined, the date of first entry into service shall be deemed to be the date on which the proof of sale was issued.

**(3)** A payer who purchases a new means of transport from a taxable person in another Member State for consideration shall purchase goods from another Member State.

**(4)**A payer who supplies a new means of transport to another Member State for payment to a person who is not a taxable person in another Member State carries out an exempt transaction with deduction where the new means of transport is transferred to another Member State and the payer together he shall submit to the locally competent tax authority a report on the delivery of the new means of transport to another Member State within the time-limit for filing the tax return, accompanied by a copy of the issued tax document. The supply of a new means of transport to another Member State to a person who is not a taxable person in another Member State shall not be included in the recapitulative statement by the payer. A payer who buys a new means of transport from another Member State for payment from a person who is not a taxable person in another Member State,

**(5)**A non-payer who occasionally delivers a new means of transport which is transferred to another Member State shall be deemed to be entitled to deduct the tax he has paid on the acquisition of the new means of transport at the agreed price or on importation or purchase from another Member State, up to the amount of the tax which the taxpayer would be liable to pay if the supply were a taxable supply within the country. That person shall be entitled to exercise the right to deduct his taxable local authority in the tax return, accompanied by a copy of the tax document, and shall submit a tax return within 10 days of the date of delivery of the new means of transport to another Member State; this period cannot be extended.

**(6)** A person who is not a taxpayer and acquires a new means of transport from another Member State is obliged to submit a tax return accompanied by a copy of the tax document and a report on the acquisition of a new means of transport within 10 days of the date of purchase or within tax return, if it is an identified person; these time limits cannot be extended. On the basis of this tax return, the tax administrator assesses the amount of tax which the acquiring person is obliged to pay to the locally competent tax administrator within 25 days from the date on which the tax was assessed.

**(7)** A person acquiring a new means of transport from another Member State, who will be registered in a road vehicle register, may, before filing a tax return, file a report on the acquisition of a new means of transport and pay an advance in the amount of the new means of transport. A copy of the tax document issued by a supplier from another Member State shall be attached to the notification of the acquisition of the new means of transport. The tax administrator shall confirm the advance payment at the request of the acquirer.

**(8)** When a new means of transport is delivered to another Member State, the tax document must indicate that it is a new means of transport and that this must be confirmed.

**§ 20**

**Import of goods**

**(1)** For the purposes of this Act, importation of goods means the entry of goods from a third country into the territory of the European Union.

**(2)** For the purposes of this Act, the importation of goods into the territory of the European Union from the territory pursuant to Section 3 **(2)** shall also be considered to be the import of goods.

**Episode 4**

**Fulfillment of performance and obligation to declare or pay tax**

**§ 20a**

**Tax liability arises when goods are delivered and services are rendered**

**(1)** The obligation to declare tax on the supply of goods or services arises on the date of taxable supply.

**(2)** If a consideration is received before the chargeable event occurs, the obligation to declare tax on the amount received shall arise on the date of receipt of the consideration. This does not apply if the taxable supply at the date of payment is not sufficiently known.

**(3)** For the purposes of this Act, the supply of goods or services is sufficiently certain if at least the following information is known:

**(a) the** goods to be supplied or the service to be provided;

**(b) the** rate of taxation in the case of a chargeable event; and

**(c) the** place of performance.

**§ 21**

**Chargeable event on the supply of goods and services**

**(1)** Upon delivery of goods, the taxable supply shall be deemed to be effected

**a)** on the day of delivery pursuant to Section 13 (1),

**b)** on the day of knocking on auctioning the goods at public auction pursuant to a special legal regulation, [**16 )**](https://www.zakonyprolidi.cz/cs/2004-235#f2551561) or

**c)** on the day when the goods were handed over for use according to § 13 par. C).

**(2)** Upon delivery of immovable property, the taxable supply shall be deemed to have been effected on the day the immovable property was handed over to the acquirer for use or on the date of delivery of the notification stating the date of registration of the change of ownership. When the immovable property is used according to § 13 par. 3 let. (c) the chargeable event shall be deemed to have taken place on the date on which the immovable property was put to use.

**(3)** When the service is rendered, the taxable supply shall be deemed to have been effected on the day of its provision or on the date of issue of the tax document, with the exception of the repayment or payment calendar or document for payment.

**(4) The** taxable supply shall be deemed to have been effected

**a)** on the day of acceptance of the work or its part in the case of taxable fulfillment performed under the contract for work,

**b)** on the day of reading from the measuring equipment or, as the case may be, on the actual consumption of heat, cold, electricity, gas, water, wastewater removal and telecommunication services, gas transmission and distribution or electricity transmission and distribution;

**(c)** on the date on which the actual amount of the service provided in direct connection with the letting of immovable property received in connection with that letting, unless the service referred to in point (b), is established;

**d) the** date of use of the assets or use of the service in the use of tangible assets or the provision of services for purposes not related to the economic activity of the payer,

**e)** on the day of its introduction into a condition fit for use [**74 )**](https://www.zakonyprolidi.cz/cs/2004-235#f2551677) in performance defined in § 13 para. b),

**f)** on the day on which the title to the non-monetary contribution, or other rights to this contribution, is lost upon the deposit of the property contribution in non-monetary form, with the exception of the immovable property, when proceeding pursuant to paragraph 2;

**g)** on the day on which the right of ownership or other rights to the issued assets is disposed of, when the settlement share in the business corporation or the share in the liquidation balance is issued, with the exception of the immovable property, in accordance with paragraph 2;

**h)** on the day of delivery to a third party, both at the principal and the commission agent, or on the date of delivery by a third party, when the goods are delivered on the basis of a commission or similar contract,

**(i)** on the date on which the service is provided to a third party, both with the principal and with the commission agent, or on the date on which the service is provided with a third party,

**(j) the** date of transfer of the single-purpose voucher.

**(5) A** taxable transaction effected by means of vending machines or other similar devices operated by coins, banknotes, stamps or other means of payment replacing money, and in cases where the payment for taxable transactions is effected by means of replacing money, shall be deemed effected on , when the payer removes money or means of substituting money from the machine or otherwise determines the amount of turnover.

**(6)** In the case of a taxable supply pursuant to Section 13, Para. (e) there is an obligation to declare the tax at the date of its realization. Taxable supply according to § 13 para. (e) shall be deemed to have been effected on the last day of the financial year of the payer concerned or on the last day of the calendar year for the non-accounting payer.

**(7)** Partial fulfillment means a taxable fulfillment, which according to the contract takes place within the agreed scope and within the agreed deadlines, and it is not a total fulfillment for which the contract is concluded. Partial performance shall be deemed to have been effected on the date specified in the contract. In the case of partial performances carried out under the Contract for Work, the taxable fulfillment shall also be deemed to be effected on the day referred to in paragraph 4 (a). a), and the date of the chargeable event is the day that occurs earlier.

**(8)** If a taxable supply with a place of supply in the Czech Republic is provided for more than 12 months, the taxable supply shall be deemed to have taken place at the latest on the last day of each calendar year following the calendar year in which the supply began; this does not apply

**(a)** for the calendar year in which the consideration for which the taxpayer is liable is declared,

**(b)** in the cases referred to in paragraph 4 (a): or

**c)** in the case of a service provided by law or by a decision of a public authority to a third party, if the payment for the provision of this service is paid by the state or if it is a service consisting of performing an insolvency trustee pursuant to the provisions of Act 182/2006 Coll., Insolvency Act, as amended.

**(9)** Paragraphs 1 to 8 shall apply mutatis mutandis to the determination of the date of performance for transactions exempt from tax. In the case of rental of immovable property exempt from tax without the right to deduct, the transaction is deemed to have taken place at the latest on the last day of each calendar year.

**§ 22**

**Performance of the supply and obligation to declare supply when the goods are delivered to another exempt Member State**

The supply of goods to another Member State benefiting from the exemption with deduction entitlement shall give rise to the obligation to declare such supply on the fifteenth day of the month following the month in which the goods were dispatched or transported to another Member State. However, if the tax document was issued before the fifteenth day of the month following the month in which the goods were dispatched or transported to another Member State, the payer shall be obliged to admit the performance of that delivery on the date of issue of the tax document.

**§ 23**

**Fulfillment of performance and obligation to declare or pay tax upon importation of goods**

**(1) The** taxable supply is effected and the obligation to declare or pay the tax upon importation of the goods arises

**(a) the** placing of goods under a customs procedure

**1.** free circulation,

**2.** temporary admission with partial relief from import duties, or

**3.** end-use,

**(b)** failure to comply with any of the obligations laid down in the customs legislation concerning:

**1. the** entry into the territory of the European Union of non-European Union goods,

**2.** temporary storage,

**3. the** customs transit procedure;

**4. the** customs warehousing procedure;

**5.** the temporary importation procedure with total relief from import duties,

**6.** the processing procedure, or

**7.** treatment of non-European Union goods,

**(c)** failure to fulfill the conditions under which non-Union goods may be placed under a customs procedure other than the end-use procedure;

**(d) the** removal from customs supervision of non - European Union goods; or

**(e)** infringement of the conditions laid down in the authorization to use the special customs procedure.

**(2)** If the payer has released the goods pursuant to paragraph 1 (a) by a decision of the customs office, a), the taxpayer is obliged to declare the tax in the tax return for the taxation period in which the goods were placed under the relevant customs procedure.

**(3)** If the payer has released the goods pursuant to paragraph 1 (a) by a decision of the customs office. (a) (2), the taxpayer is obliged to declare the amount of the tax which would have been charged if the goods were placed under the free circulation procedure at the time the goods were imported.

**(4)** If the conditions for exemption pursuant to Section 71g have been breached, the taxpayer is obliged to declare the tax in the tax return for the taxation period in which the goods were released for free circulation.

**(5)** If a person who is not a payer was released by the decision of the customs office pursuant to paragraph 1 (a). (a) point (2), that person shall be liable to pay the amount of the tax which would have been charged if the goods were placed under the free circulation procedure at the time of importation of the goods.

**(6) The** taxpayer has fulfilled the obligation to declare the tax on the import of goods if the tax was paid to the customs office in accordance with this Act as a person liable to pay the tax.

**§ 24**

**Chargeable event and obligation to declare tax on the supply of goods and services by a non-resident**

**(1)** When a taxable supply is made of a supply of goods or services with a place of supply in the Czech Republic by a person not established in the Czech Republic, if the person is obliged to declare the taxable person or the identified person to whom the supply is provided,

**(2) The** taxable supply pursuant to paragraph 1 shall be deemed to be realized

**(a)** on the date of performance specified in accordance with Section 21; or

**b)** in the case of provision of a service with a place of performance in the Czech Republic pursuant to Section 9 (1) on the day of provision of this service.

**(3)** If a consideration is paid prior to the taxable supply pursuant to paragraph 1, the obligation to declare tax on the provided amount arises on the date of the consideration. This does not apply if the taxable supply at the date of payment is not sufficiently known.

**(4)** If the taxable supply pursuant to paragraph 1 is provided for more than 12 months and no consideration is paid during this period with the obligation to declare the tax, the supply shall be deemed to have been performed on the last day of each calendar year if

**a)** provision of a service with a place of performance in the Czech Republic pursuant to Section 9 (1),

**b)** delivery of goods with installation or assembly,

**(c) the** supply of goods by networks or networks.

**§ 24a**

**Performance and obligation to declare performance on delivery of goods and services with place of performance outside the Czech Republic**

**(1)** In the case of the provision of a service or delivery of goods with a place of performance outside the Czech Republic, the obligation to declare the performance arises as of the date of performance of this performance, if it concerns:

**(a) the** provision of a service;

**b)** delivery of goods with installation or assembly,

**(c) the** supply of goods by networks or networks.

**(2) The** performance pursuant to paragraph 1 shall be deemed to have been effected on

**a)** performance of performance determined pursuant to Section 21,

**b)** provision of a service with a place of performance outside the Czech Republic pursuant to Section 9 (1), which is subject to the obligation to submit a recapitulative statement.

**(3)** If a consideration is received prior to the performance of the performance for which the obligation to declare the performance arose, the obligation to declare the performance arises from the amount received as of the date of receipt of the remuneration. This does not apply if the performance at the date of payment is not sufficiently known.

**(4)** If the supply with the place of supply outside the Czech Republic is provided for more than 12 months and no consideration is received during the period with the obligation to declare the supply, the supply shall be deemed to be performed on the last day of each calendar year if

**a)** provision of a service with a place of performance outside the Czech Republic pursuant to Section 9 (1), subject to the obligation to submit a recapitulative statement,

**b)** delivery of goods with installation or assembly,

**(c) the** supply of goods by networks or networks.

**§ 25**

**The chargeable event and the obligation to declare tax on the acquisition of goods from another Member State**

**(1)** In the case of the acquisition of goods from another Member State with a place of supply in the Czech Republic, the taxpayer or the identified person shall be obliged to declare the tax on the 15th day of the month following the month in which the goods were acquired. However, if the tax document was issued before the fifteenth day of the month following the month in which the goods were acquired, the taxpayer or the identified person shall be required to declare the tax on the date of issue of the tax document.

**(2)** In the case of the acquisition of goods from another Member State pursuant to Section 16 (4) and (5), the taxpayer or the identified person shall be obliged to declare the tax on the day the goods are moved to the country.

**(3) The** acquisition of goods from another Member State shall be deemed to have been effected on the date on which the taxable supply would be effected upon delivery of the goods pursuant to Section 21. However, the acquisition of goods from another Member State pursuant to Article 16 (4) and (5) domestic goods.

**Episode 5**

**Tax documents**

**Section 1**

**General provisions on tax documents**

**§ 26**

**Invoice**

**(1) A** tax document is a document that meets the conditions laid down in this Act.

**(2)** The tax document may be in paper or electronic form.

**(3)** A tax document shall be in electronic form if it is issued and received electronically. The person to whom the transaction is made must agree to the use of the tax document in electronic form.

**(4) The** person who carries out the fulfillment shall always be responsible for the correctness of the information on the tax document and for its issue within the stipulated period.

**Section 2**

**Issuance of tax documents**

**§ 27**

**Determination of rules for issuing tax documents**

**(1) The** issue of tax documents on the supply of goods or services shall be subject to the rules of the Member State in which the place of performance is situated.

**(2) The** issue of tax documents shall be subject to the rules of the Member State in which the taxable person carrying out the transaction has his registered office or place of business if the transaction is effected through that place of business, where the place of supply is

**(a)** in a Member State other than the Member State in which the taxable person carrying out the transaction has his registered office or establishment, where the transaction is effected through that establishment and where the taxable person is the person for whom the transaction is carried out; and that person has not been authorized to issue a tax document, or

**(b)** in a third country.

**(3) The** issue of tax documents shall be subject to the rules of the Member State in which the taxable person who carries out the transactions is registered for tax under the special regime of one administrative authority.

**§ 28**

**Rules for issuing domestic tax documents**

**(1) The** payer is obliged to issue a tax document in the case of:

**(a) the** supply of goods or services to a taxable person or to a non-taxable legal person, with the exception of exempt transactions without the right to deduct;

**b)** shipment of goods to the Czech Republic with the place of performance in the Czech Republic,

**(c) the** supply of goods to another Member State benefiting from an exempt right to deduct;

**(d)** acceptance of consideration if, prior to the performance referred to in points (a) or (b), there was an obligation to declare tax or to declare performance on the date of receipt of the consideration.

**(2)** In the event of performance under Section 13, Para. a), b) and e) or according to § 14 par. (a) issue a proof of use.

**(3)** The taxable person is obliged to issue a tax document in the case of:

**(a)** the transaction for the taxable person or the non-taxable legal person is carried out where the place of supply in the Member State where the taxable person carrying out the transaction is not established or has no place of business through which the transaction is located realized as regards

**1. the** provision of the service,

**2. the** supply of goods with installation or assembly; or

**3.** delivery of goods through networks or networks,

**(b) the** supply of a service or supply of goods with installation or assembly for a taxable person or a non-taxable legal person, if the place of supply is in a third country; or

**(c)** acceptance of consideration if, prior to the performance referred to in points (a) or (b), the obligation to declare the tax or to declare the performance at the date of receipt of the consideration arose.

**(4)** Instead of the payer, the public authority or the auctioneer is obliged to issue a tax document when auctioning the payer's business property or selling it outside the auction, similarly pursuant to paragraph 1 (a). a), and provide the tax document to this payer.

**(5)** The tax document must be issued within 15 days of the day when the obligation to declare the tax arose or to declare the fulfillment.

**(6)** The tax document must be issued within 15 days of the end of the calendar month in which

**(a)** the supply of goods to another Member State benefiting from an exemption with deductibility has taken place;

**(b)** the supply of a service, the supply of goods with installation or assembly, or the supply of goods by systems or networks to a taxable person or a non-taxable legal person, where the place of supply is in a Member State where realizes, its registered office or in which it has no place of business through which such performance is realized,

**(c)** the supply of services or goods with installation or assembly for the taxable person or the non-taxable legal person is carried out where the place of supply is in a third country; or

**(d)** consideration has been received if, prior to the performance referred to in points (b) or (c), the obligation to issue a tax document arises as a result of receipt of the consideration.

**(7)** The taxable person may authorize in writing the person for whom the transaction is performed or a third party to issue the tax document. If the authorization is granted electronically, it must be signed by a recognized electronic signature.

**(8)** Within the time limit for issuing a tax document, the taxpayer is obliged to make an effort that can reasonably be required of the tax document to bring the tax document into the disposition of the recipient of the transaction.

**Section 3**

**Particulars of tax documents**

**§ 29**

**Particulars of the tax document**

**(1)** The tax document must contain the following information:

**(a) the** designation of the person carrying out the transaction;

**(b) the** tax identification number of the person who performs the transaction;

**(c) the** name of the person for whom the transaction takes place;

**(d) the** tax identification number of the person for whom the transaction takes place;

**e)** registration number of the tax document,

**f)** scope and subject of performance,

**g)** date of issue of the tax document,

**h) the** date of performance of the transaction or the date of receipt of the consideration, if the obligation arose on the date of receipt of the consideration to declare tax or to declare the transaction if it differs from the date of issue of the tax document;

**(i) the** unit price, net of tax and discount, if not included in the unit price;

**j)** tax base,

**(k) the** tax rate;

**(l) the** amount of tax; this tax is denominated in Czech currency.

**(2)** The tax document must also contain the following information:

**(a) a** reference to the relevant provision of this Act, a provision of a European Union regulation or other indication stating that the transaction is exempt if the transaction is exempt;

**(b)** "issued by the customer" if the person for whom the transaction is performed is authorized to issue a tax document;

**(c)** 'tax shall be paid by the customer' where the person liable is the person liable for the tax.

**(3)** The tax document need not include the following information:

**(a) the** tax identification number of the person for whom the transaction takes place, if not assigned;

**b)** extent of performance, if it is not known in case of acceptance of the consideration,

**(c) the** unit price excluding tax and the discount, if not included in the unit price, if the obligation to declare the tax or to declare the performance on the date of receipt of the consideration arose;

**d)** tax rate and amount of tax,

**1.** where the transaction is exempt; or

**2.** if the taxable person is the person for whom the transaction is performed.

**(4)** For the purposes of tax documents, the designation shall be understood

**(a)** business name or name;

**(b) the** addition of the name; and

**(c) the** registered office.

**§ 29a**

**Particulars of the Group Tax Document**

**(1)** If the tax document is issued in the case of a transaction performed by the group, the tax member shall indicate on the tax document instead of the designation of the group executing the performance, the designation of the member of the group executing the performance.

**(2)** If the tax document is issued in the case of a transaction performed for the group, the tax member shall indicate the member of the group for which the transaction is performed instead of the designation of the group for which the transaction is performed.

**Section 4**

**Simplified tax receipt**

**§ 30**

**Issuance of simplified tax document**

**(1)** A tax document may be issued as a simplified tax document, provided that the total amount for performance on the tax document is not higher than CZK 10000.

**(2)** The tax document may not be issued as a simplified tax document in the case

**(a) the** supply of goods to another Member State benefiting from an exemption with deductibility;

**b)** shipment of goods to the Czech Republic with the place of performance in the Czech Republic,

**(c)** the performance of the transaction for which the person for whom the transaction is made is liable to tax; or

**(d)** sales of goods subject to excise duty on tobacco products at prices other than fixed prices to the final consumer.

**§ 30a**

**Particulars of a simplified tax document**

**(1)** A simplified tax document need not include

**(a) the** name of the person for whom the transaction takes place;

**(b) the** tax identification number of the person for whom the transaction takes place;

**(c) the** unit price, exclusive of tax and discount, if not included in the unit price;

**d)** tax base,

**(e) the** amount of the tax.

**(2)** If the simplified tax document does not contain the amount of tax, it must contain the amount that the person performing the transaction has received or is supposed to obtain for the performed transaction in total.

**Section 5**

**Special tax documents**

**§ 31**

**Repayment schedule**

The repayment schedule is a tax document if:

**(a)** contains the particulars of the tax document; and

**(b)** forms part of, or is expressly referred to in, the rental agreement.

**§ 31a**

**Payment schedule**

**(1) The** payment calendar is a tax document if:

**a)** contains the particulars of a tax document,

**(b) the** person for whom the taxable transaction is effected provides consideration before the chargeable event occurs; and

**(c)** it shall include a breakdown of payments for a predetermined period.

**(2) The** payment calendar does not have to include the day of performance or the day of payment.

**§ 31b**

**Summary tax document**

**(1)** A summary tax document may be issued for:

**(a) a** number of separate taxable transactions which the payer makes for the same person within a calendar month; this document may also contain one or more of the taxable payments received in that calendar month from that person, or

**(b)** one separate chargeable event and one or more taxable transactions received in the calendar month during which the transaction took place, provided that the transaction was effected and relates to the taxable transaction provided for one person.

**(2)** The summary tax document shall be issued within 15 days of the end of the calendar month in which:

**(a)** the first transaction referred to in that summary tax document has taken place; or

**(b)** the first consideration referred to in that summary tax document has been received.

**(3) The** data common to all separate taxable transactions or remuneration may be stated on the summary tax document only once.

**(4)** The summary tax document must always contain the following information, separately for:

**(a)** any separate taxable transaction

**1.** scope and subject of performance,

**2.** day of performance,

**3. the** unit price excluding tax and discount, if not included in the unit price,

**4.** tax base,

**5.** tax rate; and

**6. the** amount of the tax,

**(b)** any consideration

**1.** scope and subject of performance; the scope of performance shall be stated only if it is known,

**2nd** day of payment acceptance,

**3.** tax base,

**4. the** tax rate; and

**5. the** amount of the tax.

**§ 32**

**Proof of use**

**(1) The** proof of use is a tax document issued in the event of performance pursuant to Section 13 (4) (a). a), b) and e) or according to § 14 par. and).

**(2) The** proof of use shall not contain the following information:

**(a) the** name of the person for whom the transaction takes place;

**(b) the** tax identification number of the person for whom the transaction takes place.

**(3)** A statement of intended use shall also be included in the proof of use.

**§ 32a**

**Confirmation at auction and off-auction sale**

A certificate issued when the payer's commercial property is auctioned or sold outside the auction is a tax document if it contains:

**(a) the** particulars of the tax document; and

**(b) a** statement that the sale is through a person intended to sell the payer's commercial property.

**Section 6**

**Tax documents for import and export of goods**

**§ 33**

**Tax document upon importation**

**(1) The** following shall be deemed to be a tax document for the import of goods into the Czech Republic

**(a) the** decision to place the goods under a customs procedure where the obligation to declare or pay the tax arises; or

**(b)** another tax assessment decision issued by the customs office where the tax is paid.

**(2)** A tax receipt issued by the customs office, if the tax is paid, shall be considered as a tax document when the goods are returned to the Czech Republic.

**§ 33a**

**Export tax document**

A tax document issued pursuant to Section 28, Para. and).

**Section 7**

**Ensuring the credibility of the origin, integrity of the content and legibility of tax documents**

**§ 34**

**(1) The** tax document must be secured from the moment of its issue until the end of the period stipulated for its preservation

**(a) the** credibility of its origin;

**(b) the** integrity of its content; and

**(c)** its legibility.

**(2)** For the purposes of this Act:

**(a) the** plausibility of origin is the fact that the identity of the person who carries out the transactions or who has issued the tax document correctly is guaranteed;

**b) the** integrity of the content means that the content of the tax document required under this Act has not been changed,

**(c) the** legibility of the fact that the content of the tax document can be read directly or through technical equipment.

**(3)** Ensuring the credibility of the origin of the tax document, the integrity of its content and its legibility can be achieved through the control mechanisms of processes creating a reliable link between the tax document and the given transaction.

**(4) In** addition to the control mechanisms of processes, the credibility of the origin of the tax document in electronic form and the integrity of its content can also be ensured

**(a) a** recognized electronic signature;

**(b) a** recognized electronic seal; or

**(c)** electronic exchange of information (EDI) [**21 )**](https://www.zakonyprolidi.cz/cs/2004-235#f2551572) where the agreement on such exchange provides for the use of procedures guaranteeing the plausibility of origin and the integrity of the content.

**Section 8**

**Retention of tax documents**

**§ 35**

**General provisions on the retention of tax documents**

**(1)** The obligation to keep tax documents shall lie with the person who is a taxable person who:

**(a) the** tax document has been issued or on whose behalf the tax document was issued in respect of the tax documents for the transactions performed; or

**(b)** has its registered office or establishment and is the payer or identified person in respect of tax documents for all transactions received in connection with its registered office or establishment.

**(2)** Tax documents shall be kept for a period of 10 years from the end of the tax period in which the transaction took place.

**(3) The** depositary with its registered office or establishment in the Czech Republic is obliged to keep tax documents in the Czech Republic. This does not apply if it is stored in a manner allowing continuous remote access.

**(4)** If the taxable person has a registered office or establishment in the Czech Republic, he / she is obliged to notify the tax administrator in advance, instead of keeping the tax documents, if this location is not in the Czech Republic.

**(5)** At the request of the tax administrator, the custodian is obliged to provide a Czech translation of the tax document issued in a foreign language.

**§ 35a**

**Electronic storage of tax documents**

**(1)** A tax document may be transferred from paper form to electronic form and vice versa.

**(2)** The tax document may be stored electronically by electronic means for processing and storing data.

**(3)** When storing tax documents by electronic means, the data guaranteeing the credibility of the origin of the tax documents and the integrity of their content must also be stored electronically.

**(4)** If the taxable person keeps the tax documents by electronic means guaranteeing continuous remote access to the stored data, he / she is obliged to ensure immediately for the tax administrator the access to these documents, the possibility to download them and use them in relation to

**(a)** tax documents held by a taxable person who has his registered office or place of business; or

**(b)** tax documents for transactions carried out with a place of supply within the territory of the country held by a taxable person who has neither his registered office nor his place of business.

**Episode 6**

**Tax base and tax calculation, correction of tax base and correction of tax amount**

**Section 1**

**Tax base and tax calculation**

**§ 36**

**Tax base**

**(1)** The taxable amount shall be everything received or to be received by the taxpayer for the taxable supply made, including the amount for payment of excise duty from the person for whom the taxable supply is made or from a third party, without tax for this taxable supply. .

**(2)** In the case of acceptance of a consideration before taxable supply, the taxable amount shall be based on the amount of the consideration received minus the tax.

**(3)** The taxable amount also includes

**(a)** other taxes, fees or other similar monetary benefits;

**(b)** ancillary expenses that are charged to the person for whom the chargeable event occurs,

**c)** when providing the service, material directly related to the provided service,

**(d)** for the provision of construction and assembly work carried out on completed construction or in connection with the construction of the construction, structure, material, machinery and equipment which are incorporated or assembled into the construction as part of the assembly and construction work.

**(4)** For the purposes of the tax base, ancillary expenses shall include, in particular, packing, transportation, insurance and commission costs.

**(5)** The tax base shall be reduced by a price discount if it is provided on the date of the taxable supply. The tax base does not include the amount resulting from the rounding of the total consideration for cash payment on delivery of goods or services to the whole crown.

**(6)** The taxable amount shall be:

**a)** delivery of goods pursuant to § 13 para. 5 (6) and pursuant to § 16 (5), the price of the goods or the price of similar goods for which the goods could be purchased at the date of taxable supply, and if such price cannot be determined, the amount of the total costs incurred on the supply of goods on the date of the chargeable event,

**b)** provision of the service pursuant to Section 14 (3) and (4);

**(c) the** supply of goods or services in cases where the consideration was provided in the form of a consideration in kind, the standard price excluding the tax on that supply or provision;

**(d) the** supply of goods or services in cases where the consideration was provided in whole or in part by a virtual currency under a law regulating certain measures against money laundering and terrorist financing, the usual price excluding the tax of that supply or provision.

**(7)** The taxable amount for the supply of goods or services on the basis of a multipurpose voucher shall be everything paid or to be paid by the person for whom the taxable supply is made or by a third party, in return for the taxable supply. If this remuneration is not known, the taxable amount shall be the amount stated on the multipurpose voucher or in the related documentation minus the tax.

**(8)** If a multipurpose voucher is accepted as part of the remuneration for the taxable transaction effected, the taxable amount for such fulfillment shall be determined as the sum of the amount determined pursuant to paragraph 7 for the remuneration corresponding to the multipurpose voucher

**(9)** If the total price or value, which includes the supply of goods or services with different tax rates or exempt from tax, is determined for performed transactions, the tax base is determined for individual taxable supplies in a proportional valuation of assets of individual supplies to the total sum of these determined prices. This total price or value is considered to include tax.

**(10)** Where the valuation of assets requires the valuation of more than one expert, the price of the valuation in which the highest price is considered to be the tax-containing price shall be used to determine the price ratio.

**(11)** The taxable amount for the supply of valid coins which are sold for collecting purposes at a price greater than their face value or at a price greater than the conversion of their face value into Czech currency is the difference between the price at which they are sold. , and their face value. This difference shall be deemed to include the amount of the tax. If they are sold at a price lower than their nominal value or at a price lower than the conversion of their nominal value into Czech currency, the tax base is zero.

**(12)**In the case of taxable supply pursuant to § 13 para. (e) the taxable amount shall be the monetary amount for which the payer shall return the packaging which is supplied with the goods, net of tax. The tax base is this monetary amount even if the returnable packaging is delivered by the payer together with the goods free of charge, unless the law further stipulates otherwise. If the payer delivers returnable packages of the same type together with the goods to all its customers free of charge in the Czech Republic, the taxable amount is the tax amount for which the same type of packaging is purchased by the payer minus the tax. Where the amount of money is not known, the taxable amount shall be the price of the returnable packaging of the same type determined in accordance with the valuation legislation. The total tax base for returnable packaging of the same type from which the tax is determined,[**7d )**](https://www.zakonyprolidi.cz/cs/2004-235#f2551547) or during the relevant calendar year to a non-account payer, this difference being multiplied by the amount applicable to returnable packaging of the same type delivered domestically together with the goods established under this provision. Where the total number of returnable packages of the same type delivered by the payer to all its customers during the accounting year or calendar year concerned for a non-accountable payer is less than the total number of returnable packages of the same type returned to that payer during the relevant accounting year[**7d )**](https://www.zakonyprolidi.cz/cs/2004-235#f2551547)or during the relevant calendar year with the taxpayer who does not keep the accounts, the tax base and the relevant tax are stated on the tax document issued pursuant to Section 32 (1) with a negative sign. In the same way, the negative tax base and tax shall be taken into account in the tax return pursuant to Section 101.

**(13)** The taxable amount does not include the amount received by the taxpayer from another person to pay the amount spent on behalf of and for that person. The condition is that the amount received does not exceed the amount paid for another person and the taxpayer does not claim the right to deduct tax on the performance paid for another person.

**(14)** For the purposes of value added tax, the normal price is the total amount that the person for whom the transaction was effected at the same commercial stage as the supply of goods or services would be required for the acquisition of goods or services , pay, under conditions of free competition, to an independent supplier or supplier domestically to acquire or receive the goods at a given moment; if the comparable supply of goods or services cannot be ascertained, it is the normal price

**(a)** in the case of goods, the amount which:

**(1)** not less than the purchase price of the goods or similar goods; or

**2.** corresponds to the cost price determined at the time of delivery of the goods, where the amount referred to in point 1 cannot be determined,

**(b)** in the case of a service, an amount which is not less than the total cost of the taxable person for that supply of services.

**§ 36a**

**Tax base in special cases**

**(1)** The taxable amount shall be the standard price, net of tax, determined on the date of the chargeable event, if the chargeable event is effected for the person referred to in paragraph 3 and the remuneration for the chargeable event is

**(a)** below the normal price and the person for whom the taxable transaction has been carried out is not entitled to deduction or is not entitled to a full deduction; or

**b)** higher than the usual price and the taxpayer who performed the taxable supply is obliged to reduce the right to deduct tax pursuant to § 76 paragraph 1.

**(2) The** value of the tax-exempt transaction without the right to deduct shall be the standard price determined on the day of its execution, if the transaction is performed for the person referred to in paragraph 3 and the remuneration is lower than tax without the right to deduct, is obliged to reduce the right to deduct under § 76 para. 1.

**(3) The** persons covered by paragraphs 1 and 2 are:

**a)** capital related persons pursuant to Section 5a (3), provided that the amount of the share represents at least 25% of the registered capital or 25% of the voting rights of such persons,

**b)** otherwise related persons pursuant to Section 5a (4); other persons are not considered to be persons where one person is a member of the supervisory boards of both persons,

**c)** close persons,

**(d)** shareholders in the same company.

**§ 37**

**Tax calculation for the supply of goods and services**

Tax is calculated as

**(a) the** product of the taxable amount and the tax rate; or

**(b) the** difference between:

**1. an** amount corresponding to the amount of the consideration for taxable transaction, including tax, or the amount determined pursuant to Article 36 (6), including tax, excluding the amount resulting from rounding the total consideration in cash; and

**2. an** amount calculated as a proportion of the amount referred to in point 1 and a coefficient of 1,21 for the standard tax rate, 1,15 for the first reduced rate or 1,10 for the second reduced rate.

**§ 37a**

**Taxable amount and tax amount for taxable supply, if there is an obligation to declare tax on consideration received before this taxable supply**

**(1)** The taxable amount in respect of the taxable supply in the event that the obligation to declare the tax on consideration received before the taxable supply arises shall be the difference between the taxable amount under Section 36 (1) and the total taxable amount under Section 36 (2).

**(2)** If the tax base is calculated in accordance with paragraph 1

**a)** positive, the tax rate and the exchange rate for the conversion of foreign currency into Czech currency valid as of the date of the taxable transaction shall be applied when the taxable transaction is made,

**b)** negative, the tax rate and the exchange rate for the conversion of foreign currency into Czech currency, which were applied in the return of the tax on consideration received before the date of the taxable transaction, shall apply in the event of taxable supply.

**(3)** If the tax base pursuant to paragraph 1 is negative and different tax rates have been applied for the calculation of the tax upon receipt of remuneration before the date of the taxable supply, the same tax rate shall apply for the taxable supply. , which created or increased the positive difference between the summary of tax bases pursuant to Section 36 (2) and the tax base pursuant to Section 36 (1); the same applies if different exchange rates have been applied for the conversion of a foreign currency to the Czech currency.

**§ 38**

**Tax base and calculation of import tax**

**(1)** The taxable amount for the import of goods pursuant to Section 20 shall be the sum

**(a) the** basis of assessment of customs duties, including customs duties, levies and charges payable on importation of goods, provided that they are not already included in the basis of assessment of duty;

**(b)** ancillary expenditure incurred at the first destination in the Czech Republic or at another destination in the territory of the European Union, provided that this location is known when the taxable transaction is made, unless it is included in the taxable amount referred to in point (a);

**c)** applicable excise duties, unless stipulated otherwise in § 41 otherwise.

**(2)** For the purposes of paragraph 1, the first place of destination shall be the place specified in the transport document by virtue of which the goods are imported into the importing Member State. Where the first destination is not indicated on the transport document, the first destination shall be deemed to be the place of first transfer of the imported goods in the importing Member State.

**(3)** In the case of the release of goods under the customs regime of free circulation, temporary admission with partial relief from import duties or the return of goods, the tax shall be calculated pursuant to Section 37 (a). and). In the case of goods placed under the free circulation procedure under the outward processing procedure, the taxable amount shall be calculated in accordance with paragraph 1 without including the value of the service rendered by a non-resident person with a place of supply inland pursuant to Article 9 (1).

**(4)** For the purposes of determining the taxable amount for the importation of goods, the rate to be used for the conversion of a foreign currency into Czech currency shall be that fixed in accordance with the directly applicable European Union customs legislation.

**§ 39**

**Tax base and tax calculation when providing a service by a non - resident person**

**(1)** The tax base for the provision of services by a person not established in the Czech Republic shall be determined by analogy pursuant to Section 36.

**(2) The** taxpayer is obliged to calculate the tax himself according to § 37 point. and).

**§ 40**

**Taxable amount and calculation of the tax on the acquisition of goods from another Member State**

**(1)** The tax base for the acquisition of goods from another Member State shall be determined by analogy pursuant to Section 36.

**(2)** If the excise duty paid in the Member State from which the goods were dispatched or transported is subsequently reimbursed to the acquirer after the goods have been acquired from that Member State, the taxable amount shall be corrected.

**(3) The** taxpayer is obliged to calculate the tax himself according to § 37 point. and).

**§ 41**

**Taxable amount and calculation of excise goods**

**(1)** The taxable amount on importation of goods which are placed under the customs regime of free circulation with subsequent placement under the excise duty suspension arrangement shall be determined pursuant to Section 38 without including the excise duty.

**(2)** In the case of goods placed under the excise duty suspension arrangement when purchased from another Member State in the Czech Republic, the tax base shall be determined by analogy pursuant to Section 36, excluding the excise duty.

**(3) The** taxable amount shall be determined in accordance with Section 36 for goods which are subject to excise duty suspension and the taxpayer supplies the goods pursuant to Section 13 without the goods being released for free tax circulation.

**(4) The** taxable amount shall be determined in accordance with Section 36 for goods that are subject to the conditional exemption from excise duty and the taxpayer supplies the goods pursuant to Section 13 when the goods are released for free circulation.

**Section 2**

**Correction of tax base and correction of tax amount**

**§ 42**

**Correction of tax base**

**(1) The** taxpayer shall correct the tax base if the following occurs:

**(a) the** cancellation or repayment of all or part of the taxable transaction;

**b)** refund of excise tax pursuant to Section 40 (2),

**c)** there is no transfer of the ownership right to the goods to its users according to § 13 para. C),

**(d)** repayment of the consideration due to which the taxpayer incurred an obligation to declare the tax on the date of its receipt and if the chargeable event was not effected;

**(e) the** use of the consideration giving rise to the taxpayer's obligation to declare the tax on the date of its acceptance for the payment of any other consideration; or

**f)** other facts on the basis of which the amount of the tax base pursuant to Sections 36 and 36a will change after the date of the chargeable event.

**(2)** Correction of the tax base pursuant to paragraph 1 (a). (f) in the event of a reorganization, it cannot be performed for transactions that are not included as a claim in the approved reorganization plan.

**(3) The** correction of the tax base is considered to be a separate taxable transaction effected

**a)** on the day when the facts decisive for the correction of the tax base occurred,

**(b)** on the date of approval of the reorganization plan where the correction of the taxable amount is due to a change in the amount of the taxable amount under that plan;

**(c)** on the date of revocation of the decision approving the reorganization plan, where the correction of the taxable amount is due to a change in the amount of the taxable amount as a result of that cancellation; or

**(d) the** date of conversion of the reorganization into bankruptcy where the adjustment of the taxable amount is due to a change in the amount of the taxable amount as a result of that conversion.

**(4)** When correcting the taxable person's tax base

**(a)** issue a corrective tax document; or

**(b)** corrects the taxable amount in the records for value added tax purposes where the payer

**1.** was not obliged to issue a tax document; or

**2.** issued a tax document, but for the purpose of drawing up a corrective tax document, the person for whom the original transaction was made is not sufficiently known to him.

**(5) The** taxpayer is obliged to issue a corrective tax document and make an effort that can reasonably be required of it, so that the tax document is available to the recipient of the service within 15 days from the date referred to in paragraph 3.

**(6) The** correction of the tax base as a separate taxable transaction shall be stated in the tax return for the taxation period in which this correction is considered to be performed. Where the taxable amount is reduced and the taxpayer is obliged to issue a corrective tax document, the correction of the taxable amount as a separate taxable supply shall be shown in the tax return for the taxable period in which the taxpayer has made reasonable reasonable efforts to the document was placed at the disposal of the recipient of the performance; this shall not apply to a separate taxable transaction made pursuant to paragraph 3 (a). b) to d).

**(7)** In the event of correction of the tax base, the taxpayer shall correct the amount of tax for which he applies the tax rate applicable at the date of the obligation to declare the tax on the original taxable supply or on the date of receipt of the remuneration. For the conversion of a foreign currency into Czech currency, the exchange rate applied to the original taxable supply or the return of the tax on the consideration received shall be used. In the case of correction of the tax base pursuant to f), when the corrective tax document pursuant to Section 45 (4) is issued at the same time, the exchange rate valid on the first working day of the calendar year in which the reason for the correction arose may be used.

**(8) The** tax base cannot be corrected if the day referred to in paragraph 3 occurs after 3 years from the end of the tax period in which the tax liability arose for the original taxable supply or payment was received, if the taxable supply has not yet occurred. The period for correction of the taxable amount shall not run during the period of judicial or arbitration proceedings in respect of the goods or services which were the subject of the original taxable supply, provided that such proceedings affect the amount of the taxable amount; in the case of insolvency proceedings, the period for correcting the tax base does not run from the date of opening the insolvency proceedings until the date of approval of the reorganization plan. In the case of the abandonment of goods for use under a contract pursuant to § 13 para. (c) the correction of the taxable amount may be made for the entire duration of the abandonment of the goods.

**(9) The** tax base shall also be corrected within 3 years from the end of the tax period in which:

**a)** the total work was taken over, if partial performance was provided,

**b) the** ownership title to the goods has been transferred to the user according to § 13 para. or

**c)** there was a fact on the basis of which the ownership right was not transferred to the users according to § 13 par. C).

**(10)** In the case of correction of the tax base, unless there is a transfer of the ownership right to the user according to § 13 para. c), the taxpayer shall reduce the amount of tax by the amount of tax calculated according to § 37 point. a) on the tax base determined as the difference between the tax-free remuneration payable to the taxpayer for the performance pursuant to § 13 para. c), and the amount without tax due to the payer up to the date of cessation of the obligation to transfer ownership of the goods used other than by fulfillment.

**(11)** In the case of the acquisition of goods from another Member State, the supply of goods to another Member State, the provision of services by a non-resident person, the provision of services with a place of supply outside the country of the taxable amount by analogy with paragraphs 1 to 9.

**(12)** On importation of goods where the tax is assessed by the customs office and the tax base or the rate of tax is incorrectly applied, the payer shall notify the customs office which originally assessed the tax.

**(13)** When providing a selected service with a place of performance in the Czech Republic to which the special regime of one administrative place applies, the payer or the identified person shall proceed similarly according to paragraphs 1 and 4 to 8. which gave rise to the obligation to declare tax on the original taxable supply.

**§ 43**

**Tax amount correction**

**(1)** In the event that the taxpayer or the identified person declared tax differently than stipulated by this Act and thereby increased the output tax, he is entitled to make corrections in the additional tax return for the tax period in which the tax was incorrectly applied. The correction may be effected at the earliest on the date on which the payer or the identified person for whom the transaction was made received the corrective tax document, or on which the correction in the value added tax records was made.

**(2)** In the case of correction of the amount of tax pursuant to paragraph 1, the payer or an identified person

**(a)** issue a corrective tax document; or

**(b)** make a correction to the amount of the tax on value added tax purposes where the payer or the identified person

**(1)** have no obligation to issue a tax document; or

**2.** issued a tax document, but for the purpose of issuing a corrective tax document, the person for whom the original transaction was made is not sufficiently known to them.

**(3) The** tax rate applicable on the date of the duty to declare the tax on the original transaction shall apply to the correction of the amount of tax. For the conversion of a foreign currency into Czech currency, the exchange rate applied by the person making the conversion on the date of the duty to declare the tax on the original transaction shall be used.

**(4) The** amount of the tax may not be corrected after the expiry of 3 years from the end of the tax period in which the tax liability arose for the original transaction.

**(5)** A person who is not a taxpayer and who has incurred the duty to declare the tax stated on the issued document is entitled to proceed adequately according to paragraphs 1 to 4 when correcting the tax.

**(6)** A taxable person who, when providing a selected service with a place of supply in the Czech Republic, applies a special regime of one administrative place, shall be entitled to proceed in the manner of correcting the tax pursuant to paragraphs 1 to 4.

**(7)** Paragraphs 1 to 4 shall apply mutatis mutandis to the provision of the consideration for which the tax liability arose.

***§ 44****repealed*

**§ 45**

**Corrective tax document**

**(1) The** corrective tax document on the correction of the tax base or on the correction of the amount of tax shall contain

**(a) the** designation of the person carrying out the transaction;

**(b) the** tax identification number of the person who performs the transaction;

**c)** identification of the person for whom the transaction is performed;

**(d) the** tax identification number of the person for whom the transaction takes place;

**e) the** registration number of the original tax document,

**f)** registration number of the corrective tax document,

**(g) the** reason for the repair;

**(h) the** difference between the corrected and the original taxable amount;

**(i) the** difference between the corrected and the original tax;

**(j) the** difference between the corrected amount and the original amount received or to be received by the person performing the transaction in total;

**k) the** date referred to in Article 42 (3).

**(2)** If the original tax document was issued as a simplified tax document and the person for whom the transaction was performed is not sufficiently known to the payer, the corrective tax document may not contain the particulars pursuant to paragraph 1 (b). (c), (d), (h) and (i).

**(3)** When correcting the tax base pursuant to Section 42 (8), the corrective tax document does not need to contain the particulars pursuant to paragraph 1 (a). (i) and (i).

**(4)** If the correction of the tax base or the correction of the amount of tax relates to more taxable transactions for which separate tax documents were issued, the data that are common for all corrections may be stated on the corrective tax document only once. Where the corrective tax document does not contain the registration numbers of the original tax documents, the corrective tax document shall, in relation to the original taxable transactions effected, be specified in such a way that the link between the original and corrected taxable transactions is clearly identifiable. In addition, the taxpayer shall state on the corrective tax document the differences between the corrected and original tax bases and the corresponding amount of tax for all corrected taxable transactions.

**(5) A** corrective tax document may be issued even if the amount of the tax is increased by the correction, if the taxpayer admitted the tax differently than stipulated by this Act and thereby reduced the output tax.

**Section 3**

**Correction of tax base in case of bad debt**

**§ 46**

**Basic provisions on the correction of the tax base in case of bad debt**

**(1)** The creditor shall be entitled to make a correction to the tax base in the event of an irrecoverable claim if:

**(a) the** receivable from the chargeable event shall be recovered in the enforcement proceedings under the Enforcement Code, in which it has not yet been fully recovered, and at least two years have elapsed since the first enforcement order in the proceedings; the correction of the tax base cannot be carried out if the execution cannot be carried out on the grounds stipulated by a legal regulation governing proceedings other than the execution proceedings under the Enforcement Procedure,

**b) the** receivable from the taxable supply was recovered in the execution proceedings according to the Enforcement Procedure and this execution ended with a suspension due to the debtor's poorness,

**c)** the debtor is in insolvency proceedings, the creditor filed his claim from the taxable supply at the latest within the time limit set by the court's decision on bankruptcy, this claim was established and is taken into account in the insolvency proceedings and the insolvency court

**1.** Declare the bankruptcy of the debtor's assets or the transformation of the reorganization into bankruptcy;

**(2)** approved the debt relief and the debt relief report clearly indicates that the debt claim will not be wholly or partially satisfied; or

**3.** terminate the insolvency proceedings on grounds of refusal, refusal or withdrawal of the application for debt relief, non-approval of debt relief or revocation of an approved debt relief, if these decisions make it clear that the debtor's assets are totally insufficient to satisfy creditors;

**(d) the** debtor has died and it is clear from the outcome of the completed inheritance proceedings that the claim from the taxable supply will not be wholly or partially satisfied; in the event of the liquidation of the estate, the taxable amount receivable must be included in the list of receivables and, in the case of the receivable to be established, must be a receivable from the taxable supply that is established,

**(e) the** proceedings under points (a) to (d **) have** been initiated and have not yet been completed, the creditor has exercised his procedural rights to satisfy the claim, but not all facts relevant to the correction of the tax base under points (a) to (d) have yet occurred; of the taxable period in which the taxable transaction occurred.

**(2)** If after the correction of the tax base in case of an irrecoverable receivable, the facts according to par. (a) to (d) establishing a further adjustment of the taxable amount in the event of an irrecoverable claim which results in

**(a) an** increase in the corrected tax base, the creditor is obliged to make a further correction to the tax base in the event of an irrecoverable claim; the conditions for the adjustment of the tax base in the case of an irrecoverable receivable are fulfilled even if, according to the debt relief report or the results of the completed estate proceedings, the receivable from the taxable supply is fully satisfied,

**b)** reduction of the corrected tax base, the creditor is entitled to correct the tax base in case of bad debt.

**(3) The** tax base referred to in paragraph 1 may not be corrected if:

**(a) the** creditor and the debtor are or have been at the date of the chargeable event

**(1) by** capital related persons, the amount of which represents or at the date of the chargeable event represented at least 25% of the registered capital or 25% of the voting rights of such persons; or

**2.** close persons,

**(b) the** creditor and the debtor are or were, at the time of the chargeable event, a shareholder of the same company and the transaction was effected under the relevant memorandum of association;

**(c) the** debtor, at the date of conclusion of the contract, under which the taxable supply to which the correction of the tax base in the case of an irrecoverable claim is made was an unreliable payer or unreliable person;

**(d) the** correction to the taxable amount has already been made for another reason referred to in paragraph 1, in so far as the correction and related corrections have been made;

**e) the** debtor is not sufficiently known to the creditor,

**(f) the** creditor knew, at the latest on the date of delivery of the goods or services, that the chargeable event would not be properly paid, or should have been aware of the circumstances of the business relationship under which the chargeable event was provided; care appropriate to the care of a proper manager,

**g) the** creditor has not corrected the tax base pursuant to Section 42 in the event of a reorganization being transformed into bankruptcy after correcting the tax base pursuant to Section 42 upon approval of the reorganization plan, or

**(h) the** debtor ceases to be a payer.

**(4) The** adjustment of the tax base pursuant to paragraphs 1 and 2 may not be made after 3 years from the end of the tax period in which

**(a)** the chargeable event occurs; or

**b)** the total work was taken over, if partial performance was provided.

**(5) The** period for correcting the tax base pursuant to paragraph 4 shall not run

**a)** during the execution proceedings conducted for the recovery of the creditor's claim,

**b)** for the duration of the insolvency proceedings in which the creditor seeks satisfaction of the claim,

**(c)** for the duration of the estate proceedings in which the creditor seeks the satisfaction of the claim;

**d)** for the duration of administrative, judicial or arbitration proceedings conducted for the purpose of or in connection with the establishment of an enforceable title, if the creditor subsequently based on the results of these proceedings in the proceedings referred to in paragraph 1 (a). (a) to (d) its procedural rights to satisfy a claim; or

**(e)** from the commencement of liquidation of the debtor to the commencement of insolvency proceedings, if the creditor seeks satisfaction of the claim in the liquidation of the debtor and the debtor is insolvent in the course of liquidation.

**(6)** For the purposes of value added tax, a creditor is a payer,

**(a)** who has chargeable to any other taxable person liable to pay the tax;

**(b)** who has declared the tax on the transaction;

**(c)** who has not received remuneration or part thereof in return for such performance; and

**d)** whose right to performance from the receivable has not expired.

**(7)** For the purposes of value added tax, a debtor means a taxpayer who has received from the creditor a taxable supply for which no consideration or part thereof has been provided.

**§ 46a**

**Amount of tax base correction in case of bad debt**

**(1) The** correction of the tax base in case of an irrecoverable receivable shall be made in the amount of the tax base determined from

**(a)** unpaid remuneration for a taxable transaction which was not recovered in the execution proceedings;

**(b)** unpaid remuneration for the taxable supply in the event of the bankruptcy of the debtor's assets or the conversion of the reorganization into bankruptcy;

**c)** anticipated non-received remuneration according to the debt relief report in case of debt relief approval,

**d) non-** received remuneration for taxable performance in the event of insolvency proceedings being terminated,

**(e)** unpaid remuneration for the taxable supply on the basis of the outcome of the completed estate proceedings; the correction of the tax base cannot be made to the extent to which the obligation to pay the debts of the creditor has passed to the heirs, or

**f)** not received remuneration for a taxable supply determined by a qualified estimate based on the previous result and the course of the relevant proceedings, in the case of a correction of the tax base pursuant to Section 46 para. E).

**(2)** When determining the amount of the tax base pursuant to paragraph 1, the unpaid consideration shall be reduced by the amount in cash or by the value of the non-pecuniary benefit received by the creditor in connection with the insurance or security of the claim.

**(3)** If, after the correction of the tax base in the case of an irrecoverable receivable, the facts constituting a further correction of the tax base in the case of an irrecoverable receivable have occurred, the creditor shall take into account or changes associated with it.

**(4)** If the receivable in the insolvency proceeding was not found in the value of the receivable at the time of its origin, the correction of the tax base in the case of an irrecoverable receivable is based on the value of the receivable .

**(5)** If the receivable has been reviewed in the context of the liquidation of the estate, the correction of the tax base in case of an irrecoverable receivable is based on the value of the receivable in which the receivable is considered as established in the inheritance proceedings.

**(6)** If the remuneration for a taxable supply without economic justification is manifestly different from the normal price determined on the day of its realization, the creditor is entitled to correct the tax base in the case of an irrecoverable receivable only up to the tax base determined from this normal price.

**(7)** If the taxable amount of the original taxable amount was determined in the wrong amount, the creditor may only correct the tax base in the case of an irrecoverable receivable up to the amount corresponding to the correctly determined tax base.

**(8)** If a correction of the tax base, correction of the tax base in the case of an irrecoverable receivable or correction of the tax is made before the correction of the tax base in the case of an irrecoverable receivable, the correction of the tax base in the case of an irrecoverable .

**§ 46b**

**Change in the amount of the correction to the tax base determined by a qualified estimate**

**(1)** The creditor shall change the amount of the correction to the tax base determined by a qualified estimate if:

**a)** the facts constituting the entitlement to carry out the correction of the tax base in case of an irrecoverable receivable pursuant to § 46 para. (a) to (d); and

**(b)** it follows that the actual amount of the tax base determined on the basis of the non-payment received does not correspond to the amount of the correction to the tax base determined by a qualified estimate.

**(2) The** amount of the correction of the tax base pursuant to paragraph 1 cannot be changed if the absolute value of the difference between the actual amount of the correction of the tax base and the amount of the correction determined by a qualified estimate is less than CZK 1,000.

**(3)** If the value of the difference between the actual amount of the correction of the tax base and the amount of the correction is determined by a qualified estimate

**a)** positive, the creditor increases the amount of the correction of the tax base by the absolute value of this difference,

**(b)** negative, the creditor shall reduce the amount of the correction to the taxable amount by the absolute value of that difference.

**§ 46c**

**Additional correction of tax base in case of bad debt**

**(1)** The creditor is obliged to make an additional correction of the tax base in case of bad debt, if after the correction of the tax base pursuant to Section 46 or after the amount of the correction of the tax base pursuant to Section 46b has been changed,

**(2)** In the case of debt relief, the creditor is obliged to make the first additional correction under paragraph 1 after the actual level of satisfaction exceeds the amount foreseen in the approved debt relief report after the debt relief has been approved.

**(3)** The amount of cash or the amount of non-monetary performance received by the creditor in connection with the assignment of a receivable or in connection with insurance or collateral of a receivable shall also be included in the reduction of the last known unpaid remuneration pursuant to paragraph 1 or 2.

**(4)** The creditor shall be entitled to carry out an additional correction of the tax base in case of an irrecoverable receivable if, after the correction of the tax base pursuant to Section 46 or after the amount of the correction of the tax base pursuant to Section 46b has changed.

**(5)** If the value of the difference between the tax base determined on the last known unpaid remuneration and the tax base determined on the unpaid remuneration after the change in the last known unpaid remuneration pursuant to paragraph 1, 2 or 4

**a)** positive, the creditor decreases the amount of the correction of the tax base by the absolute value of this difference,

**(b)** negative, the creditor shall increase the amount of the correction to the taxable amount by the absolute value of that difference.

**(6) A** subsequent correction of the tax base may not be made after the expiry of 5 years from the end of the tax period in which the correction of the tax base is considered as a separate taxable supply as effected. Section 46 (5) shall apply mutatis mutandis to the calculation of this period.

**§ 46d**

**Cancellation of correction of tax base in case of bad debt**

**(1)** The creditor is obliged to cancel the correction of the tax base in case of an irrecoverable receivable, if he corrected the tax base in the case of an irrecoverable receivable due to bankruptcy of the debtor's assets and the insolvency court canceled the bankruptcy

**(a) a** finding that the debtor's bankruptcy has not been additionally certified;

**(b) the** finding that there is no creditor entered in and that all claims on assets and equivalents are satisfied; or

**(c) the** consent of all creditors and the insolvency trustee to the debtor's petition to cancel bankruptcy.

**(2)** The creditor shall cancel the correction of the tax base pursuant to paragraph 1 in the amount of the last known unpaid remuneration.

**§ 46e**

**Corrective tax documents in case of bad debt**

**(1)** If the creditor decides to correct the tax base in case of an irrecoverable receivable, he is obliged to issue a basic corrective tax document within 30 days from the date of finding out the facts on the basis of which he decided to make this correction.

**(2)** The creditor is obliged to issue a corrective tax document

**(a)** in the event of a change in the amount of the correction of the taxable amount determined by a qualified estimate, within 30 days of the date on which the facts giving rise to the obligation to change the amount of the correction of the taxable amount determined by a qualified estimate are discovered;

**(b)** in the case of a subsequent correction of the taxable amount, within 30 days of the date of the reduction or increase in the last known unpaid consideration; or

**(c)** in the event of cancellation of the correction of the tax base within 30 days of the date on which the facts giving rise to the obligation to cancel the correction of the tax base were established.

**(3)** The basic corrective tax document shall contain the following information:

**(a)** the creditor's designation;

**(b) the** creditor's tax identification number;

**c)** identification of the debtor,

**(d) the** debtor's tax identification number;

**e)** reference to the relevant provision of § 46 paragraph 1, according to which the correction of the tax base is carried out,

**f)** information that it is a further correction of the tax base in case of an irrecoverable receivable, if it is a correction of the tax base pursuant to Section 46 (2),

**g)** file number of the insolvency proceedings, if the correction of the tax base is performed due to the insolvency proceedings,

**h)** registration number of the basic corrective tax document,

**(i) the** date of issue of the basic corrective tax document;

**j)** date of the correction of the tax base, if this correction reduced the amount of the correction of the tax base,

**(k)** information relating to the original chargeable event, namely:

**1.** registration number of the tax document,

**2. the** date of the original taxable supply,

**3. the** amount of remuneration,

**4.** tax base,

**5.** tax rate; and

**6. the** amount of the tax,

**(l)** information relating to the previous correction of the tax base, the change in the amount of the correction of the tax base determined by a qualified estimate, the subsequent correction of the tax base and the reversal of the correction of the tax base, if any,

**1.** registration number of the basic corrective tax document and corrective tax documents,

**2.** day of issue of the basic corrective tax document and corrective tax documents,

**3. the** date of the chargeable event,

**4. the** amount of the previous correction of the tax base, changes in the amount of the correction of the tax base determined by a qualified estimate, additional corrections to the tax base and the cancellation of the correction of the tax base,

**5. the** amount of the correction of the last known tax,

**(m)** information relating to the adjustment of the taxable amount in the event of an irrecoverable claim, namely:

**1.** unpaid consideration for the original taxable supply,

**2. the** amount of the correction of the tax base,

**(3) a** tax calculated on the non-payment received for the original taxable supply.

**(4)** In the event of a change in the amount of the correction of the tax base determined by a qualified estimate, the corrective tax document shall contain the following information:

**(a)** the creditor's designation;

**(b) the** creditor's tax identification number;

**c)** identification of the debtor,

**(d) the** debtor's tax identification number;

**e)** information that it is a change in the amount of the correction of the tax base determined by a qualified estimate,

**f)** file number of the insolvency proceedings, if the correction of the tax base is performed due to the insolvency proceedings,

**(g)** registration number

**1. a** tax document,

**2.** basic corrective tax document,

**3. the** corrective tax document in the case of a change in the amount of the correction of the tax base determined by a qualified estimate,

**h)** day

**1.** realization of the original taxable transaction,

**2.** correction of the tax base in case of bad debt,

**3.** issuing a corrective tax document in case of a change in the amount of correction of the tax base determined by a qualified estimate,

**4.** making a change in the amount of the correction of the tax base determined by a qualified estimate, if this change reduced the amount of the correction of the tax base,

**(i)** information relating to the original chargeable event, namely:

**1. the** amount of remuneration,

**2.** tax base,

**3. the** tax rate; and

**4. the** amount of tax,

**(j)** information relating to the correction of the taxable amount in the event of an irrecoverable claim, namely:

**1.** unpaid consideration for the original taxable supply as determined by a qualified estimate;

**2. the** amount of the correction of the tax base,

**3. a** tax calculated on the amount of the consideration received for the original taxable transaction,

**(k)** information relating to a change in the amount of the correction to the taxable amount determined by a qualified estimate, namely:

**1.** not received remuneration for the original taxable supply pursuant to § 46a par. a) to e),

**2. the** difference between the amount of unpaid consideration referred to in point 1 and the amount of unpaid consideration corresponding to the amount of the correction to the taxable amount determined by a qualified estimate;

**3. the** tax rate,

**4.** the tax base determined on the difference referred to in point 2,

**5.** tax calculated on the difference referred to in point 2.

**(5) The** corrective tax document in case of subsequent correction of the tax base shall contain the following information:

**(a)** the creditor's designation;

**(b) the** creditor's tax identification number;

**c)** identification of the debtor,

**(d) the** debtor's tax identification number;

**e)** information that this is an additional correction of the tax base,

**(f)** registration number

**1. a** tax document,

**2.** basic corrective tax document,

**3. the** corrective tax document in case of a change in the amount of the correction of the tax base determined by a qualified estimate, if such a change was made;

**4.** corrective tax document in case of subsequent correction of the tax base,

**(g)** day

**1.** realization of the original taxable transaction,

**2.** correction of the tax base in case of bad debt,

**3.** making a change in the amount of the correction of the tax base determined by a qualified estimate, if such a change has been made;

**4.** issue of a corrective tax document in case of subsequent correction of the tax base,

**5.** making an additional correction of the tax base, if this correction reduced the amount of the correction of the tax base

**h)** decrease or increase of the last known unpaid remuneration, which is a reason for additional correction of tax base,

**(i) the** amount of the last known non-payment received;

**j) the** amount of not received consideration after its reduction or increase pursuant to Section 46c,

**(k) the** difference between

**(1) the** amount of the last known non-payment received; and

**2. the** amount of the non-received consideration after its reduction pursuant to Section 46c,

**(l) the** tax rate;

**(m)** the tax base determined on the difference referred to in point (k);

**(n) the** tax calculated on the difference referred to in point (k).

**(6) The** corrective tax document upon cancellation of the correction of the tax base shall contain the following information:

**(a)** the creditor's designation;

**(b) the** creditor's tax identification number;

**c)** identification of the debtor,

**(d) the** debtor's tax identification number;

**e)** information that the correction of the tax base is canceled,

**(f)** registration number

**1. a** tax document,

**2.** basic corrective tax document,

**3. the** corrective tax document in case of a change in the amount of the correction of the tax base determined by a qualified estimate, if such a change was made;

**4. the** corrective tax document in the event of an additional correction to the taxable amount, if such correction has been made

**5. the** corrective tax document upon cancellation of the correction of the tax base,

**(g)** day

**1.** issue of a corrective tax document upon cancellation of the correction of the tax base,

**2.** day of cancellation of the correction of the tax base,

**3. the** date of repair pursuant to Section 46 (1),

**h)** tax base and tax on the original taxable supply,

**(i) the** amount of the last known non-payment received;

**j) the** tax rate,

**(k)** the taxable amount and the tax to the extent that the correction of the taxable amount is canceled.

**§ 46f**

**Corrections of the tax base in case of bad debt as a separate taxable supply**

**(1) The** correction of the tax base shall be considered as a separate taxable transaction effected

**a)** on the day of delivery of the basic corrective tax document to the debtor regarding the correction of the tax base in case of an irrecoverable receivable resulting in a reduction of the tax base,

**(b)** on the date of delivery of the corrective tax document to the debtor, in respect of a change in the amount of the correction of the taxable amount determined by a qualified estimate or of an additional correction of the taxable amount,

**(c)** on the date on which the facts for the adjustment of the taxable amount in the case of an irrecoverable claim occurred as regards the correction of the taxable amount in the case of an irrecoverable receivable resulting in an increase in the corrected tax base;

**(d)** on the date on which the facts determining the change in the amount of the correction to the tax base determined by a qualified estimate occur, that result in an increase in the corrected tax base.

**(2)** The creditor who has corrected the tax base in the case of an irrecoverable receivable is obliged to submit as an attachment to the tax return

**(a) a** copy of any tax documents issued showing the taxable transactions for which he has made that correction; or

**(b) a** list of such documents, indicating all the particulars appearing on those tax documents.

**§ 46g**

**Common provision for the correction of the tax base in the event of an irrecoverable claim**

In the case of a correction of the tax base in the case of an irrecoverable receivable, changes in the amount of the correction to the tax base determined by a qualified estimate, additional corrections to the tax base in the case of an irrecoverable the taxable date of the original taxable supply. For the conversion of a foreign currency into Czech currency, the exchange rate applied to the original taxable supply shall be used.

**Episode 7**

**Tax rates**

**§ 47**

**Tax rates for taxable supplies**

**(1) The** taxable supply or received consideration shall apply

**(a) a** standard tax rate of 21%;

**(b) a** first reduced rate of 15%; or

**(c) a** second reduced rate of 10%.

**(2) The** tax rate applicable to the taxable supply shall be that in force on the day the tax liability becomes chargeable. The tax rate applicable to this taxable supply shall apply to the taxable income received as of the date of the obligation to declare the tax on the consideration received.

**(3) The** goods shall be subject to the basic tax rate, unless the law provides otherwise. For goods listed in Annex 3, the first reduced tax rate applies. For goods listed in Annex 3a, heat and cold, the second reduced tax rate applies.

**(4) The** standard tax rate shall apply to services, unless the law provides otherwise. For services listed in Annex 2, the first reduced tax rate applies. For services listed in Annex 2a, the second reduced tax rate shall apply.

**(5)** When delivering goods or acquiring goods from another Member State that contain goods subject to different tax rates, the highest of these rates shall apply, without prejudice to the possibility of applying the applicable tax rate separately for each type of goods.

**(6) The** first reduced rate of tax shall apply to the import of works of art, collectors' items and antiques listed in Annex 4.

**(7) The** highest of these rates shall apply to imports of goods subject to a flat-rate duty and containing types of goods subject to different rates of duty classified under different subheadings of the Customs Tariff.

**(8) The** tax rate applicable to such deposited packaging shall be applied to the taxable base pursuant to Section 36 (12) relating to returnable packaging.

**§ 47a**

**Subject of binding assessment of tax rate determination for taxable supplies**

The subject of the binding assessment is to determine whether the taxable supply in terms of tax rate is correctly included in the basic, first or second reduced tax rate pursuant to Section 47 (1).

**§ 47b**

**Request for a binding assessment of the determination of the tax rate for a taxable supply**

**(1)** At the request of a person, the General Financial Directorate shall issue a decision on the binding assessment of the determination of the tax rate for a taxable supply.

**(2)** In the application for a decision pursuant to paragraph 1, the person shall state

**(a) a** description of the goods or services concerned by the application for a binding decision; one item of goods or services may be mentioned in the application,

**(b) a** draft operative decision.

**§ 48**

**Tax rate for completed housing construction or completed housing construction**

**(1)** The first reduced tax rate shall apply to the provision of construction or assembly work carried out on a completed construction, in the case of a residential or social housing construction.

**(2)** For the purposes of value added tax, a residential building shall be understood

**a)** construction of an apartment building in accordance with the legislation governing the Land Register,

**b)** construction of a family house in accordance with legislation governing the Land Register,

**(c) a** structure which:

**1.** used for the construction of an apartment building or for the construction of a family house; and

**2.** it is established on a plot of land which forms a functional unit with this building of an apartment house or family house;

**d)** living space,

**(e) the** room used together with the accommodation referred to in point (d), which is located in the same building permanently connected to the ground.

**(3)** For the purposes of value added tax, land constituting a functional unit with a building firmly connected to the ground shall mean land serving for the operation of a building firmly connected to the ground or performing its functions or which is used together with such a construction. This construction is not a utility network owned by a person other than the land owner.

**(4)** For the purposes of value added tax, living space shall mean a flat or other set of rooms, or a single living room, which by their structural and technical arrangement and equipment correspond to the requirements for permanent housing and are intended for this purpose.

**(5)** Buildings for social housing are for the purposes of value added tax

**a)** construction of an apartment building in accordance with the legislation regulating the cadastre of real estates in which there is no living space with a floor area exceeding 120 m 2 ,

**b)** construction of a family house according to the legislation governing the cadastre of real estates whose floor area does not exceed 350 m 2 ,

**c)** living space for social housing,

**d)** accommodation facilities for the accommodation of members of the security corps according to the law regulating the service relationship of members of the security corps or for the accommodation of civil servants,

**e)** building intended for use by social services facilities providing residential services pursuant to the Social Services Act,

**f)** school facilities for the performance of institutional care or protective care and for preventive educational care, as well as educational care centers, according to the law regulating the performance of institutional care or protective care in school facilities and preventive educational care in school facilities,

**g)** dormitories of schools established separately for pupils with disabilities in accordance with the legislation governing school educational and accommodation facilities and school special-purpose facilities,

**h)** children's homes for children under 3 years of age,

**(i)** facilities for children in need of immediate assistance and facilities for foster care providing care under the law governing the social and legal protection of children;

**j)** hospice-type special bed facilities,

**k)** war veteran care homes,

**(l)** another building which:

**1.** are used for the use of structures referred to in points (a), (b) and (d) to (k); and

**2.** it is established on a plot of land that forms a functional unit with these buildings.

**(6)** For the purposes of value added tax, living space for social housing shall be understood

**(a) a** living space with a floor area not exceeding 120 m 2 ;

**(b) a** room used together with the accommodation referred to in point (a), which is located in the same building permanently connected to the ground.

***§ 50, § 48a****repealed*

**§ 49**

**Tax rate for construction or supply of construction for social housing**

**(1)** The first reduced rate of tax shall apply to the provision of construction and assembly work in connection with the construction of a construction which is a construction for social housing.

**(2)** The first reduced tax rate shall also apply to the provision of construction and assembly work, by which the construction or space is converted into a construction for social housing.

**(3)** The first reduced tax rate shall apply to supplies

**a)** buildings for social housing,

**(b)** land which does not include a building other than a building for social housing;

**(c) a** building right which does not include a building other than a building for social housing; or

**(d)** units which do not include a space other than a residential area for social housing.

**Episode 8**

**Exemption without right of deduction**

**§ 51**

**Exempt transactions without deduction**

**(1)** Subject to the conditions set out in Sections 52 to 62, the following transactions shall be exempt from tax without the right to deduct:

**a)** basic postal services and delivery of postage stamps (§ 52),

**b)** radio and television broadcasting (§ 53),

**c)** financial activities (§ 54),

**d)** pension activities (§ 54a),

**e)** insurance activities (§ 55),

**f)** delivery of immovable property (§ 56),

**g)** lease of immovable property (§ 56a),

**h)** education and training (Section 57),

**i)** health services and delivery of medical goods (§ 58),

**j)** social assistance (§ 59),

**k)** gambling (§ 60),

**l)** other exempt transactions without the right to deduct (§ 61),

**(m) the** supply of goods which have been used for exempt transactions without the right to deduct and goods for which the taxpayer is not entitled to deduct (§ 62).

**(2)** In the case of transactions which are exempt from tax without the right to deduct, the obligation to declare it arises on the day of its realization. If a consideration is received prior to the performance of the exempt transaction without the right to deduct, the obligation arises to declare the transaction on the amount received on the date of receipt of the consideration; this does not apply if the tax-exempt transaction on the date of payment is not sufficiently known. The value of exempt transactions pursuant to paragraph 1 shall be determined in accordance with Section 36. The value of exempt transactions pursuant to paragraph 1 shall be adjusted in accordance with Section 42.

**§ 52**

**Basic postal services and delivery of postage stamps**

**(1)** For the purposes of this Act, a basic postal service means a basic postal service under the Act regulating postal services provided by the postal license holder contained in this license.

**(2)** For the purposes of this Act, the supply of postage stamps shall mean the supply of postage stamps valid for use in the framework of postal services in the Czech Republic or the delivery of other similar stamps, provided that the amount for these deliveries does not exceed the nominal value or the postal price list.

**§ 53**

**Radio and television broadcasting**

For the purposes of exemption, radio or television broadcasting shall mean the provision of radio or television broadcasting services by law broadcasters under the law governing the operation of radio and television broadcasting, with the exception of commercial commercial broadcasting, or the provision of similar broadcasts from another Member State or third country.

**§ 54**

**Financial activities**

**(1)** For the purposes of this Act, financial activities are understood

**(a) the** transfer of securities, including dematerialized securities, interests in commercial corporations;

**b)** acceptance of deposits from the public,

**(c) the** granting of loans and cash loans;

**(d)** payment services and electronic money issuance;

**(e)** issuing and administering payment instruments, except in the case of the provision of payment services or the issuance of electronic money as referred to in point (d);

**f)** providing and assuming monetary guarantees and assuming monetary obligations,

**g)** opening, confirming and advising the letter of credit,

**(h)** collecting;

**(i)** currency exchange activities;

**(j)** operations involving money;

**k)** delivery of gold to the Czech National Bank and acceptance of deposits by the Czech National Bank from banks, including foreign banks, or from the state;

**(l) the** organization of a regulated market for investment instruments;

**(m)** receiving or transmitting orders relating to investment instruments on behalf of the customer;

**n)** execution of instructions concerning investment instruments for a foreign account,

**o)** trading of investment instruments for own account,

**p)** management of the customer's assets under a contract with the customer if the asset includes an investment instrument, with the exception of management or custody of investment instruments,

**(q)** underwriting or placing issues of investment instruments;

**r)** keeping records of investment instruments,

**s)** settlement of trades in investment instruments,

**t)** foreign exchange trading on own account or on behalf of the customer,

**(u) the** assignment of a receivable ceded by another entity for consideration; the provision of services relating to debt recovery and factoring is not exempt;

**(v) the** management or administration of an investment fund, a pension fund, a participation fund, a transformed fund or similar foreign funds;

**w)** collection of radio or television fees,

**(x) the** payment of pension insurance benefits or the collection of recurrent population payments;

**(y)** arranging or mediating activities referred to in points (a), (b), (c), (d), (e), (f), (g), (h), (i), (j), (l), (m), (n) and (o) , p), q), r), s), t) and u).

**(2)** Exemption pursuant to paragraph 1 (a) (c) in the case of operations related to the management of the credit or cash loan, only the lender or the cash loan may apply.

**(3)** Exemption pursuant to paragraph 1 (a) (e) in the case of transactions relating to the issuing of payment cards, in particular the administration or blocking of a payment card, only the issuer of that payment instrument may invoke it.

**§ 54a**

**Pension activities**

For the purposes of this Act, pension activities are understood

**a)** provision of supplementary pension savings pursuant to the Act on Supplementary Pension Savings,

**b)** provision of supplementary pension insurance pursuant to the Act on Supplementary Pension Insurance,

**(c)** intermediation of supplementary pension savings or supplementary pension insurance.

**§ 55**

**Insurance activities**

For the purposes of this Act, insurance activities are understood

**a)** provision of insurance,

**(b) the** provision of reinsurance;

**(c)** insurance or reinsurance services provided by insurance or reinsurance intermediaries.

**§ 56**

**Real estate delivery**

**(1) The** supply of land which:

**(a)** do not form a functional unit with a structure firmly connected to the ground; and

**(b) it** is not a building land.

**(2)** For the purposes of the Value Added Tax Act, building land shall mean the land on which

**(a)** a structure firmly connected to the ground is to be constructed; and

**(1)** which is or has been the subject of works or administrative acts for the purpose of carrying out that work; or

**(2)** in the vicinity of which works are being carried out or carried out for the purpose of carrying out that work;

**b)** according to the building permit, joint permit by which the building is to be placed and authorized, or the granting of consent to perform the notified building under the Building Act, a building firmly connected to the ground can be constructed.

**(3) The** supply of the selected immovable property shall be exempt after 5 years

**(a)** since issue

**1. the** first occupancy permit or the first occupancy permit, or

**2. the** occupancy permit or occupancy permit after a substantial change in the completed selected immovable property; or

**b)** in the case that the approval of the building approval or the final building approval is not issued for the selected immovable property, from the date on which it started

**1.** first use of the selected immovable property; or

**2.** use of the completed selected immovable property after a substantial change; if a substantial approval of the selected immovable property has been issued for a final building approval or a final building approval, the procedure under point (a) shall apply.

**(4)** The facts relevant for the commencement of the period referred to in paragraph (3) shall, in the case of a parcel that constitutes a functional unit with a building firmly connected to the ground, or a building right which includes where the land forms a functional whole or which is part of the construction right.

**(5)** For the purposes of value added tax, the selected immovable property shall be understood

**(a) a** structure firmly connected to the ground;

**(b)** unit,

**c)** engineering network,

**(d) the** land constituting a functional unit with a structure firmly connected to the ground;

**(e) an** underground structure with a separate purpose-built purpose;

**(f) the** right to build, which includes a structure firmly connected to the ground.

**(6) The** payer may decide that the tax shall be applied to the supply of land pursuant to paragraph 1 or to the delivery of a selected immovable property after the expiry of the period pursuant to paragraph 3. If the beneficiary is a payer, it can be done only after his prior consent. If the taxpayer received a consideration prior to the taxable supply, from which he was not obliged to declare the tax, the taxable amount shall be determined in accordance with § 36 when the taxable supply is made.

**§ 56a**

**Rental of real estate**

**(1)** Lease of immovable property shall be exempt from tax except

**(a)** short-term rental of immovable property;

**b)** provision of accommodation services corresponding to the CZ-CPA 55 production code number as in force on 1 January 2008,

**(c) the** hiring of premises and parking places for vehicles;

**d)** hire of safety deposit boxes,

**(e)** hiring machinery or other fixed equipment.

**(2)** For the purposes of paragraph 1 (a **),** short-term rental of immovable property shall be: (a) shall mean the lease of land of which the building, structure or unit is part, together with, where appropriate, internal movable equipment or the supply of gas, electricity, heat, cold or water, lasting no more than 48 hours.

**(3) The** taxpayer may decide that a tax shall be applied to the lease of immovable property to other taxpayers for the purpose of carrying out their economic activities.

**§ 57**

**(1)** For the purposes of this Act, education and training shall be understood

**a)** Educational and educational activities provided in kindergartens, primary schools, secondary schools, conservatories, colleges, art schools and language schools entitled to state language examinations, which are registered in the school register [**42 )**](https://www.zakonyprolidi.cz/cs/2004-235#f2551607) ; as part of practical training or practical training carried out at workplaces of natural or legal persons who are authorized for activities related to the given field of education and have concluded a contract with the school on the content and scope of practical teaching or professional practice and the conditions for their performance [**43 )**](https://www.zakonyprolidi.cz/cs/2004-235#f2551609) ,

**(b)** school services provided in educational establishments which are registered in the School Register [**42 )**](https://www.zakonyprolidi.cz/cs/2004-235#f2551607) and which supplement, support or are directly related to the education referred to in point (a); securing institutional or protective education or preventive educational care [**44 )**](https://www.zakonyprolidi.cz/cs/2004-235#f2551611) ,

**c)** educational activities provided at universities [**44a )**](https://www.zakonyprolidi.cz/cs/2004-235#f2551613)

**1.** in accredited bachelor, master and doctoral degree programs,

**2.** in lifelong learning programs implemented under the Higher Education Act,

**3.** in lifelong learning programs implemented as a University of the Third Age;

**(d) an** activity carried out for the purpose of retraining or providing vocational training services under a directly applicable European Union regulation laying down measures for the implementation of the directive on the common system of value added tax [**7e )**](https://www.zakonyprolidi.cz/cs/2004-235#f2551548) , provided by a person who has been accredited performance of this activity accredited educational program,

**e)** education and training activities in the framework of compulsory school attendance of pupils in foreign schools established in the Czech Republic and not enrolled in the school register, in which the Ministry of Education, Youth and Sports authorized compulsory school attendance,

**f)** language education provided by natural and legal persons active in the field of language education recognized by the Ministry of Education, Youth and Sports, and language education provided by persons active in language education in preparatory courses for standardized language examinations recognized by the Ministry of Education, Youth and Sports [**44f )**](https://www.zakonyprolidi.cz/cs/2004-235#f2551619) ;

**g)** educational, educational and leisure activities provided to children and youth by contributory organizations and non-governmental non-profit organizations for children and youth,

**(h) the** provision of childcare services in a child group pursuant to the law governing the provision of childcare services in a child group or the provision of childcare up to 4 years of age on a daily basis, if provided

**1. the** State,

**2.** region,

**3.** municipalities,

**4.** organizational unit of state, region or municipality,

**5.** voluntary union of municipalities,

**6. the** capital city of Prague or its borough,

**7.** contributory organization, or

**8. a** non-governmental non-profit organization for children and youth.

**(2) The** supply of goods or services carried out in the framework of education and training by a person referred to in paragraph 1 shall be exempt from tax.

**§ 58**

**Health services and delivery of medical goods**

**(1)** For the purposes of this Act, a health service means a health service according to the law regulating health services provided by a health service provider specified in the authorization to provide health services in relation to an activity with a therapeutic objective or protecting human health and a service closely related to it.

**(2)** For the purposes of this Act, the supply of medical goods means delivery

**(a)** human blood, human organs and breast milk unless it is apparent on the day of delivery that they will be used for industrial use; or

**b)** dental products, which are medical devices according to the law regulating medical devices, dental laboratories and repairs of these products.

**(3) The** supply of medical goods for the purposes of this Act is not the issue or sale

**(a)** pharmaceuticals;

**(b)** foods for particular nutritional uses; or

**(c)** medical devices with or without medical prescription.

**(4)** Health insurance pursuant to the Public Health Insurance Act [**46 )**](https://www.zakonyprolidi.cz/cs/2004-235#f2551623) shall be exempt from tax .

**§ 59**

**Social assistance**

For the purposes of this Act, social assistance means social services pursuant to a special legal regulation [**47 )**](https://www.zakonyprolidi.cz/cs/2004-235#f2551625) . Social services are exempt from tax if they are provided under a special legal regulation [**47a )**](https://www.zakonyprolidi.cz/cs/2004-235#f2551627) .

**§ 60**

**Operation of gambling**

For the purposes of this Act, the operation of gambling means the operation of gambling according to the law governing gambling, with the exception of services related to their operation provided to operators by other persons.

**§ 61**

**Other exempt transactions without right of deduction**

In addition, the following transactions shall be exempt:

**(a) the** supply of services and the supply of goods closely related thereto as consideration for membership fees for own members of legal persons which have not been established or constituted for the purpose of business and whose nature is political, trade union, religious, patriotic, philosophical, charitable or civil does not distort competition from tax,

**b)** provision of services and delivery of goods closely related to the protection and upbringing of children and youth by the bodies of social and legal protection of children and other bodies or persons ensuring the social and legal protection of children pursuant to a special legal regulation [**48a )**](https://www.zakonyprolidi.cz/cs/2004-235#f2551629) ,

**c)** provision of workers by religious or similar organizations for the activities referred to in letter b) and in § 57 to 59, taking into account spiritual care,

**(d) the** provision of services closely linked to sport or physical education by legal persons which have not been established or constituted for the purpose of doing business, to persons engaged in sporting or physical activity;

**e) the** provision of cultural services and the supply of goods closely related to them by region, municipality, legal entity established by law, legal entity established by the Ministry of Culture or legal entity not established or established for the purpose of business,

**(f) the** supply of services and the supply of goods by persons whose activities are exempt under subparagraphs (a), (b), (c), (d) and (e) and pursuant to Sections 57, 58 and 59; services for occasional events solely for the purpose of obtaining funds for the activities for which they are established or constituted, provided that such exemption does not distort competition,

**g) the** provision of services by an independent group of persons who is a taxable person acting as such, resident in the Czech Republic, to its members who carry out exempt transactions without the right to deduct pursuant to subparagraphs (a) to (f); 1, § 53 or § 57 to 59 or activities in the course of which they are not a taxable person, provided that:

**1.** such services are directly necessary for such members to be able to carry out those services or activities;

**2. the** remuneration for the services rendered corresponds to the cost of providing them according to the members' shares in the service provided;

**3.** that provision of services does not distort competition because it is a tax-exempt transaction.

**§ 62**

**Supply of goods used for exempt transactions without deduction and goods for which the taxpayer is not entitled to deduct**

**(1)** The exempt transaction is the supply of goods for which the taxpayer was not able to claim the tax deduction at the time of acquisition or change in the purpose of use, since he used them to carry out the exempt transactions.

**(2)** The tax-exempt performance is the supply of goods, the acquisition or use of which the taxpayer was not entitled to deduct under Section 72 (4).

**Episode 9**

**Exemption with right to deduct**

**§ 63**

**Exempt transactions with right to deduct**

**(1) The** following exempted transactions shall be exempt from the right to deduct under the conditions set out in Sections 64 to 71g:

**a)** delivery of goods to another Member State (§ 64),

**(b) the** acquisition of goods from another Member State (Section 65);

**c)** export of goods (§ 66),

**d)** provision of a service to a third country (Section 67),

**e)** exemption in special cases (§ 68),

**f)** transport and services directly related to the import and export of goods (Section 69),

**g)** transport of persons (§ 70),

**h)** import of goods (§ 71),

**i)** import of goods in passenger baggage of a passenger or crew member and import of fuel to passengers (Sections 71a to 71f),

**j) the** importation of goods which are transported from a third country and the end of dispatch or transport of such goods is in another Member State and the supply of these goods to another Member State is exempt (§ 71g).

**(2)** In the case of transactions which are exempt from tax with the right to deduct, the obligation arises to declare it on the day of its realization, unless the law provides otherwise. The value of exempt transactions pursuant to paragraph 1 shall be determined in accordance with Section 36. The value of exempt transactions pursuant to paragraph 1 shall be adjusted in accordance with Articles 42 and 43.

**§ 64**

**Exemption on delivery of goods to another Member State**

**(1) The** supply of goods to another Member State by a taxable person to a taxable person in another Member State which is dispatched or transported from the territory of the country by a taxable person or by a person acquiring them or by an authorized third party shall be exempt from tax with the right to deduct; for which the acquisition of goods in another Member State is not subject to tax.

**(2) The** supply of a new means of transport to another Member State by a payer to a person in another Member State who is dispatched or transported from within the country by the payer or the person acquiring the new means of transport or by an authorized third party shall be exempt from tax.

**(3) The** supply of excise goods to another Member State by a taxable person to a taxable person who is not a taxable person in another Member State or to a legal person who is not a taxable person in another Member State who is dispatched or transported from the home by the payer or the acquirer or by an authorized third party, is exempt with the right to deduct if the dispatch or transport of the goods is effected under the law governing excise duty, and goods.

**(4)** The transfer of the taxable person's business assets from another country to another Member State for the purposes of his business pursuant to Section 13 (6) shall be exempt from tax with the right to deduct if the taxpayer proves that the goods were transferred to another Member State and the acquisition of goods in that Member State.

**(5) The** delivery of goods to another Member State may be proved by a written declaration of the acquirer or an authorized third party that the goods have been transported to another Member State or by other evidence.

**§ 65**

**Exemption on the acquisition of goods from another Member State**

The acquisition of goods from another Member State shall be exempt with deduction where:

**(a) the** supply of such goods by a taxpayer domestically would in any event be exempt;

**(b) the** importation of such goods would be exempt; or

**(c) the** acquirer shall be entitled to a refund of input tax pursuant to Sections 82a to 83, with the exception of a claim for a refund of the proportional amount.

**§ 66**

**Exemption of goods export tax**

**(1)** For the purposes of this Act, the export of goods means the exit of goods from the territory of the European Union into the territory of a third country if the goods have been placed under the customs export, outward processing or external transit procedure or re-exported.

**(2)** The exemption of goods exported to a third country is the supply of goods which are dispatched or transported from the Czech Republic to a third country.

**(a) by the** seller or a person authorized by him; or

**(b) by the** buyer or a person authorized by him, if the buyer has neither a domicile nor a place of residence or an establishment in the country, except for goods carried by the buyer for the purpose of supplying or supplying pleasure boats or aircraft or other means of transport for private use.

**(3)** When goods are delivered to a third country, for the purposes of the Value Added Tax Act, the day of performance of the goods from the territory of the European Union shall be considered as the day of performance.

**(4)** The payer is obliged to prove the exit of goods from the territory of the European Union

**(a) the** decision of the customs office on the export of goods to a third country where the exit of the goods from the territory of the European Union is confirmed; or

**(b)** other evidence in the case of:

**(1) an** oral customs declaration for the export of goods; or

**2. an** act considered to be a customs declaration for the export of goods.

**§ 67**

**Exemption for the provision of services to a third country**

**(1)** The supply of a service to a third country to a person who has neither a registered office nor an establishment with a place of supply in the Czech Republic is exempt from tax with the right to deduct.

**(2) The** service referred to in paragraph 1 is work on movable property which is acquired or imported for the purpose of carrying out such work in the Czech Republic and subsequently dispatched or transported to a third country by the person providing these services or by the person for whom these services are provided. or an authorized third party.

**§ 68**

**Exemption in special cases**

**(1) The** supply of goods for the supply of ships shall be exempt from the right to deduct

**(a)** used for navigation on the high seas and carrying persons for remuneration or used for commercial, industrial or fishing activities;

**(b)** used for rescue and assistance at sea or for coastal fishing, except for the supply of in-flight supplies to ships used for coastal fishing;

**c)** war, if they leave the country and headed to foreign ports and anchorages.

**(2)** Exemption shall be exempt from tax

**(a) the** supply, modification, repair, maintenance or chartering of seagoing ships, including chartered-in chartering, referred to in paragraph 1 (a); a) and b),

**(b) the** supply, hire, repair or maintenance of equipment, including fishing equipment, installed or used on such ships.

**(3)** Exemption shall be exempt from the right to deduct

**(a) the** supply, modification, repair, maintenance or chartering of aircraft, including the hiring of manned aircraft, used by airlines operating, in particular, international air transportation for remuneration;

**(b) the** supply, hire, repair or maintenance of equipment installed or used on such aircraft.

**(4) The** supply of goods for the supply of aircraft referred to in paragraph 3 shall be exempt from the right to deduct.

**(5) The** supply of services shall be exempt from the right to deduct, except for the services referred to in paragraph 2, which are directly related to the seagoing vessels referred to in paragraph 2 or directly related to the cargo being transported.

**(6) The** provision of a service shall be exempt from the right to deduct, with the exception of the services referred to in paragraph 3, which are directly related to the aircraft referred to in paragraph 3 or directly related to the cargo being transported. In particular, accommodation for passengers due to air traffic delays, lounge and office space rental at the airport or passenger check-in shall not be deemed to be such a service provision.

**(7)** For the purposes of this Act, the body of the European Union shall be understood as the following bodies listed in the relevant regulations of the European Union [**75 )**](https://www.zakonyprolidi.cz/cs/2004-235#f2551678) :

**(a) the** institutions of the European Union;

**(b) the** European Atomic Energy Community;

**(c) the** European Central Bank;

**(d) the** European Investment Bank;

**(e) a** body set up by the European Union.

**(8) The** supply of goods or services to the diplomatic mission [**56 )**](https://www.zakonyprolidi.cz/cs/2004-235#f2551647) , to the consular post [**57 )**](https://www.zakonyprolidi.cz/cs/2004-235#f2551649) shall be exempt from tax with the right to deduct [**.**](https://www.zakonyprolidi.cz/cs/2004-235#f2551649), the special mission, the international organization, the representation of the international organization and its members and officials, within the limits and under the conditions laid down in the international treaties establishing such missions, offices or organizations, their headquarters or representation agreements, or other legislation, such missions, offices, organizations or representations shall have their registered office or location in another Member State. The right to deduct shall be exempt from the supply of goods or services to bodies of the European Union established in another Member State, within the limits and under the conditions laid down in the Protocol, the agreements for its implementation or the agreements on the location or the representation of such bodies. provided that this does not distort competition. Tax exemptions shall apply,

**(9)**Diplomatic missions, consular posts, special missions, international organizations, representations of an international organization or entities of the European Union domiciled or located and their members or officials, if they are persons enjoying privileges and immunities pursuant to § 80, in another Member State supplying such persons with goods or services which are exempt, request the tax administrator to confirm the exemption certificate, within the limits and under the conditions laid down in the international treaties establishing such missions, offices or organizations, agreements on the location of their registered office or representation, other legislation or the Protocol and agreements on its implementation, provided that this does not distort competition. Diplomatic mission, consular post, special mission, international organization,

**(10) The** supply of goods or services is exempt from the right to deduct

**(a)** carried out domestically for use by the armed forces of a State which is a member of the North Atlantic Treaty or of a State participating in the Partnership for Peace or of civilian staff accompanying or supplying their canteens, provided these forces participate in a joint defense effort; this exemption does not apply to the armed forces of the Czech Republic,

**(b)** to another Member State for the Armed Forces of a State which is a member of the North Atlantic Treaty or of a State participating in the Partnership for Peace, unless they are a State of destination, intended for use by the armed forces or civilian staff accompanying them or forces participate in a joint defense effort.

**(11)** Entitlement to exemption under paragraph 10 in the case of armed forces posted by another Member State shall be accompanied by a certificate of exemption under a directly applicable European Union provision laying down measures for the implementation of the directive on the common system of value added tax [**7e )**](https://www.zakonyprolidi.cz/cs/2004-235#f2551548) . This certificate is certified for tax exemption purposes

**a) The** Ministry of Defense pursuant to paragraph 10 (a). or

**(b) the** competent authority of the Member State of destination referred to in paragraph 10 (a); b).

**(12)** In the case of armed forces posted by a Member State other than a Member State, the exemption referred to in paragraph 10 shall be evidenced by an affidavit endorsed by the competent authority of the sending State.

**(13)** The armed forces of a State participating in the Partnership for Peace shall be entitled to exemption under paragraph 10 only to the extent provided for in the relevant international treaty.

**(14) The** supply of gold to the central banks of other States is exempt from the right to deduct.

**(15) The** supply of goods to humanitarian and charitable organizations which, in the framework of their humanitarian, charitable or educational activities outside the territory of the European Union, send or transport them to a third country is exempt from the right to deduct.

**(16) The** right to deduct shall be exempt from the supply of services by a person acting on behalf of and for the account of another person consisting in the provision of an exempt transaction pursuant to Sections 66 to 69, with the exception of paragraph 17, or .

**(17) The** carriage of goods between Member States in respect of the carriage or dispatch of goods to, from or between the islands forming the autonomous regions of the Azores and Madeira is exempt from the right to deduct.

**§ 69**

**Exemption for the supply of services linked to the import of goods and the export of goods**

**(1)** When goods are exported, the supply of services directly linked to the export of goods shall be exempt.

**(2) The** supply of services shall be exempt on importation of goods

**(a)** relating to the importation of goods, provided that the value of the service is included in the taxable amount on importation of the goods; or

**(b)** directly linked to the importation of goods, provided that such goods are temporarily stored or placed under a customs procedure under Article 12 (2) (a) when they enter the European Union; b).

**(3)** The taxpayer who carries out the transport upon importation of goods or export of goods shall be obliged to prove

**a)** transport document,

**(b) a** contract for the carriage of goods; or

**(c)** other evidence.

**§ 70**

**Exemption of the transport of persons**

The carriage of persons and their luggage between Member States and between Member States and third countries, including services directly related to such carriage, shall be exempt within the territory of the country with the right to deduct. The services directly related to this transport of persons are, in particular, services for ensuring transport of persons on behalf and on behalf of another person, sale of transport documents, issue of documents, creation of reservation and its change and exchange of transport documents. Such carriage shall be exempt even if it is carried out by persons who are registered for tax in another Member State or by a foreign taxable person. Return transport is considered as a separate transport.

**§ 71**

**Exemption on importation of goods**

**(1) The** importation of goods shall be exempt if the supply of such goods by a taxable person within the territory of the country is in any case exempt from tax.

**(2) The** importation of goods shall be exempted if the imported goods are granted relief under the directly applicable European Union regulation [**49 )**](https://www.zakonyprolidi.cz/cs/2004-235#f2551634) in respect of:

**(a)** goods imported in non-commercial consignments, in the case of imports of coffee or tea, shall be subject to exemption from:

**1.** 500 g of coffee or 200 g of coffee extract and essence,

**2.** 100 g of tea, or 40 g of tea extract and essence,

**b)** personal property of natural persons,

**1.** moving abroad from abroad,

**2.** imported on the occasion of marriage,

**3.** acquired by inheritance,

**(c) the** equipment, study supplies and equipment of the households of pupils or students in question;

**d)** relocation of business assets and other equipment when relocating a business establishment,

**(e)** medicinal substances, medicinal products, laboratory animals, biological or chemical substances;

**1.** laboratory animals and biological or chemical substances intended for research;

**2.** active substances of human origin and blood-grouping and tissue-typing reagents;

**3.** reference substances for quality control of preparations,

**4.** pharmaceutical products used in international sporting events;

**(f)** goods for charitable or philanthropic entities;

**1.** goods imported for the realization of general purposes, basic necessities acquired only free of charge,

**2.** goods acquired free of charge imported for the benefit of persons with disabilities for the purposes of education, employment and social development;

**3.** goods imported for the benefit of victims of disasters;

**(g)** imports in international relations;

**1.** honorary awards or awards,

**2.** gifts received in the framework of international relations,

**3.** goods intended for use by the Head of State;

**(h)** goods imported to promote commercial activities;

**1.** samples of goods of negligible value,

**2.** printed matter and advertising material,

**3.** goods used or consumed in the course of an exhibition or similar event,

**(i)** goods imported for testing, analysis or testing;

**(j)** miscellaneous imports, namely:

**1.** consignments addressed to entities responsible for copyright, industrial or commercial property,

**2.** tourist promotional material;

**3.** various documents and goods,

**4.** material for fixing and protecting goods during transport,

**5.** litter, forage and animal feed during transport;

**6.** fuels and lubricants contained in road motor vehicles and special containers,

**7.** goods for the construction, maintenance or decoration of monuments or cemeteries of war victims,

**8.** coffins, urns and funeral ornaments.

**(3)** Imports are further exempt from tax

**(a)** goods with a total value not exceeding EUR 22, except alcoholic beverages, perfumes, toilet water, tobacco and tobacco products;

**(b)** pure-bred horses not more than six months old, born in a third country or on a third territory from an animal which has been covered in the European Union and then temporarily exported for childbirth;

**(c)** collections and works of art of an educational, scientific or cultural nature which are not intended for sale and which are imported by museums and galleries, provided they are imported free of charge or are imported for remuneration and are not supplied by a taxable person;

**(d)** official publications issued by the public authorities of the exporting country or territory, international organizations, public authorities and bodies governed by public law established in the exporting country or territory, and printed matter on the occasion of elections to the European Parliament or national elections in the country of origin; foreign political organizations officially recognized in the Member States, provided that such publications and printed matter have been subject to tax in the exporting country or territory and have not benefited from a refund of export tax,

**(e)** returnable packaging, whether in return for payment or not;

**(f) the** catch to a port which has not been processed or which has already been preserved for sale but has not yet been delivered if it has been made by a person engaged in sea fishing; or

**(g)** gas through a transmission or distribution system, or by admitting from a gas-carrying vessel to a natural gas or gas pipeline system, the import of electricity, heat or cold through heating or cooling networks.

**(4)** Imports of goods are further exempt from tax

**a)** persons enjoying diplomatic privileges and immunities, to the extent arising from international treaties forming part of the Czech legal order, provided that such goods have been granted relief from customs duties,

**(b)** implemented by bodies of the European Union, within the limits and under the conditions laid down in the Protocol and the agreements for its implementation or in the agreements on the location of the seat of those bodies, provided that this does not distort competition;

**(c)** carried out by international organizations other than those referred to in point (b) recognized as such by the authorities of the host Member State, or by members of such organizations within the limits and under the conditions laid down in the international treaties establishing such organizations or their headquarters; this provision shall apply mutatis mutandis to the representation of the international organization, or

**(d) by the** armed forces of a State party to the North Atlantic Treaty or of a State participating in the Partnership for Peace intended for use by such armed forces or civilian staff accompanying them or supplying their canteens, when these forces participate in a joint defense effort; this exemption does not apply to the armed forces of the Czech Republic.

**(5)** The Armed Forces of a State participating in the Partnership for Peace shall be entitled to exemption from importation of goods only to the extent specified in the relevant international treaty.

**(6)** In the case of returned goods, the tax exemption shall be granted only to the person who exported the goods in question, provided that such goods have been granted duty-free treatment.

**(7) The** import of gold by the Czech National Bank shall be exempt from tax.

**Exemption for the import of goods in the personal luggage of a passenger or of a crew member and for the importation of fuel by passengers**

**§ 71a**

**(1)** Occasional importation of goods in the passenger's personal luggage shall be exempt on admission in so far as such goods are intended for personal use by the passenger, for use by members of his family or as gifts and cannot be inferred from the nature or quantity of goods for commercial purposes ( hereinafter referred to as “the importation of goods by travelers”) and provided that the conditions set out in Sections 71b to 71d and Section 71f are met.

**(2)** For the purposes of this Act, personal luggage of a passenger means baggage presented by a passenger upon arrival at the customs office and baggage submitted later to the customs office if it proves that it was registered as accompanying luggage at the time of its departure with the company providing its transportation.

**(3)** Imports of goods by travelers shall not be deemed to include imports of goods for which the passenger proves that they were acquired in the territory of the European Union and for which no tax or excise duty has been refunded in any Member State.

**§ 71b**

**(1)** Imports of goods by air passengers are exempt within the territory of the country up to the value of the goods corresponding to EUR 430 per person.

**(2) The** importation of goods by passengers for recreational or sport flying [**49c )**](https://www.zakonyprolidi.cz/cs/2004-235#f2551638) shall be exempt within the Czech Republic up to the value of goods corresponding to EUR 300 per person.

**(3)** On importation of goods under 15 years of age, the amount referred to in paragraphs 1 and 2 shall be reduced to EUR 200 per person.

**(4)** Only part of the value of some imported goods may not be included in the total value of the goods exempt pursuant to paragraphs 1 to 3.

**(5)** The value shall not be included in the total value of the goods exempt pursuant to paragraphs 1 to 3

**a)** goods referred to in § 71c, 71d and 71f,

**(b)** goods temporarily imported into the territory of travelers,

**(c)** goods imported after their temporary export to passengers,

**(d)** medicines necessary for the personal use of the passenger.

**(6)** The exchange rate applicable on the first working day of October of the year preceding the import of the goods published in the Official Journal of the European Union shall be used for the conversion of the value of goods into Czech currency. The converted value of the goods into Czech currency shall be rounded to hundreds.

**§ 71c**

**(1)** Imports of goods to travelers in the case of imports of tobacco products pursuant to the Act on Excise Duty shall be exempt from tax within the Czech Republic to the extent of:

**(a)** 200 cigarettes;

**(b)** 100 cigars of a single weight not exceeding 3 grams;

**(c)** 50 cigars weighing more than 3 grams each;

**(d)** 250 g of smoking tobacco;

**(e)** quantities of heated tobacco products containing 100 g of tobacco.

**(2)** For the purposes of exemption, each quantity of each type of product referred to in paragraph 1 shall be 100% of the total quantity which may be exempt. The exemption may be applied to any combination of the quantities of these products provided that the sum of their percentages used for importation does not exceed 100%.

**(3)** The exemption pursuant to paragraphs 1 and 2 shall not apply to goods imported by travelers under 17 years of age.

**§ 71d**

**(1)** Imports of goods to travelers in the case of imports of alcohol and alcoholic beverages, with the exception of still wine and beer, shall be exempt within the Czech Republic to the extent of:

**(a)** 1 liter of alcoholic beverages of an actual alcoholic strength exceeding 22% vol. or of undenatured alcohol with an alcoholic strength of at least 80% vol .; or

**(b)** 2 liters of alcoholic beverages of an actual alcoholic strength by volume not exceeding 22% vol.

**(2)** For the purposes of exemption, each quantity of each type of product referred to in paragraph 1 shall be 100% of the total quantity which may be exempt. The exemption may be applied to any combination of the quantities of these products provided that the sum of their percentages used for importation does not exceed 100%.

**(3)** In the case of imports of still wine and beer, the import of goods in the amount of not more than 4 liters of still wine per person and 16 liters of beer per person shall be exempt from tax in the Czech Republic.

**(4)** The exemption pursuant to paragraphs 1 to 3 shall not apply to goods imported by travelers under 17 years of age.

**§ 71e**

**(1) The** importation of goods in the course of work by a crew member used for carriage between third countries and inland or the importation of goods by a crew member for recreational or sport flying shall be exempt within the territory of the country up to a value of EUR 300 per person.

**(2)** The provisions of Sections 71a to 71d shall apply mutatis mutandis to the import of goods by a member of the aircraft crew referred to in paragraph 1.

**§ 71f**

The exemption of domestic fuel in the standard tank of a motor vehicle and the import of fuel of a maximum of 10 liters in a portable tank in one motor vehicle are exempt from tax.

**§ 71g**

**Exemption on importation of goods which are transported from a third country and the end of dispatch or transport of such goods is in another Member State and the supply of such goods to another Member State is exempt**

**(1)** Exemption shall be granted for goods liable to be taxable within the territory of the country if the goods are dispatched or transported from a third country and the end of the dispatch or transport of goods is in another Member State and tax according to § 64.

**(2)** However, in the case of the supply of goods to another Member State pursuant to Article 64 (1) or the transfer of commercial property pursuant to Article 64 (4), the importation of goods shall be exempt if: to the customs office

**(a)** its tax identification number;

**(b) the** tax identification number of the person registered for taxation in another Member State to which the goods are consigned or transported, or, where applicable, his tax identification number allocated for the purposes of value added tax in another Member State; under the free circulation procedure, and

**(c)** documents proving that the imported goods are immediately intended for dispatch or transport to another Member State.

**(3) The** taxpayer shall be obliged to state the import of goods exempt pursuant to paragraph 1 into the tax return for the tax period in which the goods were placed under this customs procedure.

**(4)** If the conditions under paragraph 1 are not met, the taxpayer shall be obliged to declare the tax pursuant to § 23.

**Episode 10**

**Tax deduction**

**§ 72**

**Entitled to a tax deduction**

**(1) The** taxpayer shall be entitled to deduct input tax on the taxable supply received, which he shall use for the purposes of

**(a)** taxable supplies of goods or services with a place of supply within the territory of the country,

**(b)** exempt transactions with a right of deduction with the place of supply within the territory of the country,

**(c)** transactions with a place of supply outside the territory of the country, if they were entitled to a deduction if they were carried out with a place of supply within the territory of the country,

**d) the** performance specified in § 54 para. a) to j), l) to u) and y) and § 55 with the place of performance in a third country, or if such transactions are directly related to the export of goods, or

**e)** performances referred to in § 13 para. a), b), d) and e) and in § 14 paragraph 5.

**(2) The** input tax for the taxable supply received shall be the tax applied under this Act

**(a)** goods which have been or are to be supplied to the payer or services which have been or are to be provided to him,

**(b)** goods acquired by the payer from another Member State or imported from a third country; or

**c)** in the case of performance pursuant to § 13 para. b).

**(3)** The right to deduct shall arise at the moment when the facts giving rise to the obligation to declare the tax arise.

**(4) The** taxpayer shall not be entitled to a tax deduction for the taxable transaction used for representation, which cannot be recognized under the special legal regulation [**53 )**](https://www.zakonyprolidi.cz/cs/2004-235#f2551642) as expenses incurred to achieve, secure and maintain income, with the exception of the transaction under § 13 par. C).

**(5) The** taxpayer shall be entitled to a full tax deduction for the taxable supply received, which he shall use exclusively for carrying out the transactions referred to in paragraph 1.

**(6)** If the taxpayer uses the received taxable transaction for both purposes giving rise to the right to deduct and for other purposes, the taxpayer shall be entitled to claim the right to deduct only in the part for the use with the right to deduct in part ”), unless otherwise provided by law. The relevant amount of the partial tax deduction shall be determined in accordance with the procedure laid down in § 75 or 76.

**§ 73**

**Conditions for exercising the right to deduct**

**(1)** In order to exercise the right to deduct, the taxpayer shall meet the following conditions:

**(a)** have a tax document when deducting the tax applied to it by another taxpayer;

**(b)** when deducting the tax which the taxpayer has applied to the taxable supply by a non-resident taxpayer or another taxpayer, or which the taxpayer has claimed when acquiring goods from another Member State, declare the tax and have a tax document; if the taxpayer does not have a tax document, the claim can be proved by other means,

**c)** when deducting the tax on the importation of goods, if the taxpayer is obliged to declare this tax pursuant to Section 23 (2) to (4), declare the tax and have a tax document,

**d)** in the case of deduction of tax on importation of goods, if the taxpayer is not obliged to proceed pursuant to Section 23 (2) to (4), to pay the assessed tax and to have a tax document, or

**e)** when deducting the tax applied by the taxpayer in the case of performance pursuant to § 13 para. b), declare the tax and have a tax document; if the taxpayer does not have a tax document, the claim can be proved in another way.

**(2) The** taxpayer shall be entitled to exercise the right to deduct tax at the earliest for the tax period in which the conditions pursuant to paragraph 1 are met.

**(3)** The right to deduct cannot be claimed after the expiry of the period of 3 years. The time limit for the exercise of the right to deduct shall begin on the first day of the month following the tax year in which the right to deduct arose. After this period has expired, the taxpayer is entitled to claim the input tax deduction for the taxable supply received if:

**(a)** he has been required to declare that tax; or

**b)** shall use this taxable transaction for the purposes of the transaction pursuant to Section 13 (4) (b); b).

**(4)** A taxpayer who is entitled to a partial tax deduction for a taxable transaction received shall be entitled to claim a tax deduction for this transaction at the latest for the last tax year of the calendar year in which one of the tax periods could be claimed first. This shall not affect the time limit for the exercise of the right to deduct under paragraph 3. The period referred to in the first sentence shall not apply if the taxable person is entitled to a reduced tax deduction for the taxable transaction received and a settlement coefficient pursuant to Section 76 (7) or (9) calculated from data for the calendar year , is equal to or greater than 95%, except where the taxable transaction received is fixed assets.

**(5)** If the document for proving the right to deduct does not contain all the prescribed particulars of the tax document, the claim may be proved by other means.

**(6)** If the amount of tax stated on the received tax document exceeds the amount of tax to be claimed pursuant to this Act, the taxpayer shall be entitled to claim the deduction only in the amount corresponding to the tax to be claimed pursuant to this Act. If the amount of tax stated on the received tax document is lower than that to be claimed under this Act, the taxpayer is entitled to claim the deduction only in the amount corresponding to the tax specified on the tax document.

**§ 74**

**Correction of tax deduction**

**(1)** If the taxpayer for whom the transaction was or should have been performed within the period for the correction of the tax base learned or could and could have occurred that the facts decisive for the correction of the tax base is obliged to reduce the applied tax deduction. This shall not apply if the taxpayer has corrected the tax deduction pursuant to paragraph 2 or 3. The taxpayer corrects the tax deduction by means of a corrective tax document or other document related to the correction, or otherwise.

**(2)** If the taxpayer has deducted the tax on the amount of the consideration provided prior to the taxable supply and within 3 years from the end of the taxable period in which he could claim the deduction of the tax on the consideration first, the taxable supply does not take place and the consideration is not refunded or used for the payment of other supplies, it is obliged to correct the tax deduction.

**(3)** If the taxpayer claimed a tax deduction based on the transfer of a single-purpose voucher and within 3 years from the end of the taxable period in which he could claim the tax deduction from this taxable transaction first, he shall not use this voucher as a consideration for the actual handover of the goods or the provision of the service, nor shall he transfer it;

**(4) The** tax deduction pursuant to paragraphs 1 to 3 shall be corrected by the taxpayer for the taxable period in which he learned or should have known of the facts relevant for this correction.

**(5)** If the taxable supply is accepted for which the tax base pursuant to Section 37a is negative, the taxpayer shall be obliged to reduce the originally deducted tax for the taxable period in which he learned or could have learned of the facts decisive for this correction.

**(6)** If the taxpayer for whom performance has been found has established that, within the period for correction of the tax base, the facts relevant for the correction of the tax base, which result in an increase in the applied tax deduction, are entitled to increase the applied tax deduction. The taxpayer is entitled to make such correction of tax deduction at the earliest for the taxation period in which he has received the corrective tax document. This adjustment of the tax deduction cannot be made after the expiry of 3 years from the end of the tax period in which the adjustment of the tax base as a separate taxable supply is deemed to have been effected.

**(7)** If the taxpayer has received a corrective tax document pursuant to Section 45 (5), he is entitled to make a correction of the tax deduction, unless the time limit for claiming the tax deduction has expired for the originally deducted.

**§ 74a**

**Adjustment of tax deduction in case of bad debt**

**(1)** The debtor is obliged to reduce the applied tax deduction if facts decisive for the correction of the tax base in the case of bad debt, changes in the amount of correction of the tax base determined by a qualified estimate or additional corrections of the tax base result; for the taxation period in which he learned or should have known about these facts.

**(2) The** debtor shall prove the correction of the tax deduction pursuant to paragraph 1 by means of a corrective tax document or otherwise.

**(3)** If the debtor has made a tax deduction adjustment pursuant to paragraph 1, the debtor is entitled to make a tax deduction if the facts relevant for correcting the tax base in case of bad debt, changes in the amount of tax base determined by a qualified estimate, Cancellation of the correction of the tax base, which results in an increase in the corrected tax deduction, at the earliest for the tax period in which it received the corrective tax document.

**(4) The** adjustment of the tax deduction pursuant to paragraph 3 may be made in the event of an additional correction of the tax base, which is carried out based on the assignment of the receivable only up to the amount of the tax base determined from the amount paid by the debtor to the assignee.

**(5) The** correction of the tax deduction pursuant to paragraph 3 may be made within 3 years from the date on which the correction of the tax base, the change in the amount of the correction of the tax base, the additional correction of the tax base or the cancellation of the correction of the tax base are considered as taxable supplies.

**(6) The** debtor shall prove the correction of the tax deduction pursuant to paragraph 3 by means of a corrective tax document.

**§ 75**

**Method of calculating tax deduction in proportionate amount**

**(1)** If the taxpayer uses the received taxable transaction for the purposes of his realized transactions and for other purposes, he is entitled to deduction only in a proportional amount corresponding to the extent of use for the purposes of his realized transactions. This is without prejudice to § 76.

**(2)** In the case of a taxable transaction received that is not the acquisition of fixed assets intended for transactions carried out, which the taxpayer also uses in part for his personal consumption or for the personal consumption of his employees, the taxpayer may choose to claim the full tax deduction . The part of the taxable supply received that it uses for its personal consumption or for the personal consumption of its employees is then considered to be the supply of goods pursuant to Section 13 (4) (b). a) or for the provision of the service pursuant to § 14 para. and).

**(3)** The relevant amount of the tax deduction in proportional amount shall be calculated as the product of input tax on the taxable transaction received, for which the taxpayer is entitled to deduct proportional tax and the "). The ratio is calculated as a percentage rounded up to the nearest percentage.

**(4)** If the amount of the coefficient cannot be determined at the time of the tax deduction according to the actual share of use, the payer shall determine it by a qualified estimate. After the end of the calendar year in which the taxpayer was entitled to deduct, claim and use the taxable transaction after the taxable transaction was made, the taxpayer shall take into account the actual proportion of the use of that taxable transaction for the year in question. If the ratio calculated on the basis of actual use deviates from the ratio calculated by the estimate by more than 10 percentage points, the amount of the deduction applied shall be corrected.

**(5)** In the event that the taxpayer has deducted the tax on the provided consideration before the acquisition of fixed assets for which he is entitled to deduct proportionally, in a year other than that in which he is entitled to to the amount of the correction referred to in paragraph 4 shall also be the difference in the amount of the right to deduct resulting from the difference between the values ​​of the proportional coefficients for the years concerned, if these values ​​deviate by more than 10 percentage points. The taxpayer shall proceed similarly in the case of claiming a tax deduction for each individual transaction received which became part of the acquired fixed assets.

**(6)** If the calculated amount of the correction pursuant to paragraphs 4 or 5 is positive, the taxpayer shall be entitled to correct the amount of the claimed tax deduction, if it is negative, the taxpayer shall be obliged to correct the amount of the applied tax deduction. The taxpayer shall carry out the correction for the last tax period of the calendar year in which he is entitled to claim the deduction of the tax to which the correction relates after the taxable supply is made.

**§ 76**

**Method of calculating the right to deduct the reduced amount**

**(1)** If the taxable person uses the received taxable transaction in the course of his / her economic activities both for the right to deduct mentioned in § 72 para. , with the exception of the services specified in § 72 para. (d) shall be entitled to a deduction only in a reduced amount corresponding to the scope of the use for the right to deduct.

**(2)** The relevant amount of the reduced tax deduction shall be calculated as the product of the input tax on the taxable supply received for which the taxpayer is entitled to deduct the reduced tax and the coefficient. If there is a concession of the deduction of the reduced tax pursuant to this provision and the deduction of the proportional tax pursuant to § 75, the amount of the deduction of the proportional tax determined in accordance with the procedure according to § 75.

**(3)** The coefficient referred to in the first sentence of paragraph 2 shall be calculated as a percentage in which:

**a) the** numerator is the sum of the amounts of the tax bases or of the values ​​of the transactions performed by the payer with the right to deduct mentioned in § 72 paragraph 1,

**(b) the** denominator is the total sum of the value in the numerator and the sum of the values ​​of the transactions exempted by the taxable person without the right to deduct.

The sums of the tax bases or the values ​​of the transactions performed by the payer also include the payments received, if the payers received the obligation to declare the tax or the payment. The calculated coefficient shall be rounded up to the nearest percentage.

**(4)** They shall not be included in the calculation of the coefficient

**(a) the** supply or provision of fixed assets, where such assets have been used by the payer for his economic activity; this shall not apply if such performance is an integral part of the payer's normal economic activity,

**(b) the** provision of financial services, the supply of immovable property and the rental of immovable property, and only if it is an ancillary activity of the payer on an occasional basis;

**c)** performance according to § 13 para. b).

**(5)** If the value in the denominator of the share calculated in accordance with paragraph 3 is a positive number and the value in its numerator is zero or negative, the coefficient is 0%. If the denominator of this ratio is zero or a negative number and the denominator of its ratio is zero or a positive number, the coefficient is 100%. If the coefficient calculated in accordance with paragraph 3 is equal to or greater than 95%, it shall be deemed to be 100%.

**(6)**The taxpayer shall use the coefficient calculated from the data for the tax period of the previous calendar year to settle the tax deduction to calculate the reduced tax deduction in the tax periods of the current calendar year. Where there are no transactions for the calculation of the coefficient for the preceding calendar year, the payer shall determine the amount of that coefficient by a qualified estimate. If the value of the coefficient for the previous calendar year changes due to the assessment of the tax for the last tax period of the previous calendar year, the taxpayer is obliged to use the new value of this coefficient to calculate the deductible the period in which the tax assessment levying the tax for the last tax year of the preceding calendar year has become final.

**(7)** After the end of the current calendar year, the taxpayer shall settle the reduced tax deduction for all taxable periods of that year (hereinafter referred to as the “settled period”). Settlement is calculated as the difference between the total deduction entitlement calculated from the data for the settlement period and the sum of the claimed deduction entitlements for each taxation period included in the settlement. The taxpayer shall use a coefficient calculated from the data on realized transactions for the entire settlement period (hereinafter referred to as the “settlement coefficient”) to calculate the total tax deduction claim for the settlement period. The taxpayer shall settle the tax deduction for the last taxation period of the settled period.

**(8)** Paragraph 7 shall apply mutatis mutandis to the settlement of the reduced tax deduction upon cancellation of the registration, except that the settled period is from 1 January of the calendar year in which the registration was canceled until the date of cancellation of the registration.

**(9)** If, after the settlement of the tax deduction, the performed transactions are corrected for any of the taxation periods of the already settled year, the amount of the deductible tax in the reduced amount shall be recalculated by a new settlement coefficient calculated from the data for the entire settlement period.

**(10)** In the event that the taxpayer has deducted the tax on the provided consideration prior to the acquisition of fixed assets for which he is entitled to deduct tax at a reduced rate in a year other than the one in which he is entitled to deduct up to the amount of the settlement of the right to deduct under paragraph 7 for the year in which, after the acquisition of such assets, he is entitled to exercise the right to deduct, also the difference in the amount of the right to deduct The taxpayer proceeds similarly in the case of claiming a tax deduction for each individual transaction received which became part of the acquired fixed assets.

**§ 77**

**Settlement of tax deduction**

**(1)** The original tax deduction applied to commercial property before its use, with the exception of fixed assets, is subject to settlement if, within the period for the exercise of the right to deduct pursuant to § 73 para. than that taken into account when applying the original deduction.

**(2)** Use for other purposes means cases where the taxpayer has claimed the original deduction in

**(a) the** full amount and then use the property for the purposes for which it is entitled to a deduction of the reduced amount or is not entitled to a deduction;

**(b)** for the purposes for which he has no right to deduct or for the purposes for which he is entitled to a full deduction of the reduced amount and subsequently to use the property; or

**(c) in** whole or in part, and subsequently the property was destroyed, lost or stolen, which is not duly substantiated or confirmed on the date on which the payer became aware or should have known of the facts.

**(3)** The original tax deduction applied to buildings and units that are not fixed assets shall be subject to compensation also after the expiry of the period pursuant to Section 73 (3), if the other conditions pursuant to paragraph 1 are met.

**(4)** The amount of the tax deduction shall be calculated as the difference between the amount of the right to deduct at the time of the use of the property and the amount of the original deduction applied. If the calculated amount of the tax deduction is positive, the taxpayer is entitled to make the adjustment, if it is negative, the taxpayer is obliged to make the adjustment.

**(5)** The taxpayer shall settle the tax deduction for the taxation period in which the business property was used and in which the facts constituting the obligation or the possibility to make such settlement occurred.

**Adjustment of tax deduction**

**§ 78**

**(1)** The original deduction applied to acquired fixed assets is subject to adjustment if, in any of the calendar years following the year in which the original deduction was applied, the extent of the use of these assets for purposes that give rise to the deduction changes. The same applies to cases where the taxpayer was not entitled to a tax deduction when acquiring fixed assets because the assets were originally intended for use in the economic activity of the taxpayer for purposes that do not constitute a tax deduction.

**(2)** Changes in the extent of use of fixed assets shall be considered separately for each calendar year within the deadline for adjusting the tax deduction, in comparison with the facts which the taxpayer took into account when applying the original tax deduction or did not.

**(3) The** period for adjusting the tax deduction shall be 5 years and shall begin to run in the calendar year in which the fixed assets were acquired. In the case of buildings, units and their technical improvement [**73 )**](https://www.zakonyprolidi.cz/cs/2004-235#f2551676) and in the case of land, the period for adjusting the tax deduction is extended to 10 years.

**(4) A** change in the extent of use of fixed assets for purposes that give rise to the right to deduct is understood to be the cases where

**a)** claimed the full amount of the original tax deduction and subsequently uses the property for the purposes for which he is entitled to a partial tax deduction or has no right to deduct;

**(b)** has applied the original partial deduction and subsequently uses the property for the purposes for which he has no right to deduct or for the purposes for which he is entitled to a full deduction;

**(c) has** no right to deduct and subsequently uses those assets for the purposes for which he is entitled to deduct all or part of the tax; or

**(d)** has applied a partial deduction of the original tax and there is a difference between the ratio coefficients or the settlement factors.

**(5)** For the purposes of adjusting the tax deduction, technical improvement [**73 )**](https://www.zakonyprolidi.cz/cs/2004-235#f2551676) shall be considered as separate fixed assets.

**(6)** The taxpayer shall adjust the tax deduction for the last taxable period of the calendar year in which the facts constituting the obligation or the possibility to make this adjustment occurred.

**§ 78a**

**(1)** The amount of the adjustment of the tax deduction for the relevant calendar year shall be calculated in the amount of one fifth or one tenth in the case of buildings, units and their technical improvement [**73 )**](https://www.zakonyprolidi.cz/cs/2004-235#f2551676) and in the case of land, from the product

**(a) the** amount of input tax on the assets concerned; and

**(b) the** difference between the deduction indicator for the calendar year in which the deduction adjustment is made and the deduction indicator

**1.** to the calendar year in which the original deduction was made, or

**2.** to the calendar year in which the assets were acquired, unless the taxpayer was entitled to deduct.

**(2)** The indicator of the right to deduct is

**a)** 0% if the taxpayer is not entitled to deduct tax,

**(b)** 100% if the taxpayer is entitled to a full deduction of tax; or

**c) the** ratio coefficient or settlement coefficient, if the taxpayer is entitled to the deduction only in the partial amount, or the product of both coefficients, if there is a concurrent claim for deduction of the proportional tax pursuant to § 75 § 76.

**(3) The** adjustment of the tax deduction shall be made only if the difference between the indicators of the right to deduct is greater than 10 percentage points. If the calculated amount of the tax deduction adjustment is positive, the taxpayer is entitled to make the adjustment, if it is negative, the taxpayer is obliged to make the adjustment.

**(4)** When calculating the amount of the tax deduction adjustment for fixed assets acquired by the taxpayer as a taxable person prior to the date of registration, the procedure shall be analogous to paragraph 1, except that the tax deduction indicator the tax deductible indicator for the calendar year in which the registration occurred.

**(5)** If the payer uses the property for changed purposes pursuant to § 78 para. (a) to (c) for only part of the calendar year concerned, this shall be taken into account in the amount of the deduction calculated pursuant to paragraphs 1 or 4.

**§ 78b**

**(1)** The provisions of Sections 78 and 78a shall apply mutatis mutandis to the adjustment of the tax deduction for fixed assets created by own activities, except that the period for adjusting the deduction starts to run in the calendar year in which these assets were put into a condition fit for use.

**(2)** In the case of long-term assets created by own activities, the performance of which according to § 13 para. 6 (b)), the amount of input tax for the calculation of the adjustment of the tax deduction is determined according to § 36 para. and). For other internally produced fixed assets, the amount of input tax for calculating the adjustment of the deduction is determined as the sum of the input tax for each taxable transaction received that has become part of that asset.

**§ 78c**

**(1)** The provisions of Sections 78 to 78b shall apply mutatis mutandis to the adjustment of the tax deduction of

**a)** property acquired on the basis of a privatization decision pursuant to a law regulating the conditions for the transfer of state property to other persons,

**(b)** assets acquired at the acquisition of a commercial establishment;

**c)** assets that are part of the assets transferred in the transformation of a business corporation,

**(d)** property acquired by the payer as heir to carry on economic activities.

**(2)** The period for adjusting the tax deduction pursuant to paragraph 1 shall not be interrupted.

**§ 78d**

**(1)** In the case of fixed assets within the period for adjustment of the tax deduction, the supply of goods or services is performed, the provisions of Sections 78 to 78c shall apply mutatis mutandis; in which the performance was performed.

**(2)** The amount of the one-off adjustment of tax deduction for the calendar year in which the performance pursuant to paragraph 1 took place shall be determined as the product of the amount calculated pursuant to Section 78a (1) or (4) and the number of years remaining to the end of the adjustment period. The number of years also includes the year in which the adjustment of the tax deduction is made. The indicator of the right to deduct is 0% if the transaction is exempt without a right to deduct, or 100% if it is taxable.

**(3) The** tax deduction applied by the taxpayer to long-term assets in the same calendar year in which he performed the fulfillment pursuant to paragraph 1 shall also be subject to adjustment of the tax deduction.

**(4)** If the taxpayer delivers or provides fixed assets for which he was entitled to exercise the original right to deduct proportionally within the period for adjustment of the tax deduction, the transaction is also performed for the part of these assets originally intended for personal use of the taxpayer; of his employees.

**§ 78da**

**(1)** If, within the period for adjustment of the tax deduction, the immovable property has been delivered for which a significant correction has been completed, this correction shall be subject to the adjustment of the tax deduction.

**(2) The** period for adjusting the tax deduction in case of repair of immovable property is 10 years and starts to run in the calendar year in which the repair was completed.

**(3) The** adjustment of the tax deduction in the case of repair of immovable property shall be proceeded similarly pursuant to Section 78d, except that when determining the amount of one-off adjustment of deduction, the indicator of the original appropriate repairs.

**(4)** For the purposes of tax deduction, a significant correction pursuant to paragraph 1 shall mean a correction under accounting legislation 7i ) if the value of all taxable supplies relating to this correction excluding tax exceeds CZK 200,000.

**§ 78e**

**(1)** In case of destruction, loss or theft of fixed assets within the period for adjustment of the tax deduction, which are not duly substantiated or confirmed, the provisions of Sections 78 to 78c shall apply mutatis mutandis; the period in which the payer learned or should have known about these facts.

**(2)** The amount of the one-off adjustment of the tax deduction pursuant to paragraph 1 shall be determined as the product of the amount calculated pursuant to Section 78a (1) or (4) and the number of years remaining until the end of the adjustment period. The number of years also includes the year in which the adjustment of the tax deduction is made. The tax deductibility indicator is 0%.

**(3) The** tax deduction applied by the taxpayer to long-term assets in the same calendar year in which the facts pursuant to paragraph 1 occurred occurred shall also be subject to adjustment of the tax deduction.

**Entitlement to deduction at registration and cancellation of registration**

**§ 79**

**(1)** A taxable person shall be entitled to a tax deduction in respect of the taxable supply received, if such supply

**(a)** acquired for a period of 12 consecutive months before the date on which it became a payer; and

**(b)** is part of his commercial assets at the date on which that person becomes a payer.

**(2)** A taxable person shall also be entitled to deduct tax in respect of the taxable supply received if:

**(a)** it has acquired such services during a period spanning 60 consecutive months before the date on which it became a payer;

**(b)** such performance became part of a fixed asset that was put in a condition for use in the 12 consecutive months prior to the day it became a payer before the fixed asset was put into a condition for use; and

**(c)** such fixed assets are part of its commercial assets at the date on which they become payers.

**(3)** A taxable person shall also be entitled to a tax deduction in respect of the taxable transaction received, which is not part of his business assets at the date on which he became a payer, if, for a period of six consecutive months before the date on which he became a payer, it accepted that transaction and used it for the export of the exempt goods.

**(4)** The taxable person shall also be entitled to deduct tax in respect of the taxable supply received if:

**a)** acquired this performance before the day it became a payer,

**(b)** such transaction is not part of its commercial assets at the date on which it became a payer;

**(c)** would be entitled to a tax refund under Article 82a or 83 which it could not claim because it did not fulfill the condition of the minimum period for the application of the refund for submitting an application for tax refund.

**(5)** The right to deduct pursuant to paragraphs 1 to 4 shall be exercised in the manner, to the extent and under the conditions set out in Sections 72 to 78d. Section 78d (2) shall apply mutatis mutandis to the calculation of the amount of the right to deduct tax on fixed assets.

**(6)** The right to deduct pursuant to paragraphs 1 to 4 may be claimed for the taxation period to which the taxable person became the taxpayer.

**(7) The** taxpayer shall not be entitled to a tax deduction in respect of the taxable transaction received pursuant to paragraphs 1 to 4 if he has been entitled to a refund pursuant to Section 79d or to a tax refund.

**§ 79a**

**(1)** When canceling the registration, the taxpayer is obliged to reduce the claimed right to deduct tax on assets which, at the date of cancellation of the registration, are his business assets and for which he has claimed the right to deduct or part thereof.

**(2)** Amount of deduction of tax deduction for work in progress, for remuneration for taxable transactions not effected by the day preceding the date of cancellation of the registration, for a single-purpose voucher services, nor transferred, and for inventories shall be determined at the amount of the tax deduction claimed. Section 78d (2) shall apply mutatis mutandis to the calculation of the amount of the deduction of tax deduction for fixed assets.

**(3)** The amount of the deduction for property not referred to in paragraph 2 and for which a tax deduction of at least CZK 2100, acquired in the period including 11 calendar months prior to the cancellation of the registration and the calendar month in which the the cancellation of the registration shall be calculated as the product of the amount of one twelfth of the claimed tax deduction and the number of full calendar months of the period for which these assets were not the payer's commercial property.

**(4)** The provisions of paragraph 1 shall apply mutatis mutandis to:

**a)** property acquired on the basis of a privatization decision pursuant to a law regulating the conditions for the transfer of state property to other persons,

**(b)** assets acquired at the acquisition of a commercial establishment;

**c)** assets that are part of the assets transferred in the transformation of a business corporation,

**(d)** property acquired by the payer as heir to carry on economic activities.

**(5) The** taxpayer shall be obliged to reduce the tax deduction pursuant to paragraphs 1 to 4 for the last tax period of registration.

**§ 79b**

The person administering the inheritance is obliged in the last tax return filed on behalf of the deceased taxpayer to reduce the claimed tax deduction for property which is the business property of the deceased taxpayer and for which the taxpayer claimed the tax deduction or its part if the heir does not proceed activities after the deceased payer.

**§ 79c**

In the case of cancellation of the registration, there is no obligation to reduce the claimed right of deduction for assets that are business assets at the date of cancellation of the registration and for which the right to deduct or part thereof has been claimed, namely

**a)** upon dissolution of a business corporation without liquidation,

**(b)** in the event that a natural person who is a payer terminates his business by placing all his business assets in a legal person who immediately pursues his business and of which he is the sole founder;

**c)** upon cancellation of the registration of a legal entity,

**1.** who was a payer,

**2.** which was established by a single natural person; and

**(3)** whose business continues as a natural person;

**d)** in the case of a merger, merger or division of a state-owned enterprise, if it is a payer,

**(e)** in the transformation of a person who was not established or constituted for the purpose of doing business if he is a payer; or

**f)** upon cancellation of group registration and termination of group membership.

**§ 79d**

**(1)** If a person registered for taxation in another Member State or a foreign taxable person (hereinafter referred to as “the person entitled to a refund”) reduced the registration pursuant to § 106 para. 4 or § 106b para. (a) as a taxpayer who has a right of deduction for commercial property, shall be entitled to a refund corresponding to that reduction to the extent that it has used that property for the purposes of the transactions giving rise to the right of deduction for a period of one year after cancellation of registration.

**(2)** If a person entitled to a refund becomes a payer during the period referred to in paragraph 1, he shall be entitled to a refund pursuant to paragraph 1 for the period ending on the day preceding the day on which he became a payer.

**(3)** Entitlement to a refund pursuant to paragraph 1 may be filed by filing an additional tax return for the taxation period in which the person entitled to the refund was canceled by the end of the second calendar month following the end of the period specified in paragraphs 1 or 2 If, within that period, the claim for reimbursement referred to in paragraph 1 is not exercised, it shall lapse.

**(4)** An additional tax return may not be filed before the end of the period specified in paragraph 1 or 2.

**(5)** If a refundable overpayment arises as a result of the assessment of the right to a refund pursuant to paragraph 1, the tax administrator shall return it without a request within 30 days of such assessment.

**(6)** The person entitled to a refund is a taxable person.

**Episode 11**

**Tax refund**

**§ 80**

**Refunds to persons enjoying privileges and immunities**

**(1)** For the purposes of this Act, a person enjoying privileges and immunities pursuant to treaties forming part of the Czech legal order [**55 )**](https://www.zakonyprolidi.cz/cs/2004-235#f2551645) (hereinafter referred to as "person enjoying privileges and immunities") shall mean:

**(a) a** diplomatic mission and consular post, with the exception of consular posts headed by honorary consular officers (hereinafter referred to as "consular post"), accredited to the Czech Republic as foreign authorities;

**(b)** special missions;

**c) an** international organization domiciled in the Czech Republic or a representation of an international organization located in the Czech Republic,

**d) a** member of the diplomatic mission [**56 ) of a**](https://www.zakonyprolidi.cz/cs/2004-235#f2551647) consular post [**57 )**](https://www.zakonyprolidi.cz/cs/2004-235#f2551649) domiciled in the Czech Republic, with the exception of a member of the service staff and a private official who is accredited for the Czech Republic and has no place of residence in the Czech Republic;

**e)** an official of an international organization domiciled in the Czech Republic or a representation of an international organization located in the Czech Republic who does not have a domicile in the Czech Republic and is not a Czech national if he / she is permanently assigned to perform his / her official functions in the Czech Republic; a member of a special mission accredited for the Czech Republic and not resident in the Czech Republic,

**f) a** member of the family of a person referred to in points (d) and (e), if he / she lives in a co-operating household in the Czech Republic, has reached the age of 15, is not a Czech citizen and is registered by the Ministry of Foreign Affairs; for the purposes of this Act, a co-operating household means a community of natural persons who live together permanently and meet the costs of their needs,

**(g) a** body of the European Union.

**(2) The** person enjoying the privileges and immunities referred to in paragraph 1 shall be refunded the tax paid if the price for taxable supply including tax paid to one seller on one calendar day stated on one document pursuant to paragraph 6 is higher than 4,000 CZK. or unless the application of the principle of reciprocity implies otherwise; this amount does not apply to the acquisition of automotive fuel, telecommunications services or services related to the collection and removal of municipal waste, electricity, water, gas, and heating oils for heat production. Tax paid in the prices of goods and services (hereinafter referred to as "tax paid") shall be refunded:

**(a) the** person referred to in paragraph 1 (a); a), which has its registered office in the Czech Republic and his person referred to in paragraph 1 d) and members of her family pursuant to paragraph 1 (a). f) based on the principle of reciprocity, to the maximum extent to which the tax is refunded to a Czech person enjoying privileges and immunities in a foreign state,

**(b) the** person referred to in paragraph 1 (a); a), which has its registered office in the Czech Republic, but its sending State does not apply taxes as part of the price of goods and services, up to a maximum of CZK 3,000,000 per calendar year, with the exception of taxes paid in passenger cars and the acquisition, construction, reconstruction or maintenance of immovable property situated in the territory of the country, a member of the diplomatic mission or consular post referred to in paragraph 1 (a), d), up to a maximum of CZK 100,000 per calendar year, with the exception of the tax paid in the price of passenger cars, and members of his family pursuant to paragraph 1 (a). f), up to a maximum of CZK 100,000 per calendar year, with the exception of the tax paid in the price of passenger cars,

**(c) the** person referred to in paragraph 1 (a); a), which is accredited for the Czech Republic but has its seat outside the territory of the Czech Republic, up to a maximum of CZK 250,000 per calendar year,

**(d) the** person referred to in paragraph 1 (a); d) which is accredited for the Czech Republic but has a place of residence outside the Czech Republic, up to a maximum of CZK 10,000 per calendar year,

**(e) the** person referred to in paragraph 1 (a); b) and c), up to a maximum of CZK 500,000 per calendar year, with the exception of the tax paid in the price of passenger cars and the price of goods and services provided in connection with the acquisition, construction, reconstruction or maintenance of real estate situated in the country otherwise,

**(f) the** person referred to in paragraph 1 (a); e), up to a maximum of CZK 100,000 per calendar year, with the exception of tax paid in the price of passenger cars, unless stipulated otherwise by an international treaty, and to members of her family referred to in paragraph 1 (a). f), up to a maximum of CZK 100,000 per calendar year, with the exception of tax paid in the price of passenger cars, unless stipulated otherwise by an international agreement.

**(3)** Entitlement to tax refund shall be filed by filing

**a) the** tax return for claiming the tax refund for the persons referred to in paragraph 1 (a); (a) to (f), provided that such declaration cannot be filed electronically; or

**(b)** refund applications for persons referred to in paragraph 1 (a); G).

**(4) The** Ministry of Foreign Affairs shall confirm compliance with the principle of reciprocity and its personal, material and value scope in an annex to the completed tax return, which annex forms an integral part of the tax return.

**(5)**The beneficiary of the privileges and immunities referred to in paragraph 1 shall be entitled to a refund of the tax paid at the earliest during the taxable period in which the chargeable event occurs. Entitlement to a tax refund to a person enjoying privileges and immunities pursuant to par. (a) to (f) shall expire if it is not exercised by 31 January of the calendar year following the calendar year in which the chargeable event occurred. Entitlement to refund of the tax to the European Union entity expires if it is not exercised by 31 December of the calendar year following the calendar year in which the taxable transaction occurred. Beneficiary and immunity referred to in paragraph 1 (a) (a) to (c) and (g) shall be entitled to a refund of the tax paid on goods and services purchased, provided that the goods and services purchased are used exclusively for its official use. Beneficiary and immunity referred to in paragraph 1 (a) (d) to (f) shall be entitled to a refund of the tax paid on goods and services purchased, provided that the goods and services purchased are used exclusively for his own use and consumption.

**(6)** Entitlement to a tax refund shall be proved by a document which the taxpayer carrying out the taxable supply at the request of the person referred to in paragraph 1 is obliged to issue with the following particulars:

**(a) the** business name or name, addition to the name and registered office of the payer who carries out the chargeable event;

**(b) the** tax identification number of the payer carrying out the taxable transaction;

**(c) the** name of the person for whom the chargeable event occurs;

**d)** scope and subject of the taxable supply,

**e)** document registration number,

**f) the** date of the chargeable event,

**g)** tax rate and tax base,

**h)** amount of tax,

**(i) the** total price including tax.

**(7)** Upon purchase of a passenger car, the entitlement to a tax refund shall be proved by a document pursuant to paragraph 6 and a copy of the technical certificate.

**(8)** The maximum amount of tax that is returned to a person enjoying privileges and immunities shall include tax that would be calculated if the transaction provided for that person was not exempt pursuant to Section 68 (9).

**(9)** The tax period for a person enjoying privileges and immunities referred to in paragraph 1 (b) shall be: (a) to (c) a calendar month and for persons enjoying the privileges and immunities referred to in paragraph 1 (a) to (c); d) to f) calendar quarter. The tax return is filed once for the tax period, not earlier than the first day of the following tax period and no later than 31 January following the year for which the tax return is filed. The tax refund application can be submitted once a calendar year, at the earliest after its end.

**(10)** For the purposes of tax refunds, a tax return or a tax refund application shall be submitted by a person enjoying privileges and immunities as follows:

**a) the** diplomatic mission, the special mission and the consular post shall file a tax return to the tax administrator with territorial jurisdiction over their registered office in the Czech Republic,

**(b) a** member of the diplomatic mission, special mission and consular post established in the country, including members of their family, submits a tax return to the tax administrator having jurisdiction over the registered office of the persons referred to in point (a);

**(c)** a European Union body domiciled in the territory of the European Union submits a claim for refund to the locally competent tax authority according to its domicile; if this person is not resident in the Czech Republic, he / she applies for a refund via the General Financial Directorate, and the tax administrator is the locally competent Tax Office for the Capital City of Prague,

**d) the** international organization or the representation of the international organization shall file a tax return to the tax administrator with territorial jurisdiction based on their registered office or location in the Czech Republic,

**e)** an official of an international organization or a representative of an international organization or a member of his / her family file a tax return to the tax administrator with territorial jurisdiction according to their place of residence in the Czech Republic,

**(f) the** diplomatic mission or consular post referred to in paragraph 2 (a); (c), including their members under paragraph 2 (a). d), file a tax return to the Tax Office for the Capital City of Prague.

**(11)** A person enjoying the privileges and immunities referred to in paragraph 1 who has claimed a refund of goods under this provision may not claim a refund of the tax to foreign natural persons pursuant to Section 84 when exporting goods.

**(12)** The scope of the privileges in respect of the acquisition of tax-refundable passenger cars and the acquisition of tax-exempt passenger cars from other Member States, including quantitative limits for passenger cars and the period during which such cars may not be hired, borrowed, pledged, stolen or destroyed shall be governed by the principle of reciprocity and shall be granted, to the maximum extent accorded to a Czech person enjoying privileges and immunities in a foreign State. A condition for claiming a refund when acquiring passenger cars in the Czech Republic or from another Member State is to assign a diplomatic registration number in accordance with the vehicle registration legislation.

**(13)** Where the principle of reciprocity cannot be applied, quantitative limits and periods for a person enjoying privileges and immunities pursuant to paragraph 1 shall be set for which the tax is acquired on a purchased passenger car or exempted from the acquisition of a passenger car from another Member State. Taxes as follows:

**(a) the** person referred to in paragraph 1 (a); (a) to (c) may acquire, within the territory of the country with a right to refund, or purchase from another Member State with a right to exemption, passenger cars in a quantity appropriate to the size of the office;

**(b) the** person referred to in paragraph 1 (a); (d) may acquire, within the territory of the Member State with a right to reimbursement, or from another Member State with a right to exemption in quantities of:

**1.** Ambassador, Nuncio or Head of Mission of equivalent rank 2 passenger cars plus 1 passenger car, if accompanied by a family member registered by the Ministry of Foreign Affairs;

**2.** diplomatic staff and consular officer 1 passenger car plus 1 passenger car, if accompanied by a family member registered by the Ministry of Foreign Affairs;

**3.** administrative and technical staff and consular employee 1 passenger car,

**(c) the** person referred to in paragraph 1 (a); (e) may, in the territory of the country, acquire, with the right to a refund, or purchase from another Member State entitled to exemption, passenger cars in the quantity provided for in point (b), unless otherwise provided in an international treaty;

**(d) the** tax is refunded on a domestic passenger car acquired or the acquisition of a passenger car from another Member State is exempt on condition that:

**1.** a diplomatic registration plate shall be assigned in accordance with the vehicle registration legislation; and

**2.** for 24 months from the date of registration of the passenger car, it shall not be hired, rented, pledged, stolen, destroyed or disposed of in accordance with the legislation governing the registration of vehicles,

**(e)** in the event of a breach of the conditions set out in point (d), the person enjoying privileges and immunities must:

**1.** to refund the amount paid or its proportional part to the tax administrator within 30 days from the date of the finding of a breach of these conditions, or

**2.** in the case of tax exemption, to file a tax return with the proviso that the tax return cannot be filed electronically within 25 days of the date on which the breach occurred;

**(f)** if the person referred to in paragraph 1 (a): d) or e) proceed according to letter e), the amount paid or the amount of tax corresponds to the pro rata part of the tax for the remaining period of the 24 month period,

**(g)** if the person referred to in paragraph 1 (a): d) or e) terminates his / her business stay in the Czech Republic prematurely;

**(h)** if the person referred to in paragraph 1 (a): d) or e) terminates his / her stay in the Czech Republic within 6 months from the date of the assignment of the diplomatic license plate of such a car;

**(i) the** person referred to in paragraph 1 (a); (d) or (e) need not apply subparagraphs (e) to (g) provided that the passenger car is transferred to another person enjoying privileges and immunities.

**§ 80a**

**Refunds to an international non-domestic organization**

**(1)** An international organization of which the Czech Republic is a member and which has no registered office or representation in the Czech Republic shall be entitled to a refund of the tax on purchased goods and services to the extent specified in the relevant international treaty.

**(2)** Entitlement to a tax refund shall be claimed by filing an application for a tax refund, provided that the application cannot be submitted electronically.

**(3)** Entitlement to tax refund may be claimed no earlier than after the end of the calendar month in which the taxable transaction took place, but not later than 31 January of the calendar year following the calendar year in which the transaction occurred. Upon expiry of that date, the right to a refund of the tax referred to in paragraph 1 shall cease.

**(4) The** person referred to in paragraph 1 shall be reimbursed the tax paid in the prices of goods and services if the price for taxable supply, including tax paid to one seller on one document, is higher than CZK 4,000 per day.

**(5)** The claim for tax refund shall be proved by a document which the taxpayer carrying out the taxable supply is obliged to issue at the request of the person referred to in paragraph 1. The document shall contain the following information:

**a) the** name of the person who carries out the taxable transaction,

**(b) the** tax identification number of the taxable person;

**(c) the** name of the person for whom the taxable supply is made;

**d)** scope and subject of the taxable supply,

**e)** document registration number,

**f) the** date of the chargeable event,

**g)** tax base,

**h)** tax rate,

**(i) the** amount of the tax, expressed in Czech currency;

**(j) the** total price including tax.

**(6)** The tax authority for the capital city of Prague shall be the locally competent tax administrator for the person referred to in paragraph 1 above.

**§ 81**

**Refund of foreign aid**

**(1)** If an international treaty, which is part of the Czech legal order, contains a provision that non-repayable foreign aid is exempt or tax cannot be paid from foreign aid, the person who paid such tax is entitled to a tax refund, namely upon request. The tax is not refundable for programs and projects financed by European Union resources, except for pre-accession assistance programs.

**(2) A** person who has paid such a tax and who applies for a refund of the tax paid from non-repayable foreign aid or from European Union funds provided in support of research and development projects [**59a )**](https://www.zakonyprolidi.cz/cs/2004-235#f2551655) shall also be entitled to a tax refund if these funds may be used to pay the tax.

**(3)** The person applying for the tax refund (hereinafter referred to as the "applicant") must state in the application for tax refund the business name or name, supplement to the name and registered office or place of residence, tax identification number or social security number, or other identification number. The claimant submits the tax refund application to the locally competent tax authority, except for a foreign person who submits the application to the tax authority for the City of Prague.

**(4)** The application for tax refund must be submitted

**(a)** tax or sales documents issued by the payer;

**b)** proof of payment of the tax,

**c) a** confirmation of the origin of the funds and that the purchased goods or services are part of a non-returnable foreign aid program issued by the Ministry of Finance or a person authorized by the Ministry of Finance to issue such a certificate.

**(5)** The taxpayer carrying out the taxable supply shall be obliged to state on the document of sale of the goods or provision of the service

**(a) the** business name or name, addition to the name and registered office of the payer carrying out the chargeable event;

**(b) the** tax identification number of the payer carrying out the taxable transaction;

**c)** business name or name and registered office or place of residence of the person for whom the taxable transaction is performed,

**d)** scope and subject of the taxable supply,

**e)** registration number of the tax document,

**f) the** date of the chargeable event,

**g)** tax rate and tax base,

**h)** amount of tax,

**(i) the** total price including tax.

**(6)** If the applicant is a taxable person arising from the purchased goods or services, he shall submit a tax refund claim by proof of purchase of the goods or services issued by the supplier or taxable supplier on importation and prove that he has fulfilled performance.

**(7) A** person from another Member State or a foreign person who may be a claimant of a tax refund is entitled to a tax refund if he has paid the tax on the goods or services rendered as part of the foreign assistance. A taxpayer who, for the benefit of a person from another Member State or a foreign person, has made a taxable supply and has declared a tax if he or she does not apply for a tax refund is also entitled to a refund. In this case, the tax refund application does not contain proof of payment of the tax, but it must be confirmed in the tax refund application by a person from another Member State or by a foreign person that they are not applying for a tax refund. By this confirmation the claim for tax refund expires.

**(8)** Entitlement to a tax refund may be claimed within a maximum of 15 months from the end of the calendar month in which the chargeable event occurred. If the claim for tax refund is not exercised within this period, the claim expires.

**(9)** If a taxpayer makes a claim for a refund pursuant to paragraphs 1 to 8, he shall not claim a tax deduction pursuant to this Act.

**§ 82**

**Refunds to taxpayers in other Member States**

**(1)** A taxpayer having its registered office or place of business in the territory of the country shall be entitled to a refund of input tax on transactions with a place of supply in another Member State in which he was not established or established in the period for refund; state. If the taxpayer uses the received taxable supply for carrying out the supplies referred to in Section 72 (6), he is entitled to a partial refund of the tax.

**(2)** The condition for a refund in another Member State is the submission of an application for refund via an electronic portal managed by the General Financial Directorate. Authorization for access to the electronic portal shall be granted by the local tax authority within 15 days of receipt of an application for access authorization submitted in the format and structure published by the General Financial Directorate and signed by a recognized electronic signature or authenticated identity in the manner by which data boxes.

**(3)** The tax refund application shall be submitted no later than 30 September of the calendar year following the tax refund period. Acceptance of the application for tax refund will be confirmed to the applicant without delay via the electronic portal.

**(4)** If after the submission of the application for tax refund there is a change in the amount of the coefficient pursuant to Section 72 (6), the taxpayer shall correct the amount of the tax applied for or already refunded. The correction shall be made by the payer in the refund application submitted in the calendar year following the given refund period or, if he does not submit the refund claim in that calendar year, he shall submit the correction in a separate declaration through the electronic portal.

**(5)** The tax refund application shall not be forwarded to another Member State if, during the refund period, the applicant only performed exempt transactions without a right of deduction or was a taxable person pursuant to Article 6 (1) or was a non-taxable person . Notice of non-submission of the tax refund application will be communicated via the electronic portal.

**(6)** The moment of delivery in the cases referred to in paragraphs 1 to 5 shall be understood as the moment of sending the notification in the form of a data message to the electronic address specified in the request for refund via the electronic portal.

**Domestic tax refund to taxable persons in another Member State**

**§ 82a**

**(1) A** taxable person who is a taxable person in another Member State is entitled to a refund of input tax on transactions with a place of supply within the territory of the country if, during the refund period,

**a) it** has no registered office or establishment in the Czech Republic,

**(b)** was not a payer; and

**(c) has** not supplied the goods or services with the place of supply within the territory of the country, with the exception of:

**1.** exempt transactions pursuant to § 51, 66, 68 or 69,

**2. the** supply of goods or services in respect of which the person to whom the supplies were made was liable to tax;

**3. the** performance pursuant to Section 17, which he has performed as an intermediate person; or

**(4) the** supply of a service to which it has benefited from the one-stop scheme.

**(2)** The right to a tax refund may be exercised under similar conditions under which the taxpayer is entitled to a tax deduction in the Czech Republic. If a person registered for taxation in another Member State is entitled to a deduction of a proportional amount, he is entitled to a refund only at that proportional amount.

**(3)** The tax refund claim shall not apply to the amounts of tax which have been claimed

**a)** contrary to this Act,

**b)** for transactions which are exempt pursuant to § 19, 64 or § 66 para. b).

**(4)** A taxable person shall claim a refund of the taxable income received in the Member State in which its registered office is situated. Where the taxable transaction is accepted by the establishment, the taxable person shall claim the refund in the Member State where that establishment is located. Entitlement to a tax refund is claimed by filing an application for a refund via an electronic portal.

**(5)** The application for tax refund must contain

**(a) the** tax identification number for the purposes of the applicant's value added tax;

**(b) the** business name or name, registered office, place of residence of the applicant;

**c)** business name or name, registered office, place of residence of the representative, if any,

**d)** e-mail address,

**(e) a** description of the economic activity of the applicant for which the goods or services are received, using harmonized codes;

**(f)** the refund period covered by the refund application;

**(g) a** statement by the applicant that he has fulfilled the condition laid down in paragraph 1 (a). C),

**(h)** account information, including IBAN, BIC, account owner name and account currency;

**(i)** for each tax document or tax document on importation, the following particulars:

**1. the** tax identification number of the payer who effected the chargeable event, unless the goods are imported;

**2.** business name or name, addition to the name and registered office of the payer who has carried out taxable transactions,

**3.** registration number of the tax document,

**4. the** date of the chargeable event,

**5.** tax base and tax amount in Czech currency,

**6. the** total amount of the claim for refund in Czech currency,

**7. a** coefficient for the calculation of the right to deduct, expressed as a percentage,

**8. the** type of goods or services received, broken down by the codes referred to in paragraph 6.

**(6)** In the application for a refund the type of goods or services must be described according to the following codes:

1 hydrocarbon fuels,

2 rental of means of transport,

3 transport-related expenditure (other than goods and services covered by codes 1 and 2),

4 tolls and road tolls,

5 travel expenses such as taxi fares, public transit fares,

6 accommodations,

7 food, beverages and restaurant services,

8 admissions to fairs and exhibitions,

9 expenditure on luxury goods, entertainment and entertainment,

10 other.

**(7)** An application for a refund must be submitted by the applicant by an electronic copy of the tax document or tax document upon importation of goods if the taxable amount exceeds the equivalent of EUR 250 for hydrocarbon fuels or EUR 1000 for other types of goods or services received.

**(8)** The refund period for which a tax refund application can be submitted shall be no more than one calendar year and at least three calendar months, or a period shorter than three months for the remainder of the calendar year. The amount of tax specified in the refund application must not be less than the equivalent

**(a)** EUR 400 for a period of less than one calendar year but not less than three months; or

**(b)** EUR 50 for a period of one calendar year or a period of less than three months for the remainder of the calendar year.

**(9)** For the purpose of this provision, the foreign exchange market rate announced by the Czech National Bank on the first working day of January of the year for which the tax refund application is submitted shall be used for the conversion of the tax amount in EUR into Czech currency. The converted amount shall be rounded down to whole crowns.

**(10)** The tax refund application shall be submitted no later than 30 September of the calendar year following the tax refund period, otherwise the claim expires. An application for a refund shall be deemed to have been filed only if the applicant has supplied all the information required under paragraph 5.

**(11)** Entitlement to a tax refund may be claimed no earlier than for the tax refund period in which the taxable transaction was received or in which the consideration was received, on the earlier date, if the taxpayer became liable to pay the tax, or in which a tax was levied on the importation of goods. A tax refund application may also include a tax that was not included in previous tax refund applications submitted, but only tax relating to the transactions made in the calendar year to which the tax refund claim relates.

**(12)** If, following the submission of the refund application, there is a change in the amount of the coefficient for the calculation of the right to deduct the partial amount, the taxable person in another Member State will correct the amount of tax applied for or already refunded. The correction shall be made in the refund application submitted in the calendar year following the given refund period, or if he fails to submit the refund claim in that calendar year, he shall submit the correction in a separate declaration through the electronic portal. If a separate declaration is made, the tax administrator will take this correction into account and proceed in the same way as for a refund application.

**(13)** A taxable person who has neither a registered office nor an establishment in the country, is a payer and at the same time applies in another Member State the special one-stop scheme cannot claim a refund of input tax on supplies with the place of supply selected services to which the one-stop scheme is applicable; this person may claim a tax deduction under these Acts for such transactions.

**§ 82b**

**(1)** The tax authority for refunding tax to a person registered for taxation in another Member State is the Tax Office for the Capital City of Prague.

**(2)** The tax administrator may perform all acts towards the applicant electronically. Notices, invitations and decisions on the refund to a taxable person in another Member State shall be delivered to the email address indicated in the refund application. For the purposes of this provision, service shall mean sending a data message to that email address.

**(3)** The tax administrator shall immediately inform the applicant of the date of receipt of the application for tax refund.

**(4)** The tax administrator may request additional information from the applicant, the competent authority of another Member State or another person within 4 months from the date of receipt of the application for tax refund. Additional information must be provided to the tax administrator within 1 month from the date of delivery of the request for supplementary information. If the tax administrator has doubts about the correctness of a particular claim, he / she is entitled to request additional information in the form of submission of the original or a copy of the relevant tax document, in which case the amounts specified in § 82a (7) shall not apply.

**(5)** The tax administrator shall deliver the tax refund decision to the applicant within 4 months from the date of receipt of the tax refund application. If the tax administrator requests additional information pursuant to paragraph 4, the tax administrator shall deliver the decision within 2 months from the date of receipt of the additional data. If the tax administrator does not receive the additional data requested by the request, the tax administrator will deliver the decision to the applicant within 2 months from the date when the additional data should have been sent. However, the deadline for deciding on all or part of the tax refund application in case additional data is requested shall not expire earlier than 6 months from the date of receipt of the tax refund application by the tax administrator, but shall not exceed 8 months.

**(6)** Reasons shall be given for a decision not to fully comply with a tax refund application. Such a decision may be appealed.

**(7)** If the refund decision results in a refundable overpayment, the tax administrator shall return it to the applicant within 10 working days of the expiry of the period pursuant to paragraph 5, to the account specified in the tax refund application. Repayable overpayment shall be reimbursed within the country or in another Member State. Where a refundable overpayment is returned to an account held in another Member State, the fees for transferring the refundable overpayment shall be borne by the applicant. The transfer date for non-cash transfers made from the account is the date on which the funds were debited from the tax administrator's account.

**(8)** If the deadline for the transfer of the refundable overpayment pursuant to paragraph 7 is not observed, the tax administrator shall pay the applicant interest according to the Tax Code for the period of delay. The tax administrator will send the interest declared to the account specified in the tax refund application. The applicant shall not be entitled to interest unless he has submitted additional information within the time limit referred to in paragraph 5 or until he has submitted the documents to be provided pursuant to Section 82a (7).

**(9)** In the event that the refund was obtained fraudulently or in any other unauthorized manner, the applicant shall be obliged to repay the unduly paid amount and to pay interest on the unduly paid amount; the obligation to pay interest does not arise if the person to whom the tax was refunded became or was a payer in the period for which the tax was refunded, provided that he / she fulfilled the conditions for claiming the tax deduction. Interest is calculated as if it were a delay in the payment of the tax, calculated for the entire period from payment to actual refund.

**(10)** The tax administrator shall issue a decision on the obligation to repay the amount unduly paid and to pay interest pursuant to paragraph 9, in which it simultaneously revokes the original decision on tax refund or changes it to the extent corresponding to the amount unduly granted. The obligation to repay an amount wrongly or in an incorrect amount expires 3 years after the date of delivery of the decision granting the right to a refund of the amount of tax fraudulently or otherwise unlawfully obtained. Unless otherwise specified, the amount unduly paid shall be treated as a tax under the Tax Code.

**§ 83**

**Refunds to foreign taxable persons**

**(1) A** tax refund for a taxable supply with a place of supply within the territory of the country received by a foreign taxable person who does not have an establishment in the European Union may claim this tax, unless otherwise in the country for which than the following transactions:

**(a) the** importation of goods;

**(b)** exempt transactions without deduction;

**c)** performance pursuant to Section 69,

**(d)** transactions in respect of which the taxable person or the identified person for whom the transaction is rendered is required to declare the tax; or

**(e) the** supply of a service to which the one-stop scheme is applicable.

**(2)** Paragraphs 3, 9 and 10 shall not apply to refunds of tax relating to the provision of a selected service to which the special regime of one administrative place has been applied.

**(3)** The tax shall be refunded on the basis of reciprocity. The principle of reciprocity means that the State in which the foreign person is established does not levy value added tax or a similar general consumption tax, or, if such a tax is levied, is refunded to the taxable person domiciled in the amount of the tax collected. The right to a tax refund can be claimed by a foreign person on goods and services under similar conditions under which the taxpayer can claim a tax deduction.

**(4) A** foreign person shall apply for a tax refund by filing an application for a tax refund to the Tax Office for the Capital City of Prague on a form prescribed by the Ministry of Finance;

**(5)** The application must be made by a foreign person

**a)** document the tax documents issued by the payer,

**b)** document the tax documents upon importation of goods into the Czech Republic and proof of payment,

**(c)** be accompanied by a certificate certifying that the applicant is a person registered for value added tax or other similar tax in a third country issued by the competent tax authority in the country where the foreign person is registered; ,

**(d)** substantiate by written declaration that it has met the conditions set out in paragraph 1 during the period for which it is applying for a refund.

**(6)** The refund period must cover at least three consecutive calendar months in a calendar year but not more than one calendar year. The refund period can be shorter than three months only if it is the remaining period of the calendar year. Tax refund requests for the remainder of a calendar year may also include purchases of goods or services, or imports of goods not included in previous applications but relating to the calendar year in question. The application may not include a tax refund that relates to previous calendar years. The tax refund application for the calendar year concerned can be submitted no later than 30 June of the following calendar year, otherwise the claim expires.

**(7)** The tax authority may invite a foreign person to submit a certificate issued by the competent authority of the state in which the person has its registered office that value added tax or similar general consumption tax is not collected in that state.

**(8)** The tax administrator shall return the approved amount to the account specified in the application for tax refund. The approved amount shall be refunded in the Czech Republic or in any other State. If the approved amount is refunded in any other state, the fees for transferring the approved amount shall be charged to the foreign person.

**(9)** The tax will be refunded if the amount of the refund is

**(a)** not less than CZK 7 000 for a period of less than one calendar year but not less than 3 months; or

**b)** at least CZK 1,000 for a period of one calendar year or a period of less than 3 months, if it is the rest of the calendar year.

**(10) The** types of non-refundable goods and services are:

**(a)** goods and services provided for personal consumption;

**(b)** travel, accommodation and catering expenses of a foreign person;

**c)** goods and services related to representation of a foreign person,

**d)** telephone charges,

**(e)** taxi services;

**(f)** fuel.

**(11)** In the event that the refund was obtained fraudulently or in any other unauthorized manner, the foreign person is obliged to repay the amount unduly paid and to pay interest on late payment for each day from payment to actual refund.

**(12)** The tax administrator shall issue a decision on the obligation to repay the unduly paid amount and to pay interest on late payment, at the same time revoking the original decision on tax refund or changing it to the extent corresponding to the amount unduly granted. The obligation to repay an amount wrongly or in an incorrect amount shall expire 3 years after the date of notification of the decision granting the right to repayment of the amount of tax fraudulently or otherwise. The amount unduly paid is treated as a tax under the Tax Code.

**§ 84**

**Refunds to third-country natural persons on export of goods**

**(1)** The right to a refund of the tax paid in the price of goods purchased domestically may be claimed by a person who:

**(a) he** has no place of residence in the territory of the European Union and his place of residence in a third country is registered in a passport or other identity document recognized as valid by the Czech Republic;

**(b)** does not carry out an economic activity in the country (hereinafter referred to as "foreign natural person").

**(2)** Entitlement to a tax refund to a foreign natural person arises if:

**(a) the** goods purchased are not of a commercial nature;

**b)** purchases goods whose price including tax paid to one seller on one calendar day exceeds CZK 2,000;

**(c)** within 3 calendar months of the end of the calendar month in which the chargeable event specified in the proof of sale took place, the goods purchased under point (b) are exported in personal luggage which can be taken away.

**(3)** Upon request of a foreign natural person, the Seller is obliged to issue a proof of sale of the goods in 2 counterparts, stating "VAT REFUND" on the first and "COPY" on the second; proof of sale of the goods must also contain the following information:

**(a) the** business name or name, addition to the name and registered office of the payer carrying out the chargeable event;

**(b) the** tax identification number of the payer carrying out the taxable transaction;

**c)** scope and subject of the taxable supply,

**d)** document registration number,

**(e) the** date of the chargeable event;

**f)** tax rate and tax base,

**g)** amount of tax,

**h) the** total price including tax,

**(i) the** name and place of residence of the foreign natural person who exports the goods.

**(4)** The following types of goods shall not be eligible for a refund:

**(a)** hydrocarbon fuels and lubricants;

**(b)** tobacco products;

**(c)** alcoholic beverages;

**(d)** foodstuffs and other goods listed under the tariff nomenclature code in Chapters 01 to 21.

**(5)** The customs office shall confirm the fulfillment of the conditions pursuant to paragraph 2 on the first copy of the document on the sale of goods, or electronically. The fulfillment of the condition of export of the goods shall be confirmed by the customs office stating the date of exit of the goods from the European Union.

**(6)** The tax refund claim shall apply to the taxpayer who performed the taxable supply. The taxpayer who has performed the taxable supply is obliged to refund the tax to the foreign natural person or another person on the basis of his declaration that he is acting on behalf of and for the benefit of the foreign natural person that the fulfillment of the conditions pursuant to paragraph 2 has been confirmed electronically by the customs office.

**(7) The** taxpayer shall first mention the refund in the tax return for the taxable period in which the refund was made and no later than 3 years after the end of the taxable period in which the chargeable event occurred. The taxpayer is obliged to keep the first copy of the document on the sale of goods or confirmation that the fulfillment of the conditions pursuant to paragraph 2 has been electronically confirmed by the customs office for the period specified in Section 35 (2).

**(8)** The entitlement to the tax refund to a foreign natural person shall cease if the first copy of the proof of sale of goods or confirmation that the fulfillment of the conditions under paragraph 2 was not confirmed electronically by the customs office the chargeable event occurred.

**§ 85**

**Refunds for people with disabilities**

**(1)** A person with a disability shall be entitled to a refund of the tax paid on a motor vehicle delivered to that person.

**(2)** For the purposes of this provision, a person with a disability shall mean a natural person who, by decision of the competent authority, has been granted a contribution under the Act governing the provision of benefits to persons with disabilities for a motor vehicle delivered to him.

**(3)** The tax shall be refunded for one motor vehicle delivered to one or more persons with disabilities for a period of 5 years up to a total amount of CZK 100,000. The tax may be refunded no earlier than five years after the date of the previous refund.

**(4) A** person with a disability may claim a refund of the tax paid pursuant to paragraph 3 no earlier than for the calendar month in which the taxable supply took place.

**(5)** The tax may be refunded to a person with a disability before the expiry of the period pursuant to paragraph 3, based on a decision pursuant to paragraph 2.

**(6)** If a disabled motor vehicle is delivered to a disabled person, that person may claim a tax refund calculated from the tax base pursuant to Section 90. In this case, the trader is also obliged to state tax on the tax document when applying the special scheme pursuant to Section 90 .

**(7) A** person with a disability may claim a refund of the tax paid no later than 3 years after the end of the calendar month in which he received the decision of the competent authority to grant a contribution to the special aid under the Act from the end of the calendar month in which the chargeable event occurs, from the later date.

**(8)** A person with a disability who is entitled to a refund of the paid tax pursuant to paragraphs 1 and 2 may assert this claim by filing an application for a refund of the tax to the tax administrator with territorial jurisdiction over his / her place of residence.

**(9)** The application for tax refund must contain

**(a) the** name, place of residence and personal identification number of the disabled person;

**(b) the** decision referred to in paragraph 2;

**(c) a** tax document pursuant to Section 28 or a motor vehicle sales document.

**(10)** The taxpayer is obliged to state on the document of sale of the motor vehicle

**(a) the** business name or name, addition to the name and registered office of the payer carrying out the chargeable event;

**(b) the** tax identification number of the payer carrying out the taxable transaction;

**(c) the** name and place of residence of the person for whom the chargeable event occurs;

**d)** scope and subject of the taxable supply,

**e)** document registration number,

**f) the** date of the chargeable event,

**g)** tax rate and tax base,

**h)** amount of tax,

**(i) the** total price including tax.

**(11)** In the event that a disabled person who has been refunded tax pursuant to paragraph 8 within 60 months of the tax refund transfers or leases the ownership of the motor vehicle, he is obliged to return the paid amount or its proportional part to the account of the relevant tax administrator, no later than 30 days from the date on which this occurred. Within the same period, the disabled person shall notify the tax administrator that he or she is returning this amount or a proportion thereof.

**(12)** The calculation of the proportion of the amount paid pursuant to paragraph 11 shall be based on the number of months, which shall include the month in which the disabled person transferred or leased the ownership of the motor vehicle until expiry of the period referred to in paragraph 11.

**§ 86**

**Refund of the Armed Forces of Foreign States**

**(1)** The claim for tax refund may be claimed when acquiring selected types of goods or services

**a) the** armed forces of the sending State [**60 )**](https://www.zakonyprolidi.cz/cs/2004-235#f2551658) , which is a member of the North Atlantic Treaty or a State participating in the Partnership for Peace, other than the Czech Republic, if the international treaty, which is part of Czech law tax,

**(b) the** Ministry of Defense in the procurement of goods or services covered by the North Atlantic Treaty Organization.

**(2)** If the transaction is exempt pursuant to Section 68 (10), the claim for tax refund cannot be claimed.

**(3)** Selected types of goods or services pursuant to paragraph 1 shall be understood

**(a)** mineral oils for service vehicles, aircraft and ships of the armed forces and their civilian personnel;

**(b)** goods or services acquired as part of a North Atlantic Treaty security investment project, equipment of buildings under that project, and services related to the operation of those goods or buildings.

**(4) The** persons referred to in paragraph 1 shall be entitled to a refund of the tax on the day on which the obligation to declare output tax arose. The person referred to in paragraph 1 (a) shall: (b) the right to a refund arises only in the amount corresponding to the amount paid from the resources of the North Atlantic Treaty Organization through the relevant state budget chapter.

**(5) The** persons referred to in paragraph 1 shall file a claim for a refund of the tax on a form prescribed by the Ministry of Finance, and this request cannot be filed electronically. Persons referred to in paragraph 1 (a) a) claim a refund through the Ministry of Defense. If the tax administrator finds that the application for a tax refund does not contain all the required particulars, or if doubts arise as to the correctness of the submitted application, he / she shall invite the person referred to in paragraph 1 (a). a) to remove defects or irregularities through the Ministry of Defense.

**(6)** The application for tax refund must be accompanied by tax documents or documents on the sale of goods or provision of services. Tax documents or documents on the sale of goods or provision of services submitted by the person referred to in paragraph 1 (a). (b) they must be accompanied by a distinctive "purchase financed by NATO" clause.

**(7) The** proof of sale of goods or provision of services issued by the payer must contain

**(a) the** business name or name, addition to the name and registered office of the payer carrying out the chargeable event;

**(b) the** tax identification number of the payer carrying out the taxable transaction;

**(c) an** indication of the person referred to in paragraph 1 in favor of whom the chargeable event occurred;

**d)** scope and subject of the taxable supply,

**e)** document registration number,

**f) the** date of the chargeable event,

**g)** tax rate and tax base,

**(h) the** amount of the tax.

**(8)** The tax administrator shall return a refundable overpayment to the account of the Ministry of Defense kept for this purpose. Entitlement to tax refund expires if it is not claimed within 12 calendar months of the end of the calendar month in which the claim arose.

**(9)** If a person who has been refunded pursuant to paragraph 9 finds out that he / she was not entitled to a tax refund, he / she is obliged to return the amount unduly paid to the tax administrator through the Ministry of Defense no later than 30 days from the date of discovery.

**(10)** The tax authority for the capital city of Prague shall be the locally competent tax administrator for the person referred to in paragraph 1.

**§ 86a**

**General provisions for entitlement to a refund**

**(1)** A person requesting a tax refund is a tax entity for the purposes of tax refund.

**(2)** If a refundable overpayment arises as a result of the assessment of the right to a refund, the tax administrator shall return it to the tax entity without a request within 30 days of such assessment.

**Episode 12**

**Sale of goods at prices excluding value added tax**

**§ 87**

**Sales of goods at prices excluding tax**

**(1)** Goods may be sold to a natural person upon their immediate exit from the territory of the European Union at prices exclusive of tax

**(a)** on the basis of a final sale permit for tax-free prices;

**(b)** in the part of the transit area of ​​an international airport as defined in the sales authorization at tax - free prices or on board an aircraft during flight; and

**(c)** after verifying that its destination is in a third country or in a third territory.

**(2)** In the case of an authorization to sell for tax-free prices, the locally competent tax administrator shall be the customs office locally competent at the international airport.

**(3)** In the case of goods delivered by the payer in the Czech Republic and placed in the premises referred to in paragraph 1 (a). (b)), the holder of a license to sell for tax-free prices may claim a tax deduction under the conditions laid down in this Act.

**(4)** The provisions of the Act on Excise Duties governing the sale of goods at prices without excise duty shall apply mutatis mutandis to a license for sale at prices without tax.

**TITLE III**

**SPECIAL MODES**

***§ 88****repealed*

**§ 89**

**Special arrangements for travel services**

**(1) The** special regime shall be used by the travel service provider, who deals with the customer in his own name, when providing the travel service to the customer.

**(2)** For the purposes of the special scheme for travel services, the following definitions shall apply:

**(a) a** travel service provider is a taxable person who provides a travel service to a customer;

**(b)** customer means the person to whom the travel service is provided;

**(c)** travel service means the provision of a customer service which includes a combination of tourism services [**61 )**](https://www.zakonyprolidi.cz/cs/2004-235#f2551661) and, where appropriate, goods where the individual tourism services and goods are purchased from other taxable persons; the provision of a travel service is considered to be a single service, although several travel services and, where appropriate, goods purchased from other taxable persons are used to carry out the travel service; the provision of a service to the customer, which includes only one purchased tourism service of accommodation or transport of persons, is also considered a travel service.

**(3)**In the provision of a travel service, the taxable amount shall be the mark-up of the travel service provider minus the mark-up tax. This mark-up shall be the difference between the total amount of money received or to be paid by the payer from the customer or a third party for the travel service provided and the sum of the amounts paid or to be paid by the payer for each tourism service and goods purchased from others taxable persons which are directly included in the travel service. The mark-up may also be determined as the difference between the total amount received or to be received by the travel service provider for the travel services provided during the tax period and the total amount paid or to be paid by the travel service provider for the purchased tourist services or goods from other taxable persons, which are directly included in the travel services provided during this tax period. If this difference is negative, the tax base is zero.

**(4)** When providing the travel service, the place of performance is the place where the provider providing the service has its registered office. However, where this service is provided through an establishment, the place of performance shall be the place where that establishment is located.

**(5)** The travel service provider is obliged to declare tax on the day of the travel service, if the surcharge is determined according to paragraph 3 for the tax period, it is obliged to declare the tax no later than the last day of the tax period in which the travel services are provided. The travel service shall be deemed to have been effected on the day the travel service is provided. The provision of a travel service shall be deemed to be the date on which the last tourism service included in the travel service was provided.

**(6)** A standard tax rate shall apply to travel services.

**(7)** Where individual tourism services purchased from other taxable persons are provided in a third country, the travel service is exempt from tax with the right to deduct. Where tourism services purchased from other taxable persons are provided both in a third country and in the territory of the European Union, the travel service shall be exempt from tax with the right to deduct only in proportion to the services provided in the third country and the territory of the European Union . Purchased air transport of persons with a destination to a third country with or without return or return transport shall be considered as a tourism service provided in a third country.

**(8)** The travel service provider shall not be entitled to a tax deduction or refund in another Member State for travel goods and services purchased from taxpayers or taxable persons in another Member State which it provides to the customer as part of a travel service.

**(9)** When providing a travel service, the tax document must state the words “special regime - travel service”. When providing a travel service, the tax document must not separately indicate the tax on the surcharge.

**(10)** A payer to whom a travel service has been provided shall not be entitled to deduct tax on the surcharge which he is required to pay in the price for that service.

**(11)** Where a travel service provider provides its own service or goods produced by its own activities which it may not include in the travel service, it is obliged to apply tax to such taxable transactions at the applicable tax rate and the tax is calculated from the price determined in accordance with is considered a monetary amount including tax.

**(12)** If a travel service provider applies a tax and is also obliged to apply a special scheme, he is also obliged to keep records for value added tax purposes separately according to the individual methods of tax application.

**(13)**The payer shall be obliged to correct the tax base and the amount of the tax for the travel service provided when the price of the purchased service or goods or the total amount for the travel service provided is changed according to paragraph 3, The difference between the original and the corrected tax base is considered as a separate taxable supply and the payer is obliged to make a correction on the date of change in the price of the purchased service or goods or the total amount for the travel service provided pursuant to paragraph 3, or other changes. The tax rate applicable on the date of the original taxable supply is used for the calculation of the tax. If a change in the price of the purchased service or goods or the total amount of the travel service provided pursuant to paragraph 3, or any other change, shall result in a reduction in the output tax,

**(14)** However, where the taxpayer provides travel services to another taxable person who is not a travel service provider for the purpose of carrying out economic activities, he does not need to apply a special scheme and applies output tax to each purchased tourism service at the applicable tax rate, the tourism services included in the travel service are provided domestically.

**(15)**The special regime is not entitled to use a payer who provides a service consisting in the provision of a travel service on behalf and on behalf of another person. The tax shall be calculated on the basis of the remuneration received or to be received by the payer for the travel service provided, which shall be treated as a monetary amount including tax. The supply of a service consisting in the provision of a travel service on behalf of and for the account of another person is exempt with the right to deduct if the individual tourism services included in the travel service are provided in a third country. Where the tourism services included in the travel service are provided both in a third country and in the territory of the European Union, the supply of a service consisting in the provision of a travel service on behalf of and for the account of another person shall be exempt from tax with the right to deduct only in proportion to the travel services provided in the third country and the territory of the European Union. For the definition of a tourism service provided in a third country, the third sentence of paragraph 7 shall apply mutatis mutandis.

**§ 90**

**Special scheme for merchants of used goods, works of art, collectibles and antiques**

**(1)** For the purposes of this provision:

**a) works of** art, collectors' items, antiques of goods listed in Annex 4,

**(b)** second-hand goods are tangible movable property which is fit for further use in the unaltered state or after repair, except for the works of art, collectors' items or antiques listed in Annex 4 and excluding precious metals and precious stones;

**(c) by** a taxable dealer or a taxable person in another Member State who, in the course of carrying out economic activities, acquires or imports second-hand goods, works of art, collectors' items or antiques for resale, acting on his own account or on behalf of another person, the reward is due.

**(2)** Special arrangements may be applied by the trader for the supply of second-hand goods, works of art, collectors' items or antiques, provided that such goods are supplied to the trader in the course of trade within the European Union

**(a)** a non-taxable person;

**(b)** a taxable person established within the territory of the country who is not a taxable person;

**(c) an** exempt person who is not a payer;

**(d) by** another taxable person for whom the supply of such goods is exempt pursuant to Article 62 or, mutatis mutandis, under the provisions in force in another Member State; or

**(e) by** another trader, where a special procedure has been applied to the delivery of those goods by that other trader.

**(3)** When applying the special scheme, the taxable amount shall be the mark-up reduced by the mark-up tax. This mark-up is determined as the difference between the sales price of the trader and the purchase price of the goods. If this difference is negative, the tax base is zero. For the purposes of this provision:

**(a) the** selling price shall be the remuneration received or to be obtained by the trader from the person to whom the goods are delivered or from a third party, including taxes, duties, charges and ancillary expenses such as commissions, packing, transport and insurance costs required by the trader from the person; to which the goods are delivered, with the exception of the amounts specified in Section 36 (5) and (13),

**(b)** at cost, the consideration referred to in point (a), which was or is to be obtained from the trader by the person who supplies him with the goods.

**(4)** If the unit purchase price of the goods does not exceed CZK 1,000, the mark-up may be determined for the taxation period, divided according to the respective tax rate. In this case, the mark-up is determined as the difference between the total selling price for the goods delivered and the total purchase price for the goods purchased during the tax period, broken down by the applicable tax rate.

**(5) The** trader may decide to use the special regime on delivery

**(a)** a work of art, a collector's item or an antique which he himself imported;

**(b)** a work of art supplied by the author of the work or his successor in title.

**(6)** In determining the mark-up, the trader shall proceed according to paragraph 3 or 4 for the entire taxation period.

**(7)** If the trader proceeds in accordance with paragraph 5, he is obliged to determine the tax base pursuant to paragraph 3. (a) shall be calculated as the sum of the taxable amount on importation of those goods and the tax levied on importation of the goods.

**(8)** The trader shall notify the tax administrator of the procedure under paragraph 5. The trader is obliged to proceed under the special regime for at least two consecutive calendar years from the date of notification.

**(9)** If the conditions for exemption of export of goods pursuant to Section 66 are met when the second-hand goods, works of art, collectors' items or antiques are supplied, the supply of such goods, if subject to a special regime, is also exempt.

**(10) The** taxpayer shall not be entitled to deduction of the mark-up tax which he is obliged to pay at the selling price of the goods delivered to him by the trader if the delivery of these goods is subject to a special regime.

**(11) The** trader shall not be entitled to a deduction on the supply of goods subject to the special procedure

**(a)** for a work of art, a collector's item or an antique which he himself imported;

**(b)** for a work of art supplied by the author of the work or his successor in title.

**(12)** Where the special procedure applies to the supply of goods to another Member State, §§ 8 and 64 shall not apply. The special procedure shall not apply to the delivery of a new means of transport from within the country to another Member State. Nor may the special scheme be applied to the supply of goods where the right to deduct has been claimed when the goods were acquired.

**(13)** If a trader applies a tax and at the same time applies a special regime, he is obliged to keep records for the purposes of value added tax separately according to individual ways of applying the tax.

**(14)** On the supply of goods subject to a special arrangement, the tax document must bear the indication 'special arrangement - second-hand goods',' special arrangement - works of art 'or' special arrangement - collectors' items and antiques'. On the supply of goods subject to the special procedure, the tax document may not separately indicate the tax relating to the surcharge, except for the proof of sale of the motor vehicle for a disabled person.

**(15) The** trader shall be entitled to deduct input tax on the taxable supply received, unless he applies a special regime on his subsequent supply in respect of:

**(a)** a work of art, a collector's item or an antique which he himself imported;

**(b) the** work of art given to him

**1.** supplied by the author of the work or his successor in title, or

**(2)** supplied by another taxable person who did not apply the special arrangements for that supply.

**(16)** The merchant shall be entitled to deduct tax pursuant to paragraph 15 at the moment when he is obliged to declare the tax on this supply of goods.

***§ 91****repealed*

**§ 92**

**Special scheme for investment gold**

**(1)** Investment gold means

**(a)** gold admitted to the world gold markets in the form of bricks or bricks in the form of

**1.** own number,

**2. a** fineness of at least 995 thousandths,

**3. the** tonnage permitted in these markets; and

**4.** the manufacturer's designation, purity and weight,

**(b)** gold coins which:

**1.** have a fineness of at least 900 thousandths,

**2.** were minted after 1800,

**3.** are or have been legal tender in the country of origin; and

**4.** they are normally sold at a price not exceeding the free market value of their gold content by more than 80%.

**(2) The** supply of investment gold in the Czech Republic, acquisition from another Member State and its importation shall be exempt from tax without the right to deduct. The exemption without the right to deduct shall also apply to:

**(a)** investment gold certified for physically allocated and unallocated gold;

**(b)** investment gold traded on gold accounts, in particular loans and swaps conferring title or title to investment gold; or

**(c)** investment gold futures, including futures and forwards, which involve the transfer of title or title to investment gold.

**(3)** Exemption from the right of deduction shall be exempt from service by a person who acts on behalf of and for the account of another person to ensure the supply of investment gold, its acquisition from another Member State or its importation.

**(4)** A payer who produces investment gold or converts it into investment gold may decide to apply a tax to the supply of investment gold which would be exempt pursuant to paragraph 2 to another payer with a place of performance in the Czech Republic.

**(5)** A tax may be applied to an intermediary service consisting in procuring the supply of investment gold pursuant to paragraph 3, provided that the taxpayer has applied the tax pursuant to paragraph 4 to the supply of investment gold.

**(6)** A taxpayer who supplies tax-exempt investment gold is entitled to a full tax deduction

**(a)** on the purchase of investment gold to which the tax referred to in paragraph 4 has been applied;

**(b)** on the purchase, purchase from another Member State or importation of gold which is not investment gold and subsequently converted by the payer or his third party into investment gold; or

**(c)** on the purchase of a service consisting in a change in the form, weight or purity of gold, including investment gold.

**(7)** A payer that produces investment gold or converts it into investment gold is entitled to a full tax deduction on the purchase, acquisition from another Member State or import of goods or services directly related to the production of investment gold or the conversion of gold into investment gold .

**(8)** A payer who receives a service pursuant to paragraph 5, or who supplies tax-exempt investment gold and is entitled to a tax deduction pursuant to paragraph 6 (a). (b) and (c), or which has made investment gold or converted gold into investment gold and is entitled to a deduction under paragraph 7, shall:

**(a)** issue a proof of delivery to a non-taxable natural person containing the following particulars:

**1.** business name or name, addition to the name and registered office of the person performing the transaction,

**2. the** tax identification number of the person performing the transaction;

**3.** document registration number,

**4.** scope and subject of performance,

**5th** day of issue of the document,

**6. the** date of performance of the performance or the date of receipt of the consideration, if, prior to the performance of the performance, an obligation arose on the date of receipt of the consideration to declare performance, if it differs from the date of issue of the document;

**7. the** total amount of gold, gold and gold,

**8. the** name, date of birth and place of residence of the non-taxable natural person;

**(b)** keep the document referred to in point (a) for 10 years;

**(c) also** indicate on the tax document issued by the taxpayer or the taxable person the weight and purity of gold.

**(9)** The provisions of par. (a) and (b) shall not apply to the supply of investment gold under paragraph 1 (a). b) issued by the Czech National Bank.

**TITLE IV**

**TAX RESOLUTION SCHEME**

**Episode 1**

**General conditions**

**§ 92a**

**Basic provision**

**(1)** Under the reverse charge regime, the taxpayer for whom the taxable supply with the place of supply was performed in the Czech Republic is obliged to declare tax as of the date of the taxable supply.

**(2)** The reverse charge regime shall not apply if, on the date of the chargeable event, the recipient of the transaction does not act as a taxable person.

**(3)** The reverse charge regime shall not apply to a taxable transaction unless, on the date of receipt of the consideration before the date of such transaction, the recipient of the transaction does not act as a taxable person.

**(4) The** taxpayer for whom the chargeable event under the reverse charge regime is performed is obliged to supplement the amount of tax in the records for the purposes of value added tax. The payer for whom the payment is made is responsible for the correctness of the calculated tax.

**(5)** The reverse charge regime in the event that a taxpayer who has provided or received a taxable transaction has not fulfilled its obligation to register within the stipulated time limit cannot be applied until the date on which the decision by which he is registered as a taxpayer becomes effective.

**(6)** If the obligation to declare the consideration received prior to the chargeable event under the reverse charge regime arose, the reverse charge regime shall apply when the chargeable event is performed to the tax calculated from the tax base determined pursuant to Section 37a (1).

**(7)** If the payer who has performed the taxable transaction and the payer for whom the taxable transaction was performed reasonably consider that this taxable transaction is subject to the reverse charge regime and apply this regime to this transaction, it is considered taxable transaction subject to the reverse charge regime.

**Episode 2**

**Permanent application of the reverse charge regime**

**§ 92b**

**Delivery of gold**

**(1)** Gold shall be considered for the purposes of this provision

**(a)** gold of a fineness of 333 thousandths or more, excluding investment gold, in the form of unworked, in particular, ingots, bricks, rods, cobbles, grains, granules, granules, leaf, wire, powder, chips, debris or waste;

**(b)** investment gold on delivery pursuant to Section 92 (4).

**(2)** When delivering gold to the payer, with the exception of the Czech National Bank, the payer shall apply the reverse charge regime.

**(3)** When providing the intermediary service pursuant to Section 92 (5) to the payer, the payer shall apply the reverse charge regime.

**§ 92c**

**Delivery of goods specified in Annex 5 to this Act**

When delivering goods listed in Annex 5 to this Act, including the supply of such goods after processing in the form of cleaning, polishing, sorting, cutting, splitting, pressing or casting into ingots to the payer, the payer shall apply the reverse charge regime.

**§ 92d**

**Real estate delivery**

**(1)** When delivering immovable property to the taxpayer, the taxpayer shall apply the reverse charge regime if the tax pursuant to Section 56 (5) applies.

**(2)** When delivering immovable property sold by the debtor on the basis of a court decision in proceedings on forced sale to the payer, the payer shall apply the reverse charge regime.

**§ 92e**

**Provision of construction or assembly work**

**(1)** When providing construction or assembly work that corresponds to codes 41 to 43 of the CZ-CPA production classification as in force on 1 January 2015, the payer shall use the reverse charge regime.

**(2)** When providing workers for construction or assembly work to the payer, the payer shall apply the reverse charge regime.

**§ 92ea**

**Use of reverse charge in other cases**

The payer shall apply the reverse charge regime for the taxable supply to the payer in respect of:

**(a) the** supply of goods provided as a guarantee in the performance of that guarantee; or

**(b) the** supply of goods after the transfer of the retention of title to the transferee and the exercise of that right by the transferee.

**Episode 3**

**Temporary application of the reverse charge procedure**

**§ 92f**

**Delivery of goods or services listed in Annex 6 to this Act**

When delivering goods or services listed in Annex 6 to this Act to the payer, the payer shall apply the reverse charge regime, if the government so provides by regulation.

**§ 92g**

**Rapid reaction mechanism**

**(1) The** taxpayer shall apply the reverse charge procedure for the supply of goods or services to the payer if, in order to combat sudden and widespread tax fraud, the European Commission has confirmed that has no objections, so the government provides by regulation.

**(2)** The reverse charge regime pursuant to paragraph 1 shall apply for a period not exceeding 9 months.

**Episode 4**

**Binding assessment**

**§ 92h**

**Subject of binding assessment for the application of the reverse charge regime**

The subject of the binding assessment is to determine whether the reverse charge regime applies when a certain taxable supply is provided.

**§ 92i**

**Request for a binding assessment for the application of the reverse charge regime**

**(1)** Upon request, the General Financial Directorate shall issue a decision on the binding assessment of a certain taxable transaction for the application of the reverse charge regime.

**(2)** The applicant shall state in the application for a decision on binding assessment

**(a) a** description of the taxable transaction to which the application for a binding assessment decision relates; only one taxable transaction can be stated in the application,

**(b) a** draft operative decision.

**TITLE V**

**TAX ADMINISTRATION IN THE CZECH REPUBLIC**

**Episode 1**

**General provisions on tax administration**

**§ 93**

**Tax administration by customs authorities**

The customs authorities carry out the tax administration in accordance with the legislation governing customs administration.

**§ 93a**

**Territorial jurisdiction**

**(1) The** locally competent group is the tax administrator who is locally competent to its representative member.

**(2)** For a taxable person not domiciled in the Czech Republic according to the Tax Code or a place of residence pursuant to the Tax Code or an establishment, the tax authority for the Moravian-Silesian Region is the locally competent tax administrator.

**(3)** For a taxable person who is a taxpayer pursuant to Section 6d, the locally competent tax authority shall be the locally competent tax authority of its part, which is part of the group.

**§ 94**

**Mandatory payer registration**

**(1)** The taxable person referred to in Section 6 shall be obliged to file an application for registration within 15 days after the end of the calendar month in which it exceeded the determined turnover.

**(2) The** payer referred to in § 6b to 6e is obliged to file an application for registration within 15 days from the day on which he became a payer.

**§ 94a**

**Voluntary payer registration**

**(1)** A taxable person established or established in the Czech Republic, who carries out or will carry out transactions with a right to deduct, may file an application for registration.

**(2)** A taxable person who has neither a registered office nor a place of business in the Czech Republic and who will carry out the right to deduction with the place of supply in the Czech Republic may file an application for registration.

**(3)** A taxable person referred to in paragraphs 1 or 2 may file an application for registration no earlier than 1 year after the date on which the taxpayer's registration was canceled due to a serious breach of obligations related to the administration of the tax.

***§ 95****repealed*

**§ 95a**

**Group registration**

**(1)** In the application for the registration of a group, the related persons who will be members of the group shall designate a person who will represent the member of the group. The application for registration shall be filed by the person designated as the representative member of the group with the tax administrator of the locally competent authority pursuant to Section 93a.

**(2) A** group becomes a payer from 1 January of the following calendar year if the application for group registration is filed no later than 31 October of the current calendar year. If the application is submitted after 31 October of the current calendar year, the group becomes a payer from 1 January of the second calendar year following the filing of the application for registration.

**(3) The** payer shall become a member of the group from 1 January of the following calendar year if the conditions set out in § 5a are met, provided that the group submits with his consent the applicant's accession to the group by 31 October of the current calendar year. If the group submits the application after 31 October of the current calendar year, the payer shall become a member of the group from 1 January of the second calendar year following the application.

**(4)** A non-payer becomes a member of the group subject to the conditions set out in Section 5a from the first day of the second month following the month in which the group submits, with its consent, the person's application to join the group.

**(5)** A taxable person shall be a member of a group from the date of entry of the transformation of a business corporation into the Commercial Register, if it is transferred to it during the transformation or the assets are transferred.

**(a) an** expiring member of the group, unless he is a taxable person at the time when the member of the group ceases to exist; or

**(b) a** divided member of the group, if at the time of the conversion he is a newly formed taxable person.

**(6)** The taxable person shall be a taxpayer from the date of entry of the transformation of a business corporation into the Commercial Register, if it is transferred to it during the transformation or the assets are transferred.

**(a) the** dissolving or splitting members of more than one group, unless at the time of their conversion they are independent taxable persons; or

**(b) a** merging or split member of the group, who is a taxable person at the time of its transformation.

**(7)** The payer shall be obliged to file an application for registration pursuant to paragraph 6 within 15 days of the date of registration of the conversion in the Commercial Register.

**(8)** In the case of a taxable person joining a group pursuant to paragraph 4, the group shall be entitled to exercise the right to deduct pursuant to Section 79 (1) and (2). of this member.

**§ 96**

**Mandatory registration information**

**(1)** In the application for registration of the payer, the taxable person shall also state the numbers of all his accounts with payment service providers, if they are used for economic activity.

**(2)** The taxable person shall be entitled to determine which account numbers under paragraph 1 shall be published in a manner allowing remote access.

**§ 97**

**Registration of the identified person**

The identified person is obliged to file an application for registration within 15 days of the day on which it became the identified person.

**§ 97a**

**Voluntary registration of the identified person**

**(1)** A taxable person may submit an application for registration if:

**a)** has its registered office or establishment in the Czech Republic,

**(b)** is not a payer; and

**(c)** provide selected services under the one-stop scheme.

**(2)** A person pursuant to Section 6k or Section 6l may file an application for registration.

**§ 98**

**Publication of data from the register of payers and identified persons**

The tax administrator shall publish data from the register of payers and identified persons in a manner allowing remote access

**(a) the** tax identification number of the payer or of the identified person;

**b)** business name or name and addition to the name,

**(c) the** registered office of the payer or of the identified person;

**(d)** the account number specified in the payer registration application for publication or an indication that no such account number has been identified; and

**(e) the** fact that he is a payer with no registered office or establishment in the country.

**§ 99**

**Taxation period**

The tax period is a calendar month.

**§ 99a**

**Change in tax period**

**(1) The** payer may decide that his tax period for the calendar year concerned is a calendar quarter if:

**a)** its turnover for the immediately preceding calendar year did not exceed CZK 10000000,

**b)** is not an unreliable payer,

**(c)** is not a group; and

**d)** notify the tax administrator of the change of the taxation period by the end of January of the relevant calendar year.

**(2) The** taxpayer need not notify the tax administrator of a change in the tax period pursuant to paragraph 1 if, in the immediately preceding calendar year, his tax period was a calendar quarter.

**(3) A** change in the tax period pursuant to paragraph 1 may not be made for the calendar year in which the payer was registered, or for the immediately following calendar year. For reasons of special consideration, the tax administrator may, at the request of the taxpayer submitted before the end of October of the year in which the taxpayer was registered, decide that the tax year may be changed for the immediately following calendar year; such an application shall be deemed to be a notification under paragraph 1 (a). d).

**(4)** If a taxpayer whose tax period is a calendar quarter becomes an unreliable payer, from the following calendar quarter after he becomes an unreliable payer, his tax period is a calendar month.

**(5)** Turnover shall be determined for the purpose of changing the tax period

**(a)** in the case of a merger of commercial corporations, as the sum of the turnover of the commercial corporations involved in the merger;

**(b)** in the division of business corporations

**(1) by** split as the sum of the turnover of the disappearing business corporation attributable to the successor business corporation and that of the successor business corporation;

**2. by** spin-off as the sum of the turnover of the earmarked business corporation attributable to the successor business corporation and that of the successor business corporation;

**(c)** in the transfer of assets to a partner of a company, as the sum of the turnover of the company which is wound up without liquidation and the turnover of the partner to which the assets of that company are transferred.

**§ 99b**

**Taxation period in insolvency**

**(1)** The tax period in which the insolvency decision took effect shall end on the last day of the calendar month in which this decision took effect. For the period after the end of the month in which the effects of the insolvency proceedings took effect until the end of the insolvency proceedings, the tax period is a calendar month.

**(2)** For the period after the end of the month in which the insolvency proceedings ended, the tax period shall be the calendar month.

**(3) The** payer may not change the tax period for the calendar year immediately following the calendar year in which the insolvency proceedings ended.

**§ 100**

**Evidence for value added tax purposes**

**(1) The** payer or the identified person is obliged to keep in the records for the purposes of value added tax all data relating to their tax obligations, in the breakdown necessary for the preparation of the tax return, recapitulative statement or control report.

**(2) The** taxpayer shall be obliged to keep in the records for the purposes of value added tax for taxable supplies received, which he will use for carrying out transactions with the right to deduct, also the tax identification number of the person performing the supplies, except for transactions for which tax documents.

**(3) The** payer is obliged to keep a record in the records for the purposes of value added tax

**(a)** transactions carried out which are exempt or not subject to tax;

**(b)** commercial assets.

**(4)** In the records for the purposes of value added tax, a member of the group shall separately keep the transactions which he / she performed for other members of the group.

**§ 100a**

**Special provisions on registration for value added tax purposes**

**(1)** A payer or an identified person acquiring goods from another Member State shall keep in the records for the purposes of value added tax the value of the acquired goods broken down to the acquisition of goods from individual other Member States.

**(2)** A person who carries goods from the Czech Republic to another Member State shall keep records of the value of the goods sent, or of the option pursuant to Section 8 (3), broken down by individual other Member States.

**§ 101**

**General provisions on the tax return**

**(1) The** tax return is obliged to file

**(a) the** payer,

**(b) the** identified person;

**(c)** a non-taxable person who has incurred the duty to declare the tax which he has declared on the document issued within 25 days of the end of the calendar month in which the document was issued; or

**d) a** person who is not a taxpayer who has incurred the duty to declare tax pursuant to § 108 para. (g) within 25 days of the end of the calendar month in which the payer declared an exempt supply of goods to another Member State.

**(2) The** deadlines pursuant to paragraph 1 may not be extended.

**(3) The** taxpayer is obliged to file a tax return even if he has not been obliged to file a tax return.

**(4)** A taxpayer who has no registered office or place of business in the Czech Republic is obliged to file a tax return only for the taxable period in which he was obliged to declare tax or to declare an exempt transaction. If the taxpayer has not been obliged to declare the tax or the obligation to declare the exempt performance in the tax period, he / she shall not inform the tax administrator of this fact.

**(5)** If the identified person did not become obliged to declare tax in the tax period, he / she shall not inform the tax administrator of this fact.

**§ 101a**

**Electronic form of submission**

**(1) The** payer is obliged to file electronically

**a)** tax return or additional tax return,

**b) a** control report or other report, with the exception of reports pursuant to Section 19,

**c)** annexes to the tax return, additional tax return or report.

**(2)** Only electronically filed

**a)** recapitulative statement or subsequent recapitulative statement,

**(b) an** application for registration or notification of a modification of the registration data; this does not apply to identified persons.

**(3)** The submissions referred to in paragraphs 1 and 2 may be made electronically only by means of a remote access data message in the format and structure published by the tax administrator

**a)** signed in a manner to which other legislation has the effects of a handwritten signature,

**(b)** with the authenticated identity of the submitter in a way that can be accessed in his data box; or

**c)** subsequently confirmed under the conditions specified in the Tax Code.

**(4)** The filing referred to in paragraph 1 or 2, for which it is obligatory to make it electronically and which is not made by a data message using remote access in the format or structure published by the tax administrator, is ineffective.

**§ 101b**

**Special provisions on filing tax returns**

**(1) The** tax return for the taxation period in which the decision on the insolvency of the payer or group member took effect shall be filed within 30 days from the effective date of the insolvency decision, if less than 30 days.

**(2)** If the court has decided on the bankruptcy of a group member, the group is obliged to file a tax return for a part of the taxation period that expired before the effective date of this decision within 30 days of the effective date of the bankruptcy decision of this group member.

**(3) The** tax return for the taxation period in which the testator's death occurred shall be filed only for the entire taxation period.

**(4)** The person administering the estate is obliged to file a tax return for the taxation period in which the deceased

**(a)** 3 months from the date of death of the testator; or

**(b)** 25 days after the end of the taxable period of death of the testator whose taxable period was a calendar quarter, if less than 25 days.

**(5)** Within the period referred to in paragraph (4), an obligation to file a tax return or an additional tax return that has not been filed for the previous tax period arises if the original period for its filing has not expired.

**(6) The** periods referred to in paragraphs 1, 2 and 4 may not be extended.

**§ 101c**

**Obligation to submit a control report**

The payer is obliged to submit a control report if:

**(a) has** effected a taxable transaction with a place of supply within the territory of the country or has received, before the date of such transaction, a consideration which gives rise to the obligation to declare tax;

**(b)** from a taxable transaction with a place of supply within the territory of the country which he has received or from a consideration which he provided before the date of such transaction;

**1.** this taxpayer was obliged to declare tax pursuant to § 108 para. 2, 3 or § 108 para. or

**2.** claim the right of deduction of another tax payer against him,

**(c)** under the special scheme for investment gold

**1.** received an intermediary service to which the tax pursuant to Section 92 (5) was applied,

**2.** made a supply of tax-exempt investment gold to which he is entitled to deduct tax pursuant to Section 92 (6) (a); (b) and (c), or

**3. the** investment gold produced or transformed into investment gold pursuant to Section 92 (7).

**§ 101d**

**Particulars and method of submitting a control report**

**(1)** In the control report, the payer is obliged to state the filing in addition to the general requirements

**a)** identification and contact details of the payer,

**(b)** indications relating to transactions and remuneration, where such transactions and remuneration constitute an obligation to submit a control report;

**(c)** information relating to the exercise of the right to deduct;

**(d)** customer or supplier identification data.

**(2)** If the control report is submitted by means of a data report requiring additional confirmation, it must be confirmed under the conditions specified in the Tax Code within the deadline for filing the control report.

**§ 101e**

**Deadlines for submitting the control report**

**(1)** A payer who is a legal entity shall submit a control report for a calendar month within 25 days of the end of the calendar month.

**(2) The** payer who is a natural person shall submit a control report within the deadline for filing the tax return.

**(3) The** periods referred to in paragraphs 1 and 2 may not be extended.

**§ 101f**

**Corrective and subsequent control report**

**(1)** Before the expiry of the deadline for submitting an audit report, the payer may replace the audit report he has already submitted with a corrective audit report; previous control report is disregarded.

**(2)** If the payer discovers after the expiry of the deadline for submitting a control report that he has provided incorrect or incomplete data in this control report, he is obliged to submit a subsequent control report within 5 working days from the date of discovery of incorrect or incomplete data.

**(3)** Unless otherwise provided by law, the provisions on the control report shall apply mutatis mutandis to the subsequent control report.

**§ 101g**

**Infringement procedure related to the control report**

**(1)** If a control report has not been filed within the stipulated time limit, the tax administrator shall invite the taxpayer to submit it within an alternative period within 5 days of notification of this notice.

**(2)** The tax administrator shall assess the data stated in the control report or, if necessary, verify it and, in case of doubt about its correctness or completeness, shall ask the taxpayer to amend or supplement the data or to confirm the original data.

**(3) The** payer is obliged to change or complete incorrect or incomplete data within 5 working days from the notification of the call pursuant to paragraph 2, or to confirm the original data by means of a subsequent control report; if this follow-up report is not submitted in time, paragraph 1 shall not apply.

**(4)** The tax administrator shall deliver the call related to the control report electronically, through

**(a)** data boxes; or

**b)** public data networks to the electronic address of the payer for this purpose, if the payer does not have access to the data box.

**(6)** If the taxpayer who does not have access to the data box has not yet communicated the electronic address to the tax administrator, paragraph 4 shall not apply.

**§ 101h**

**Consequences for breach of obligation related to the control report**

**(1)** If the payer fails to submit a control report within the stipulated period, he / she shall be obliged to pay a fine in the amount

**a)** CZK 1,000 if he subsequently submits it without being asked to do so,

**b)** CZK 10000, if submitted by the tax administrator after being requested by the tax administrator,

**c)** CZK 30000, unless he / she submits it on the basis of a request for change, completion or confirmation of the data stated in the submitted control report, or

**d)** CZK 50000, if it is not submitted even in the alternative period.

**(2)** The tax administrator shall impose a fine of up to CZK 50000 on a taxpayer who, at the request of the tax administrator to remove doubts, will not change or complete incorrect or incomplete data by means of a subsequent control report.

**(3)** The tax administrator shall impose a fine of up to CZK 500000 on a taxpayer who seriously hinders or frustrates the administration of value added tax by failing to fulfill the obligation related to the control report.

**(4)** The tax administrator shall decide on the obligation to pay a penalty pursuant to paragraph 1 by means of a payment assessment and at the same time prescribe it in the tax records.

**(5)** The fine pursuant to paragraphs 1 to 3 shall be payable within 15 days of the decision on the fine coming into force.

**(6)** When determining the amount of the fine pursuant to paragraphs 2 and 3, the tax administrator shall ensure that the fine is not grossly disproportionate to the significance of the breached obligation and to the seriousness of the consequences for the administration of value added tax. In doing so, it shall take into account in particular the degree of cooperation on the part of the payer.

**§ 101i**

**Deadline for the expiry of the obligation related to the control report**

**(1)** Fulfillment of obligations related to the control report may be required by the expiry of the period for determining the tax.

**(2) The** fine may be imposed or decided on the obligation to pay it no later than 3 years from the date on which the breach occurred.

**(3)** The obligation to pay a penalty shall expire if the payment order by which this obligation is decided has not been issued within 6 months of the day when the obligation was breached.

**§ 101j**

**Exclusion of a fine for failure to submit a control report**

Obligation to pay a fine pursuant to § 101h para. a) does not arise, unless in the given calendar year, the payer has not been delayed in submitting a control report.

**§ 101k**

**Exemption of fine for failure to submit a control report**

**(1) The** payer is entitled to ask the tax administrator to waive the fine pursuant to Section 101h para. b) to d).

**(2)** The tax administrator may waive all or part of the fine pursuant to paragraph 1 if the non-filing of the audit report was due to a reason that can be justified taking into account the circumstances of the case. He is not bound by the payer's proposal.

**(3)** An application for remission of a fine pursuant to paragraph 1 may be filed no later than 3 months from the date of effect of the payment order, by which it was decided on the obligation to pay this fine.

**(4)** Submission of an application for remission of a fine pursuant to paragraph 1 shall have suspensory effect on the enforceability of the payment assessment, by which it was decided on the obligation to pay this fine.

**§ 102**

**Summary report**

**(1) The** payer is obliged to submit a recapitulative statement if it has been made

**(a) the** supply of goods from Germany to another Member State to a taxable person in another Member State;

**(b) the** transfer of commercial assets to another Member State;

**(c) the** supply of goods to the buyer under a simplified procedure for the supply of goods within the territory of the European Union in the form of a triangular trade where the payer is the intermediate person in that trade; or

**(d) the** supply of a service with a place of supply in another Member State pursuant to Article 9 (1), with the exception of the supply of a service which is exempt in another Member State to a person registered for tax in another Member State, or if he has received remuneration before the performance of the service, if the service was known to be sufficiently certain at the date of receipt of the remuneration.

**(2) The** identified person is obliged to submit a recapitulative statement if it has been performed

**(a) the** supply of a service with a place of supply in another Member State pursuant to Article 9 (1), with the exception of the supply of a service which is exempt in another Member State to a taxable person in another Member State, or

**(b) the** supply of goods to the buyer under a simplified procedure for the supply of goods within the territory of the European Union in the form of a triangular trade, provided that the identified person is the intermediate person in that trade.

**(3)** If the recapitulative statement is submitted by means of a data message requiring additional confirmation, it must be confirmed under the conditions specified in the Tax Code within the deadline for submitting the recapitulative statement. The value of the delivered goods or services is given in the Czech currency.

**(4) The** summary report shall be submitted by the payer for each calendar month within 25 days after the end of the calendar month. The identified person shall submit a recapitulative statement within 25 days after the end of the calendar month in which the transaction was performed.

**(5)** If the payer carries out only the performance pursuant to paragraph 1 (a). d), submits a recapitulative statement within the deadline for filing the tax return.

**(6)** If the payer pursuant to paragraph 5 submits a recapitulative statement for each calendar quarter and during the calendar quarter performs the payment pursuant to paragraph 1 (b). a) to c), the payer shall become obliged in this calendar quarter for the months preceding the calendar month in which the fulfillment pursuant to paragraph 1 (a) to (c) occurred. a) to c), the obligation to submit a recapitulative statement for each calendar month of this calendar quarter, within 25 days after the end of the calendar month in which the fulfillment pursuant to paragraph 1 (a) to (c) has taken place. a) to c). This payer shall also submit a recapitulative statement pursuant to paragraph 4 for each calendar month up to the end of the calendar year in which he performed the payment pursuant to paragraph 1 (b). a) to c).

**(7)** If the payer or the identified person who submitted the recapitulative statement finds out that they have provided incorrect data, they are obliged to submit a subsequent recapitulative statement in the manner specified in paragraph 3 within 15 days from the date of the identification of the incorrect data.

**(8)** The tax administrator shall assess the data in the recapitulative statement, or in a subsequent recapitulative statement, or verify it and use it in determining the tax. It shall apply a similar procedure to the data received by the tax authorities in the framework of international cooperation.

**§ 103**

**Special provisions to ensure payment for unpaid or unpaid tax**

Where there is a risk of delay, the freezing order shall be effective and enforceable at the time of issue. At the same time as the issuance of the security order, the tax administrator makes an attempt to notify the tax entity in an appropriate manner of the issue of the security order and writes an official record thereof.

**§ 104**

**Incorrect tax for another tax period**

**(1)** If the taxpayer has stated the facts decisive for determining the tax in the tax return for an earlier taxation period to which they belonged and did not reduce the tax in this earlier taxation period, the tax administrator shall assess or and for the taxation period to which these facts belonged, shall not measure or endorse.

**(2)** If the taxpayer stated the facts decisive for determining the tax in the tax return for a later taxation period than that to which they belonged and did not reduce the tax in the taxation period to which these facts belonged, the tax administrator , to which these facts belonged, will not measure or not, and for this later tax period will assess or assess.

**(3)** If the taxpayer has stated the facts decisive for determining the tax in the tax return for the earlier taxation period to which they belonged and thereby reduced the tax in this earlier taxation period, the tax administrator shall assess or and for the taxation period to which these facts belonged, shall not measure or endorse.

**(4) The** taxpayer shall be obliged to pay interest on late payment of the amount of tax pursuant to paragraph 3, for each day from the date of expiry of the period for filing the tax return for the previous taxation period to which it stated; the taxation period to which these facts belonged. Default interest is payable within 15 days of the date of the notice of payment.

**(5)** If the taxpayer stated the facts decisive for determining the tax in the tax return for the later taxation period to which they belonged and thereby reduced the tax in the taxation period to which these facts belonged, the tax administrator , to which these facts belonged, will not measure or not, and for this later tax period will assess or assess.

**(6) The** taxpayer shall be obliged to pay interest on late payment of the tax amount pursuant to paragraph 5 for each day from the date of expiry of the period for filing the tax return for the taxation period to which these facts belonged the period by which he introduced these facts. Default interest is payable within 15 days of the date of the notice of payment.

**(7)** If the taxpayer declared the tax on the taxable supply received or the consideration provided before the taxable supply in the taxable period other than to which they belonged,

**(a) the** full right to deduct from that transaction or from such remuneration shall not be required to pay default interest under paragraph 4 or 6; or

**(b) the** right to deduct part of the tax on that transaction or the consideration, shall be required to pay default interest under paragraph 4 or 6 on the amount of the tax less the claimed right to deduct the tax or the consideration.

**(8)** The tax administrator shall not proceed in accordance with paragraphs 1 to 7 if:

**a) the** statement of facts decisive for determining the tax in the tax return for an incorrect tax period will affect the amount of the coefficient for the calculation of tax deduction proportionally pursuant to Section 75 or the amount of the coefficient for the calculation of deductible tax pursuant to Section 76;

**b) the** taxpayer states in the tax return for another tax period the facts decisive for determining the tax for the tax period for which the tax return or additional tax return is the subject of the ongoing procedure to remove doubts,

**(c) the** taxpayer declares the facts relevant for determining the tax which is the subject of an ongoing tax audit or the tax administrator's request to initiate a tax audit after the taxpayer has not been able to initiate the tax audit notified to the taxpayer in the tax return for another taxation period;

**(d)** it concerns the supply of a selected service in the context of the application of the special regime of a one-stop shop with a place of supply within the country.

**(9)** Paragraphs 3 to 6 and 8 shall apply mutatis mutandis to the identified person.

**§ 105**

**Returning excessive deduction**

**(1)** If a refundable excess of more than CZK 100 arises as a result of the excess deduction assessment, the payer shall be returned to the taxpayer without a request within 30 days of the excess deduction assessment. This does not apply if a refundable overpayment arises by a change of the determined tax based on additional assessment.

**(2) An** overpayment of a group resulting from an assessment or additional assessment shall become refundable if the group and any member of the group do not have tax arrears. The Group's overpayment shall be used to settle any outstanding balance of the Group or any member of the Group.

**(3)** If an unpaid tax deduction arises as a result of an unpaid tax deduction, this interest on late payment shall be subject to the Tax Code from the beginning of the period referred to in paragraph 1. The interest on late payment shall not apply until the excess refund is refunded.

**§ 106**

**Cancellation of the payer's registration ex officio**

**(1)** The tax administrator shall cancel the registration of the payer if the payer

**a)** ceased to carry out economic activities,

**b) has** not performed the economic activity for the 12 consecutive calendar months without notification of the reason to the tax administrator, or

**(c)** carries out only transactions which are exempt without deduction.

**(2)** The tax administrator shall cancel the registration of the payer,

**(a)** which has seriously failed to fulfill its obligations relating to the administration of the tax; and

**(b)** simultaneously

**1.** its turnover did not exceed CZK 1000000 for the 12 consecutive calendar months,

**2.** in the 12 consecutive calendar months it has not paid taxable supply if the taxpayer is not domiciled in the country, or

**3.** is a group.

**(3)** An appeal against a decision under paragraphs 1 or 2 shall have suspensory effect.

**(4)** The tax administrator shall cancel the registration of a taxpayer who does not have its registered office or place of business in the Czech Republic, if the taxpayer did not do so in the immediately preceding calendar year

**(a) the** taxable transaction; and

**(b)** exempt transactions with right to deduct.

**(5)** The tax administrator shall cancel the registration of the taxpayer on the day preceding the date of his membership in the group.

**(6) The** payer ceases to be the payer on the day

**(a) the** decision to revoke the marketing authorization comes into force;

**(b)** the date of the transfer of the testator's tax liability.

**§ 106a**

**Unreliable payer**

**(1)** If the taxpayer seriously breaches his obligations relating to tax administration, the tax administrator decides that the taxpayer is an unreliable taxpayer.

**(2)** An appeal against a decision under paragraph 1 may be filed within 15 days of the date of delivery of the decision and has suspensory effect.

**(3)** For reasons worthy of special consideration, the tax administrator may eliminate the suspensory effect.

**(4)** If an unreliable person becomes a payer, he becomes simultaneously an unreliable payer. If an unreliable person or unreliable payer becomes a member of a group, at the same time that group becomes an unreliable payer.

**(5)** If the registration of an unreliable payer who is a group is canceled, the members of that group shall become unreliable payers on the day after that group ceased to be a payer. If a member of a group that is an unreliable payer ceases to be a member, that member becomes an unreliable payer on the day after the group's membership ceases.

**§ 106aa**

**Unreliable person**

**(1)** If a person who is not a taxpayer seriously violates his / her obligations relating to tax administration, the tax administrator decides that the person is an unreliable person.

**(2)** An appeal against a decision under paragraph 1 may be filed within 15 days of the date of delivery of the decision and has suspensory effect.

**(3)** For reasons worthy of special consideration, the tax administrator may eliminate the suspensory effect.

**(4)** If the registration of an unreliable payer is canceled, the person becomes an unreliable person when he ceases to be a payer.

**§ 106ab**

**Common provisions for an unreliable payer and unreliable person**

**(1) An** unreliable payer or unreliable person may ask the tax administrator to make a decision that they are not unreliable; they may submit their application no earlier than 1 year after the decision becomes final,

**(a)** that they are unreliable;

**(b) by** which the tax authority has rejected a request for a decision that they are not unreliable; or

**(c)** that the group of which they were members is an unreliable payer.

**(2) An** unreliable payer who is a group may ask the tax administrator to make a decision that he is not an unreliable payer; it may submit an application no earlier than 1 year after the date on which:

**(a)** has become an unreliable payer; or

**(b) the** decision by which the tax authority refused the application for a decision not to be an unreliable payer became final.

**(3)** At the request of an unreliable taxpayer or unreliable person, the tax administrator decides that they are not unreliable if they do not breach their obligations relating to the administration of tax for a period of one year.

**(4)** The tax administrator shall publish in a manner allowing remote access the fact that the person is an unreliable payer or unreliable person.

**§ 106b**

**Cancellation of payer registration upon request**

**(1)** A taxpayer who has its registered office in the Czech Republic and who is not a group may apply for cancellation of the registration if it fulfills the following conditions:

**(a)** one year has elapsed from the date on which he became a payer and that payer

**1. has** not achieved a turnover of more than CZK 1000000 for the 12 consecutive calendar months; or

**(2)** carries out only transactions which are exempt without deduction; or

**(b) has** ceased economic activities.

**(2)** A taxpayer who does not have a registered office in the Czech Republic may apply for cancellation of the registration if he fulfills the following conditions:

**(a) has not,** for the 6 consecutive calendar months, carried out in his country the taxable supply or the supply of goods to another Member State exempt, with the right to deduct, with the exception of the taxable supply which the taxable person is liable to or the supply of goods that this payer could deliver as an intermediary to the buyer if he were not the payer in the country, or

**b)** ceased to carry out economic activities in the Czech Republic.

**(3)** The payer may apply for cancellation of registration pursuant to Section 6b or Section 6e if:

**(a)** three months have elapsed since he became a payer; and

**b)** its turnover did not exceed CZK 250000 for the three immediately preceding calendar months.

***§ 106c****repealed*

**§ 106d**

**Common provisions on withdrawal of registration upon request**

**(1)** The tax administrator shall cancel the registration of a taxpayer who applies for cancellation of the registration, if the taxpayer proves that it fulfills the conditions for cancellation of the registration.

**(2) No** remedies may be lodged against a decision to cancel a registration at the request of the payer.

**(3) The** payer shall cease to be a payer on the day following the date of notification of the decision to cancel his registration.

**(4)** A payer for whom a registration has been canceled upon application shall become the identified person on the day following the day on which he ceased to be a payer if

**(a)** does not fulfill the conditions for deregistration of the identified person; or

**(b)** indicate in the application for revocation that he wishes to become an identified person.

**§ 106e**

**Unregister a group**

**(1)** The tax administrator shall cancel the registration of the group on the last day of the relevant calendar year, if the group submits an application for cancellation of the registration by the end of October of the relevant calendar year.

**(2)** If the group does not meet the conditions under § 5a, the representing member is obliged to notify the tax administrator immediately.

**(3)** The tax administrator shall also cancel the registration of the group if:

**(a) the** group does not satisfy the conditions of Section 5a; or

**(b)** finds that none of the members of the group meets the conditions for group membership.

**(4) The** group ceases to be the payer of the day

**(a) the** decision revoking the marketing authorization becomes final; or

**(b)** revocation of a marketing authorization in the event of revocation of a marketing authorization on request.

**(5)** A member of the group shall be a payer from the day following the day on which the group ceased to be a payer.

**§ 106f**

**Termination of group membership**

**(1)** The tax administrator shall cancel the membership of a group member on the last day of the relevant calendar year if, by the end of October of the relevant calendar year,

**(a) the** group submits a request for withdrawal from a group member; or

**(b)** the tax authority finds that a member of the group does not qualify for group membership.

**(2)** The group may submit an application to withdraw from a group who has joined the group pursuant to Section 95a (4) no earlier than 1 year after the date on which it became a member of the group.

**(3)** If a decision on the bankruptcy of a group member has been issued, his / her membership shall expire on the day on which the effects of this decision took effect.

**(4)** In the case of termination of the membership of a representative member of the group, the members of the group are obliged to elect a new representative member within 15 days from the date of termination of his membership in the group. If he fails to do so, he shall appoint a deputy tax administrator by decision.

**(5)** A member of the group shall be a payer from the day following the day when his membership in the group ceased.

**§ 107**

**Unregistration of the identified person ex officio**

**(1)** The tax administrator may cancel the registration of an identified person if he / she has not been obliged to declare tax in the two immediately preceding calendar years.

**(2)** An appeal against a decision under paragraph 1 shall have suspensory effect.

**(3) The** identified person shall cease to be the identified person on the date on which the decision by which the registration is canceled becomes effective.

**(4)** The tax administrator shall cancel the registration of the identified person on the day preceding the day when it became a payer.

**§ 107a**

**Unregistration of the identified person upon request**

**(1) The** identified person may apply for cancellation of the registration if he is not registered in the Czech Republic under the special regime of one administrative place and fulfills the following conditions:

**(a)** it has not incurred any obligation for six consecutive calendar months

**1.** declare a tax on the services received;

**2.** to declare the tax on the supply of goods with installation or assembly or on the supply of goods through systems or networks;

**3.** to declare tax on the acquisition of a new means of transport or goods subject to excise duty, or

**4.** to submit a recapitulative statement;

**(b)** in the calendar year in question or in the immediately preceding calendar year

**1.** not acquire goods, except for a new means of transport or goods subject to excise duty, the total value of which, excluding tax, exceeded CZK 326,000, and

**2.** fails to take a decision pursuant to Section 2b; or

**(c) has** ceased economic activities.

**(2)** The tax administrator shall cancel the registration of the identified person requesting the cancellation of the registration, if the identified person proves that it meets the conditions for cancellation of the registration.

**(3)** No remedies may be lodged against a decision under paragraph 1.

**(4) The** identified person shall cease to be the identified person on the day following the date of notification of the decision to cancel the registration.

**§ 108**

**Persons obliged to declare or pay tax**

**(1)** A taxpayer who carries out taxable supply of goods or services with a place of supply in the Czech Republic is obliged to declare tax on such supply.

**(2)** In the case of the acquisition of goods from another Member State with a place of performance in the Czech Republic, the taxpayer or the identified person who acquires the goods is obliged to declare the tax.

**(3)** If the taxable supply is carried out by a person not established in the Czech Republic, the person who received the supply is obliged to declare the tax, namely:

**(a) the** payer or the identified person, as regards:

**1.** provision of a service pursuant to Sections 9 to 10d,

**2. the** supply of goods with installation or assembly, unless the person not established in the country is registered as a payer, or

**3.** delivery of goods through networks or networks,

**(b) the** payer to whom the goods are delivered, unless the non-resident person is registered as a payer; this provision shall not apply in the event that the payer to whom the goods are delivered has not fulfilled his registration obligation within the prescribed period, until the date on which the decision by which he is registered as the payer comes into force.

**(4) They** are obliged to declare the tax

**(a) a** taxpayer who is provided with a reverse charge transaction;

**(b) a** buyer who is a payer or an identified person to whom goods are delivered through a simplified procedure within the territory of the European Union in the form of a triangular trade;

**(c) the** payer on whose account the goods are placed under the customs procedure on importation, for which the obligation to declare tax pursuant to Section 23, Para. a) and § 23 par. 4,

**(d) a** user providing selected services under the one-stop scheme;

**e) a** person acquiring a new means of transport from another Member State in the Czech Republic pursuant to Section 19 (6),

**(f) the** person who draws up the document indicating the tax;

**(g) a** person registered for taxation in another Member State who has purchased goods with a place of supply within the territory of the country from a payer where:

**1. he has** not transported or dispatched the goods to another Member State; and

**(2) the** payer has taken all the measures necessary to prove the exemption of goods delivered to another Member State.

**(5) They** are obliged to pay tax

**a) a** person who is not a taxpayer, on whose account the goods are placed under the customs procedure on importation, for which the obligation to pay tax pursuant to § 23 para. a) and § 23 par. 5,

**b) a** person to whom the obligation to pay tax pursuant to § 23 para. b) to e).

**(6)** The taxable person is a taxable person.

**(7)** The person designated for the sale of the business assets of the payer who has received a consideration for the sale of business assets shall pay the tax to the taxpayer's personal tax account within the deadline for filing the tax return for the tax period in which the sale took place. At the same time, it is obliged to notify the tax administrator of the completion and amount of the taxable supply. The taxpayer and this person are jointly and severally liable for payment of the tax.

**§ 108a**

**Liability of the beneficiary**

**(1) An** authorized consignee who has been obliged to declare and pay excise duty in connection with the receipt of selected products from another Member State shall be liable for unpaid tax on the supply of these goods to a third party by the person who purchased them from another Member State, take all measures which may reasonably be required of him to verify that the tax will be duly paid by the person who purchased the goods.

**(2) The** beneficiary shall be liable for unpaid tax only up to the amount of tax calculated from the tax base corresponding to the normal price including excise tax.

**(3)** The tax administrator may ask the beneficiary to prove that he / she has taken all measures pursuant to paragraph 1.

**(4) The** beneficiary may use a special method of tax security; if the beneficiary avails itself of this possibility, it shall be considered for the purposes of the special method of securing the tax

**(a) the** beneficiary as the recipient of the taxable transaction;

**(b) a** person who has acquired excise duty goods from another Member State and who has supplied those goods to a third party as a taxable supply provider.

**§ 109**

**Liability of the recipient of the taxable supply**

**(1)** A taxpayer who receives a taxable supply with a place of supply within the territory of the Czech Republic made by another payer or provides payment for such supply (hereinafter referred to as “recipient of taxable supply”) shall guarantee unpaid tax on such supply if knowing or knowing about such a performance and could do that

**(a) the** tax shown on the tax document is not intentionally paid;

**(b) the** taxpayer who carries out that taxable transaction or receives remuneration for such a transaction (hereinafter referred to as the 'taxable supplier') has intentionally or is unable to pay the tax; or

**(c) the** tax is reduced or the tax advantage is lured.

**(2)** The recipient of the taxable supply shall also be liable for unpaid tax on this supply, if the consideration is

**(a)** clearly deviating from the normal price without economic justification,

**b)** provided in whole or in part by a bank transfer to an account held by a payment service provider outside the Czech Republic,

**(c)** provided in whole or in part by a wire transfer to an account other than that of the taxable supply provider, which is disclosed by the tax authority in a manner allowing remote access, and where the payment for such supply exceeds twice the amount under the Cash Restrictions Act make a cashless payment, or

**(d)** provided in whole or in part by a virtual currency under a law regulating certain measures against money laundering and terrorist financing.

**(3)** The recipient of a taxable supply shall be liable for unpaid tax on such supply if, at the time of its execution or payment, the recipient of the taxable supply is disclosed in a manner allowing remote access to the fact that it is an unreliable payer.

**(4)** The recipient of a taxable supply, which consists in the supply of fuel by a fuel distributor pursuant to the Act regulating fuel, shall be liable for unpaid tax on such supply unless it is published on the provider of the taxable supply the fact that he is registered as a fuel distributor under the fuel law.

**§ 109a**

**Special way of securing the tax**

**(1)** If the recipient of the taxable supply pays for the taxable supply the tax on such taxable supply without being called as guarantor, this remuneration shall apply only to the payment of the tax of the taxable supply supplier on such taxable supply.

**(2)** The payment for the taxable supply provider shall be paid to his tax administrator. At the same time as payment of the recipient of the taxable supply, the taxpayer shall state in the manner published by the tax administrator

**(a) the** identification of the supplier of the taxable transaction;

**(b) the** tax for which the refund is intended;

**c)** identification of the recipient of the taxable transaction,

**(d) the** date on which the chargeable event occurs or the date on which the taxable supply is received by the supplier.

**(3)** If the payment for the provider of the taxable supply is made without specifying the date of the chargeable event or the date of receipt of the consideration, it shall be deemed that such day is the date of receipt of the payment by the tax administrator.

**(4)** The amount paid for the taxable supply provider shall be received and recorded in his personal deposit account. On the due date of the tax, this amount shall be transferred to the taxable person's personal tax account with the date of payment on that date; if the payment is made later, it will be transferred to a personal tax account with the date of payment recorded in the personal deposit account.

**(5)** If the tax to which the remuneration is intended has been paid in whole or in part, the amount transferred from the personal deposit account or part thereof shall be used as payment of the tax in the personal tax account of the taxable supply provider.

**§ 110**

**Regulatory measures in a state of emergency, state threat and state of war**

If a state of emergency, state of emergency or state of war is declared, the government may, for a limited period of time necessary for the nature and intensity of threats to the security of the Czech Republic,

**(a)** adjust tax rates, but not more than 5 percentage points, or shift goods or services between tax rates;

**(b)** allow taxpayers carrying out taxable transactions for the armed forces, armed security forces, fire brigades, emergency services and economic mobilization entities to supply specified types of goods and to provide specified services to them without tax, while retaining the right to deduct in full .

**Episode 2**

**One-stop scheme**

**Section 1**

**Basic provision**

**§ 110a**

**Introductory provisions**

**(1) The** special regime for one administrative authority is:

**(a) a** scheme outside the European Union; and

**(b)** the European Union regime.

**(2)** The taxable person who provides the selected service and who fulfills the conditions for the use of the taxable person's special regime in the Czech Republic may apply the special regime of one administrative point in the Czech Republic.

**(3)** In the case of the special regime of one administrative place, the Tax Office for the South Moravian Region is the locally competent.

**(4)** The provisions on the jurisdiction of the Specialized Tax Office shall not apply in the case of the special regime of one administrative point.

**§ 110b**

**Definition of basic terms**

**(1)** For the purpose of the special scheme of one-stop shop, the following definitions shall apply:

**(a)** tax paid in cash under the one-stop scheme; the budget of which the tax is revenue is considered a public budget,

**(b)** selected service means a service provided to a non - taxable person with a place of supply within the territory of the European Union, namely:

**1.** telecommunications service,

**2.** radio and television broadcasting services,

**3.** electronically supplied service;

**(c)** State of consumption means the Member State in which the place of supply of the selected service is provided;

**(d)** State of identification means the Member State in which a taxable person registers for tax under the special scheme of a single administrative point;

**(e) '** user' means a taxable person who is registered for tax purposes in the territory of the one-stop shop; the user is a tax entity.

**(2)** For the purposes of the special regime of one administrative place, an establishment of a taxable person who can receive and use services provided for the needs of that establishment is also considered to be an establishment because it is sufficiently stable and has adequate staff and technical resources.

**Section 2**

**Common provisions on the administration of tax under the special scheme inland**

**§ 110c**

**Representation**

A power of attorney may be granted only to the extent authorizing representation in all acts, proceedings or other procedures under the special regime of one-stop-shop.

**§ 110d**

**Registering for the purpose of the special regime of one administrative authority**

**(1)** A person applying the one-stop scheme is required to keep records containing detailed information relating to the selected services provided under a directly applicable EU regulation laying down measures for the implementation of the directive on the common system of value added tax [**7e )**](https://www.zakonyprolidi.cz/cs/2004-235#f2551548) .

**(2) The** data pursuant to paragraph 1 shall be kept for 10 years from the end of the calendar year in which the performance was provided.

**(3) The** data referred to in paragraph 1 must be provided electronically at the request of the tax administrator or the tax administrator of the relevant state of consumption.

**§ 110e**

**Method of tax payment**

**(1)** The tax shall be paid to the tax administrator in euro.

**(2)** The tax shall be paid into the relevant account of the tax administrator in euro by bank transfer.

**(3)** A taxable person who applies the special regime of one administrative place in the Czech Republic is obliged to state to which tax the payment is intended and to mark the payment with the reference number of the relevant tax return.

**§ 110f**

**Overpayment**

**(1)** In the special regime of one administrative point, the tax administrator shall return the refundable overpayment without a request within 30 calendar days from the occurrence of the refundable overpayment.

**(2)** In the case of special tax administration in the home country as the state of consumption, the period for repayment of the refundable overpayment shall commence from the date on which the tax administrator receives the information necessary for assigning individual payments to the respective tax return.

**(3) A** refundable excess of less than EUR 10 is not refundable.

**(4)** Interest on repayable overpayments shall not be granted if it does not exceed EUR 10.

**Section 3**

**Administration of tax under special regime in the Czech Republic as a State of identification**

**Subsection 1**

**Application of the special regime of one-stop shops in the country**

**§ 110g**

**Conditions for the application of the scheme outside the European Union at home**

**(1)** A taxable person outside the European Union may apply within the territory of the country a taxable person who:

**(a) it** has neither its registered office nor its place of business in the territory of the European Union; and

**(b)** does not apply the one-stop scheme in another Member State.

**(2)** The scheme outside the European Union applies in the Czech Republic to all selected services provided by a person using the scheme.

**§ 110h**

**Conditions for the application of the European Union regime at home**

**(1)** The European Union scheme may be used by a taxable person at home who:

**a)** has in the Czech Republic

**1. the** registered office; or

**2. an** establishment if it is not established in the European Union,

**(b)** is a payer or an identified person; and

**(c)** does not apply the special scheme of one-stop-shop in another Member State.

**(2)** The European Union regime shall apply in the Czech Republic to all selected services supplied by a person using the scheme, except for selected services provided with a place of performance in the Member State in which it has its registered office or establishment.

**§ 110i**

**Restrictions on the use of the special regime of one-stop shops within the country**

**(1)** A taxable person may not apply the relevant regime of the special regime of one administrative place in which he was registered in the Czech Republic for a period of 2 calendar quarters from the date when the registration was canceled.

**(a)** upon request; or

**(b)** ex officio upon notification that it has ceased to provide selected services.

**(2)** A taxable person may not apply a special one-stop scheme in the Czech Republic for the 8 calendar quarters immediately following the calendar quarter in which the registration was canceled due to a serious breach of the obligation to administer tax under a single-stop special scheme.

**(3)** A taxable person who has an establishment domestically cannot apply a European Union regime in that country for a period of 2 years from the end of the calendar year in which he began to apply that system in another Member State; this shall not apply in the event of the transfer of the registered office to the national territory or of the cancellation of the registration due to the cancellation of an establishment in another Member State.

**Subsection 2**

**Filing and delivery under the special regime of one administrative point in the Czech Republic**

**§ 110j**

**Submission**

**(1)** A taxable person shall be obliged to submit a filing under the special regime of one administrative place designated by the tax administrator through an electronic portal. Other submissions under the special scheme of one-stop shop can be made via the electronic portal if the tax administrator so decides.

**(2)** Access to the electronic portal is possible through:

**(a)** data messages signed by a recognized electronic signature;

**(b)** data messages with a verified identity of the submitter in a way that can be accessed in his data box; or

**(c)** access data.

**(3)** The application for registration may be submitted by a data message in the format and structure published by the tax administrator

**(a)** signed by a recognized electronic signature;

**(b)** with the authenticated identity of the submitter in a way that can be accessed in his data box; or

**(c)** confirmed by means of registration data.

**(4)** The tax administrator shall assign access data on the basis of an application for registration filed pursuant to paragraph 3 (a). C).

**(5)** The tax administrator shall publish in a manner allowing remote access

**a) the** conditions and procedure for logging into the electronic portal,

**(b)** submissions which the taxable person is required to make through the electronic portal and submissions which may be made through the electronic portal;

**(c) the** format and structure of the data message to be submitted via the electronic portal;

**(d) the** fact that it is technically equipped to receive a data message with a verified identity of the submitter in a way that can be accessed in his data box.

**(6)** The person authorized to access the electronic portal is obliged to treat the access data in such a way that their misuse cannot occur.

**(7)** Submissions made in English do not have to be submitted simultaneously in translation into Czech.

**§ 110k**

**Delivery**

**(1)** Under the special regime of one administrative point, the tax administrator shall deliver the document electronically by means of

**(a)** data boxes; or

**(b)** public data networks to the e-mail address given in the registration application, unless the addressee has access to the data box.

**(2)** Reminders notifying of non-fulfillment of obligations in tax administration under the special regime of one administrative point are always delivered via the public data network to the electronic address stated in the application for registration.

**(3) A** document which is delivered via a public data network to an electronic address shall be deemed delivered at the moment it is sent by the tax administrator through an electronic portal.

**Subsection 3**

**Tax registration under the special regime of one administrative point in the Czech Republic**

**§ 110l**

**Registration form**

**(1)** If a taxable person intends to apply the special regime of one administrative office in the Czech Republic and fulfills the conditions for its use in the Czech Republic, he is obliged to file an application for registration under special regime of one administrative office in the calendar quarter immediately preceding the calendar quarter, from which it intends to apply the special scheme for one administrative authority.

**(2)** If a taxable person who fulfills the conditions for the application of the relevant regime of the one-stop shop for the first time in the Czech Republic provided the selected service for which he intends to use this regime for the first time, he is obliged to submit an application for registration within 10 days after in which they provided this service. That person shall indicate in the registration application the day on which he provided the service.

**(3) An** application for registration shall be filed within 10 days of the end of the calendar month in which the conditions for the use of the European Union regime in the country have been met, if the person intends to use the European Union regime in the country and because he relocates or ceases to have an establishment in another Member State.

**§ 110m**

**Obligation to notify a person applying the one-stop scheme**

**(1)** If there is a change in the data that a taxable person is obliged to state when registering for tax under the special regime of one administrative place, he / she is obliged to notify the tax administrator within 10 days after the end of the calendar month in which it occurred.

**(2) The** first provision of the selected service that occurs in the calendar quarter following the filing of the application for registration shall not be notified.

**(3)** If the taxable person ceases to provide selected services under the special regime of one administrative point, he / she is obliged to notify the tax administrator within 10 days after the end of the calendar month in which he ceased to provide these services.

**§ 110n**

**Marketing Authorization**

**(1)** If a taxable person who submitted an application for tax registration under the special regime of one administrative office fulfills the conditions for the use of the special regime of one administrative office, the tax administrator shall register it.

**(2)** A taxable person is registered in the Czech Republic under a special regime of one administrative place

**(a)** from the first day of the calendar quarter following the submission of the application for registration;

**(b)** from the date of supply of the selected service which it has indicated in the application for registration or in the notice of variation to the registration data; or

**(c)** from the date on which the conditions for applying the European Union regime have been fulfilled in the domestic territory by transferring its registered office or having ceased to have an establishment in another Member State, thereby ceasing to fulfill the conditions under which it applied the European Union regime in another Member State.

**(3)** In the marketing authorization for a scheme outside the European Union, the tax administrator assigns a tax registration number instead of a tax identification number.

**(4)** The provisions on the tax identification number shall apply mutatis mutandis to the tax registration number.

**§ 110o**

**Unregister user on request**

The tax administrator shall cancel the user's registration on the basis of the registration change notification requesting the cancellation of the registration on the last day of the relevant calendar quarter, if the user submitted such notification within 15 days before the end of that calendar quarter.

**§ 110p**

**Unregistration of the user ex officio**

**(1)** The tax administrator shall cancel the registration ex officio if the user

**a)** announce that it has ceased to provide selected services or fails to provide them for 8 consecutive calendar quarters,

**(b)** does not fulfill the conditions for the application of the special regime of one - stop - shop in the country on the basis of which he was registered; or

**(c)** breaches seriously his obligations relating to the administration of tax under the special regime of a single administrative point in the country.

**(2)** The registration is canceled by the user

**(a)** on the last day of the calendar quarter in which the decision to cancel the marketing authorization was issued;

**(b)** on the date on which it no longer fulfills the conditions for the application of the European Union regime in the country by transferring its registered office from its territory or by ceasing to have an establishment in its territory; or

**(c)** on the date on which it no longer fulfills the conditions for the application of the procedure outside the European Union in the country by becoming established or established in the European Union.

**Subsection 4**

**Tax return and payment of tax under special regime of one administrative place**

**§ 110q**

**Taxation period**

For the purpose of the one-stop scheme, the tax period is a calendar quarter.

**§ 110r**

**Tax return and additional tax return**

**(1) The** user is obliged to file a tax return within 20 days after the end of the tax period, even if he / she did not provide selected services for the respective tax period.

**(2) The** user submits an additional tax return to the tax administrator in the Czech Republic until the expiry of the period for its submission, which is 3 years. This period shall commence on the day on which the period for filing the tax return has expired.

**(3)** If the last day of the period referred to in paragraph 1 or 2 falls on a Saturday, Sunday or public holiday, the last day of the period shall be that day.

**(4)** The tax shall be calculated in euro to two decimal places without rounding.

**(5)** Where the tax return form requires the information to be given in euro, the exchange rate of the European Central Bank published for

**(a) the** last day of the tax year; or

**b) the** next following day, if the exchange rate is not published for the last day of the tax period.

**(6)** Where the supplementary tax return form requires the indication of the data in euro, the conversion rate used for the original transaction shall be used for conversion.

**§ 110s**

**Prescription and tax assessment**

On the basis of the filed tax return or additional tax return, the tax administrator prescribes in the tax records the amount of the claimed tax or the difference and the tax is not determined.

**§ 110t**

**Correction of tax base**

The user shall correct the tax base in the additional tax return for the tax period in which the obligation to declare the tax on the original transaction arose.

**§ 110u**

**Tax return and payment**

The tax administrator shall refer the tax authority to the state of consumption to the appropriate extent

**(a)** information from the filed tax return or additional tax return; and

**(b) the** payment made up to the amount of the tax claimed.

**§ 110v**

**Payment without sufficient marking**

If the taxable person does not indicate to which tax the payment is intended or does not mark the payment with the reference number of the relevant tax return, the provisions of the Tax Code shall apply mutatis mutandis to payments made without sufficient taxation. If this person does not respond within the time limit set by the tax administrator, the tax administrator will refund the payment.

**Section 4**

**Administration of special tax in the Czech Republic as a state of consumption**

**§ 110w**

**Basic provision**

**(1)** A taxable person who is registered for tax under the special regime of one administrative point in another Member State and provides selected services with a place of supply within the territory of the country fulfills the obligations for a given taxation period through the State Tax Manager.

**(2)** The taxable person shall be obliged to fulfill the obligations referred to in paragraph 1, with the exception of submissions made via the electronic portal, to the domestic tax administrator in the role of the state of consumption. securing or recovering the tax by notifying the person of the occurrence of that obligation.

**(3)** The person referred to in paragraph 1 is a tax entity.

**§ 110x**

**Delivery**

**(1)** In the special regime of one administrative point, the tax administrator shall deliver the document electronically, via the public data network, to the electronic address specified in the application for registration.

**(2) A** document that is delivered via a public data network to an electronic address shall be deemed delivered at the moment it is sent by the tax administrator through an electronic portal.

**§ 110y**

**The last known tax**

**(1)** The last known tax for the purpose of the special regime of one administrative place is the tax in the amount in which it was last for the relevant taxation period

**(a)** claimed by a taxable person who is registered for tax under the special scheme of one administrative office in another Member State, in a tax return or in an additional tax return; or

**(b)** the tax administrator has been legally assessed ex officio.

**(2)** The tax administrator shall prescribe the last known tax in the tax records.

**§ 110z**

**Self-assessment and self-assessment of tax**

**(1) In the** tax return, the tax claimed by a taxable person who is registered for tax under the special regime of one administrative office in another Member State shall be deemed to have been assessed on the date of expiry of the period for filing the tax return.

**(2)** In the event that a taxable person who is registered for tax under the special regime of one administrative point in another Member State fails to submit a tax return within the statutory period, the tax shall be deemed to be claimed at EUR 0.

**(3)** A supplementary tax return of a taxable person who is registered for tax under the special regime of one administrative office in another Member State shall be deemed to have been assessed on the date of submission of the supplementary tax return, ; this shall not apply if the additional tax return is filed in the course of an ex officio appraisal procedure.

**(4)** The supplementary tax return does not state the reasons for its filing and the date of finding the difference from the last known tax.

**§ 110za**

**Assessment of ex officio tax**

**(1)** If the tax administrator finds, by means of a procedure to eliminate doubts or based on a tax audit, that the last known tax is not in the correct amount, he / she will charge a tax equal to the difference between the last known tax and the amount newly established.

**(2)** The assessment pursuant to paragraph 1 shall also be made if the taxable person who is registered for tax under the special regime of one administrative office in another Member State fails to comply with the invitation to submit an additional tax return.

**(3)** The invitation to submit an additional tax return does not initiate an ex officio appraisal procedure; the ex officio appraisal procedure is initiated in vain by expiry of the deadline set in this notice.

**(4)** The filing of an additional tax return in the course of an ex officio appraisal procedure does not initiate an appraisal procedure. The information given in such a return shall be used in the assessment of the ex officio tax.

**§ 110zb**

**Relationship with limitation periods**

**(1)** It is not permissible to submit an additional tax return after 9 years from the beginning of the period for determining the tax.

**(2) The** period for payment of the tax shall be interrupted by an additional assessment of the tax.

**§ 110zc**

**Order of tax payment**

The payment shall be used primarily to pay the tax for the tax year for which it is intended.

**§ 110zd**

**Paying taxes to the state of consumption**

The tax can also be paid in excess of another tax.

**§ 110ze**

**Tax accessories**

**(1)** Interest and periodic penalty payments shall be fixed in euro to two decimal places without rounding.

**(2)** A taxpayer shall not be obliged to pay a penalty for a late tax claim for failure to file a tax return.

**(3)** Default interest shall not be prescribed unless it exceeds EUR 8.

**(4)** Interest on the amount squeezed shall not be prescribed if it does not exceed EUR 4.

**§ 110zf**

**Enforcement of the tax**

**(1)** The costs of ordering tax execution and selling are 2% of the amount for which tax execution is ordered, but at least EUR 20 and up to EUR 20000. The execution costs calculated in this way are rounded up to units and can only be claimed once for the same arrears.

**(2)** When converting the outstanding balance into Czech currency for the purposes of tax recovery, the foreign exchange market rate announced by the Czech National Bank valid on the date of tax determination shall be used. The resulting amount is rounded up to units.

**(3)** If the outstanding balance is not fully paid solely due to the exchange rate difference resulting from the conversion of the Czech currency into euro, the outstanding part of this outstanding balance shall expire.

**PART TWO**

**TRANSITIONAL, CANCELLATION AND FINAL PROVISIONS**

**§ 111**

**Temporary provisions**

**1.** Existing legal regulations shall apply to the application of value added tax for the period before the date of entry into force of this Act, as well as to the exercise of related rights.

**2.** Pursuant to the existing legislation in force until the date of entry into force of this Act, all procedural time limits that have begun to run before the entry into force of this Act shall be considered until its termination. The time limits for exercising the rights under point 1 shall be governed by the existing legislation.

**3.** A payer registered under the existing regulations is a payer under this Act.

**4. The** payer who submits the tax return for the calendar quarter is obliged to file the tax return for the month of April 2004 according to the existing legal regulations by 25 July 2004.

**5.** The taxable period for a taxpayer who submits a tax return for the calendar quarter and the taxpayer proceeded in accordance with point 4 shall be the period from 1 May 2004 to 30 June 2004. From 1 July 2004, the taxpayer submits a tax return pursuant to § 99.

**6.** Registration certificates issued before the date of entry into force of this Act shall remain valid. The tax identification numbers assigned to registered taxable entities before the date of entry into force of this Act shall be amended so that the first three digits and the dash are replaced by the code "CZ". The tax entity is obliged to state the tax identification number as amended. At the request of the taxpayer, the tax administrator shall indicate the change of the tax identification number in the registration certificate.

**7.** For the purposes of registration, the turnover achieved before the entry into force of this Act shall not be taken into account for the purposes of determining the amount of turnover referred to in § 6 of this Act.

**8.** In the taxation periods of 2004 from the date of entry into force of this Act, the coefficient calculated when settling the tax deduction for the tax year of the calendar year 2003 shall be used as an advance coefficient for the reduction of the right to deduct pursuant to Section 76 (6).

**9.** If the registration is canceled from the effective date of this Act, the taxpayer who applied the coefficient pursuant to § 20 of the previous Act when claiming the right to deduct tax on assets until 31 December 2000 shall adjust the amount of the deduction according to § 74 para. determined pursuant to § 76 of this Act.

**10.**When settling the right to deduct from 1 January 2004 to 31 December 2004, the taxpayer proceeds to settle in accordance with Section 20 of the current Act for the period from 1 January 2004 to the effective date of this Act, and for the period from the effective date of this Act until 31 December 2004 pursuant to Section 76 of this Act. The taxpayer shall settle the settlement for the period from 1 January 2004 until the effective date of this Act in the tax return for April 2004. In the event of a subsequent correction of the taxable transactions carried out for the already settled period according to the previous sentence The taxpayer shall settle the settlement for the period from the effective date of this Act until 31 December 2004 in the tax return for the last tax year of 2004.

**11.**In the case of contracts concluded before the date of entry into force of this Act for which advance payments for taxable supplies were made by this date, which will be carried out after the entry into force of this Act, the taxpayer is obliged to declare the tax on the date of the chargeable event. The advance paid before the effective date of this Act is not a payment received under this Act. In the case of contracts concluded before the date of entry into force of this Act for transactions that will take place after the entry into force of this Act and will be taxable transactions pursuant to this Act, the taxpayer who is obliged to declare and pay tax shall or on the date of receipt of payment, if payment is received after the entry into force of this Act.

**12.** For financial lease contracts that have been concluded and the subject of the contract has been put into use before the date of entry into force of this Act, the relevant provisions of Act No. 588/1992 Coll., On Value Added Tax, as amended by on the day preceding the effective date of this Act.

**13.** A person registered for taxation in another Member State may register as of the date of entry into force of this Law provided that he carries out taxable transactions within the territory of the country.

**14.** Goods which have been placed under the export or transit procedure in another Member State or newly acceded Member State before 30 April 2004 and enter into the country after the date of entry into force of this Law shall be treated as goods imported.

**15.** Goods which have been placed under the export, transit or outward processing procedure within the territory of the country before 30 April 2004 and enter into another Member State after the date of entry into force of this Law shall be treated as goods exported.

**16.** Paragraph 36 (10) shall apply for the first time to repayable deposit packaging purchased after 30 April 2004.

**18.** The determination of the place of performance pursuant to Paragraph 8 (3) in the period from the entry into force of this Act until 31 December 2004 shall not be subject to the condition that the value of the goods delivered to another Member State has not been exceeded in the previous calendar year.

**19.** Decisions on the recording duty issued by the tax authorities pursuant to Section 18 of Act No. 588/1992 Coll., On Value Added Tax, as amended, with effect until 31 December 2004, shall remain valid even after the effective date of this Act. of the Act.

**20.** In the case of a transfer of immovable property for which the legal effects of the contribution are due by 30 April 2004, the existing legislation shall apply.

**21.** Goods imported from countries which were Member States prior to the entry into force of this Law and placed under the appropriate customs procedures shall be subject to the application of the customs legislation after the entry into force of this Law.

**22.** After the entry into force of this Act, pre-accession assistance programs shall be reimbursed with tax pursuant to Section 81 until the termination of such programs.

**23.** If the goods are placed under the export procedure before the entry into force of this law and their exit to another Member State after the entry into force of this law is not confirmed by the customs authority, the payer shall demonstrate compliance with the conditions for exemption by other evidence.

**§ 112**

**Repealing provisions**

Canceling:

**1.** Act No. 588/1992 Coll., On Value Added Tax.

**2.** Act No. 321/1993 Coll., Amending and supplementing Act No. 588/1992 Coll., On Value Added Tax, as amended by Act No. 196/1993 Coll.

**3.** Act No. 258/1994 Coll., Amending and supplementing Act No. 588/1992 Coll., On Value Added Tax, as amended.

**4.** Act No. 133/1995 Coll., Amending and supplementing Act No. 588/1992 Coll., On Value Added Tax, as amended.

**5.** Act No. 208/1997 Coll., Amending and supplementing Act No. 588/1992 Coll., On Value Added Tax, as amended.

**§ 113**

**Efficiency**

This Act shall enter into force on the date of entry into force of the Treaty of Accession of the Czech Republic to the European Union, with the exception of the provisions of § 23 para. 3, § 73 para. 3, last sentence and § 51 para. (j) which shall take effect on 1 January 2005.

**Transitional provisions introduced by Act No. 635/2004 Coll. Art. XI**

**1.** Existing legislation shall apply to the application of value added tax for the taxation period prior to the entry into force of this Act.

**2.** City districts in the territorial division of the statutory city (districts) and city districts of the Capital City of Prague, which are independent taxable persons, become payers on the effective date of this Act, if the statutory city or the City of Prague of which payer according to existing regulations.

**The transitional provision introduced by Act No. 545/2005 Coll. Art. XII**

Correction of the tax base in the amount of tax according to the provisions of § 42 par. d) cannot be performed for transactions for which the tax has already been refunded in any way from the state budget.

**Transitional provision introduced by Act No. 270/2007 Coll. Art. XI**

The imposition of compensation for non-application of the tax in case of non-compliance with the statutory registration obligation, which occurred before the date of entry into force of this Act, shall proceed according to the existing legal regulations.

**Transitional provisions introduced by Act No. 261/2007 Coll. Art. IX**

**1.** Existing legislation shall apply to the application of value added tax for the taxation period prior to the date of entry into force of this Act, as well as for the exercise of rights and obligations related thereto.

**2.** A reduced rate of tax shall apply to the transfer of an apartment building, family house or apartment or to the transfer of an unfinished apartment building, family house or apartment for which the legal effects of the contribution occur by 31 December 2007.

**The transitional provision introduced by Act No. 296/2007 Coll. Art. CIV**

The provisions of this Act shall also apply to value added tax relating to proceedings initiated and not finally terminated pursuant to Act No. 328/1991 Coll., On Bankruptcy and Settlement, as amended, before the effective date of this Act.

**Transitional provisions introduced by Act No. 302/2008 Coll. Art. II**

**1.** Existing legislation shall apply to the application of value added tax for the taxation period before the date of entry into force of this Act, as well as for the exercise of rights and obligations related thereto.

**2.** Contractual relations arising from financial leasing contracts concluded pursuant to Act No. 235/2004 Coll., As amended by the effective date of this Act, whose subject matter of the contract was put into use by the lessee by the day preceding the effective date of this Act shall apply. the provisions of Act No. 235/2004 Coll., as amended, effective until the effective date of this Act.

**3.** A taxable person registered as a taxable person pursuant to Sections 96 and 97 of Act No. 235/2004 Coll., As amended until the effective date of this Act, and is not subject to the obligation of registration pursuant to Section 95 of Act No. 235/2004 Coll., As amended as of the date of entry into force of this Act, shall become a payer within the meaning of Section 94 of Act No. 235/2004 Coll. within 15 days of the effective date of this Act to notify the local tax authority that it is a taxable person.

**4.** A taxable person having its registered office or place of business in another Member State and a foreign taxable person having an establishment in the Czech Republic who did not become a payer by the date of entry into force of this Act pursuant to Section 94 of Act No. 235/2004 Coll., As amended effective until the date of entry into force of this Act, with the exception of the establishment through which this person carries out only exempt transactions without the right to deduct, becomes the payer pursuant to Section 94 of Act No. 235/2004 Coll. as of the effective date of this Act, and is obliged to file an application for registration within 15 days of the effective date of this Act.

**5.** The amount of turnover for the purposes of registration of the payer pursuant to § 94 and 95 and cancellation of the registration of payer pursuant to § 106 of Act No. 235/2004 Coll., As amended as of the date of entry into force of this Act, shall be determined for the preceding 12 consecutive calendar months way

**a)** pursuant to Section 6 (2) of Act No. 235/2004 Coll., as amended until the effective date of this Act, for the calendar months during which Act No. 235/2004 Coll., as amended until on the effective date of this Act, and

**b)** pursuant to Section 6 (2) of Act No. 235/2004 Coll., as amended as of the effective date of this Act, for the calendar months during which Act No. 235/2004 Coll., as amended as of on the effective date of this Act.

**6.** In the case of imported goods which have been placed under the temporary importation procedure with partial relief from import duties until the day before the date of entry into force of this Act, the provisions of Act No. 235/2004 Coll. .

**Transitional provisions introduced by Act No. 87/2009 Coll. Art. II**

**1.** In the case of a passenger car which has been supplied pursuant to Article 13, acquired from another Member State pursuant to Article 16, imported pursuant to Article 20 and technical improvements of the passenger car [**52 )**](https://www.zakonyprolidi.cz/cs/2004-235#f2551641) , with the place of supply within the country of this Act, the provisions of Sections 72 to 79 in the version valid until the day preceding the effective date of this Act shall apply to claim the right to deduct, even after the effective date of this Act.

**2.** In the case of the acquisition of a passenger car in a form where the passenger car is paid for use under the contract, if the parties agree that the user is entitled to acquire the passenger car subject to the contract, at the latest by payment of the last contractual obligation, until the day preceding the date of entry into force of this Act, the provisions of § 72 to § 79 shall apply to claiming the right to deduct, in the wording valid until the day preceding the date of entry into force of this Act, even after the date of entry into force of this Act.

**3.** In the case of a passenger car and technical improvement of a passenger car [**52 )**](https://www.zakonyprolidi.cz/cs/2004-235#f2551641) , defined pursuant to points 1 and 2 of the transitional provisions, after the effective date of this Act the provision of § 62 para. 2 in the version valid until the day before this Act becomes effective.

**Transitional provisions introduced by Act No. 362/2009 Coll. Art. VIII**

**1.** The existing legislation shall apply to the tax liability of value added tax for the taxation period preceding the date of entry into force of this Act, as well as to the rights and obligations related thereto.

**2.** A payer supplying electricity, gas, water, heat, refrigeration or telecommunications services shall be entitled to make an extraordinary deduction from metering equipment as at 31 December 2009 for the accounting period covering both part of 2009 and part of 2010, and calculation of consumption for the supply of electricity, gas, water, heat and cold and for the provision of telecommunications services as at 31 December 2009, even if the meter reading is made after that date. In such cases, the taxpayer shall apply the tax rate valid until 31 December 2009 for consumption for the period up to 31 December 2009 and the taxpayer rate applicable from 1 January 2010 for consumption for the period from 1 January 2010.

**3.** A payer who is liable to declare tax on remuneration received before the date of the chargeable event no later than 31 December 2009 shall apply the rate of value added tax applicable on the date of the chargeable event after 1 January 2010 the date of the obligation to declare value added tax upon receipt of the consideration.

**4.** For financial lease contracts that were concluded by 31 December 2008 pursuant to Act No. 235/2004 Coll., As amended until 31 December 2008, and whose subject matter of the contract was handed over to the lessee by 31 December 2008, the tax rate applicable until 31 December 2008 shall apply after 1 January 2010.

**Transitional provisions introduced by Act No. 489/2009 Coll. Art. II**

**1.** Existing legislation shall apply to the application of value added tax for the taxation period before the date of entry into force of this Act, as well as for the exercise of rights and obligations related thereto.

**2.** Requests for refunds to persons registered for taxation in other Member States submitted before the date of entry into force of this Act shall be considered in accordance with the existing legislation.

**3.** Subsequent recapitulative statements for the taxation period up to the day preceding the effective date of this Act shall be submitted by the payer pursuant to Section 102 of Act No. 235/2004 Coll., As amended until the effective date of this Act.

**4.** If a member of the group is also a participant of the association on the basis of an association agreement or other similar contract, the group shall submit a request to withdraw from the group by 31 October 2010 at the latest, unless it proves that the member of the group under an association agreement or other similar agreement.

**5.** If a member of the group is insolvent on the day preceding the date of entry into force of this Act, his membership in the group shall expire on the date of entry into force of this Act.

**The transitional provision introduced by Act No. 120/2010 Coll. Art. II**

For the application of value added tax for the taxation period prior to the effective date of this Act, as well as for the exercise of rights and obligations related thereto, Act No. 235/2004 Coll., As amended, effective as of the effective date of this Act shall apply.

**Transitional provisions introduced by Act No. 47/2011 Coll. Art. II**

**1.** Unless stipulated otherwise below, the existing legislation shall apply to the application of value added tax for the taxation period before the date of entry into force of this Act, as well as for the application of rights and obligations related thereto.

**2.** In order to exercise the right to deduct which arose before the effective date of this Act and which the taxpayer applies for the tax period after the effective date of this Act, the taxpayer is obliged to fulfill the conditions set out in § 73 of Act No. 235/2004 Coll. effective from the effective date of this Act.

**3.**On the date of entry into force of this Act, the taxpayer shall be entitled to a tax deduction for taxable supplies received, which became a part of fixed assets created by own activities, the performance of which according to § 13 para. b) of Act No. 235/2004 Coll., as amended as of the effective date of this Act, if it accepted these taxable supplies before the effective date of this Act and did not exercise the right to deduct the tax. Similarly, the taxpayer shall be entitled to a tax deduction if the tax deduction for these received taxable transactions is reduced and the tax deduction arises in the amount not paid by the taxpayer. In these cases, the taxpayer is entitled to claim the right to deduct tax at the earliest for the taxation period in which the fulfillment pursuant to Section 13 para. b) of Act No. 235/2004 Coll., in the wording effective from the effective date of this Act. Section 73 (3) and (4) of Act No. 235/2004 Coll., As amended as of the effective date of this Act, shall not apply to the claim for tax deduction under this provision.

**4.** Settlement of the tax deduction for 2011 shall be governed by Section 76 of Act No. 235/2004 Coll., As amended as of the effective date of this Act.

**5.** In the case of deduction of tax applied to assets acquired before the date of entry into force of this Act, from the date of entry into force of this Act the adjustment of the deduction or settlement of the deduction shall proceed according to § 78 or 79 of Act No. 235/2004 Coll. on the effective date of this Act.

**6.** When using tangible or intangible assets for purposes unrelated to the economic activity of the payer, if such assets were acquired before the date of entry into force of this Act, from the date of entry into force of this Act, the procedure pursuant to Section 13 para. a) or § 14 par. a) of Act No. 235/2004 Coll., as amended until the effective date of this Act.

**7.** In order to assess the length of the period for claiming a refund of the tax paid to a person with a disability who started to run pursuant to Section 85 (7) of Act No. 235/2004 Coll., As amended until the effective date of this Act, of Act No. 235/2004 Coll., as amended, effective as of the effective date of this Act.

**Transitional provisions introduced by Act No. 370/2011 Coll. Art. II**

**1.** For tax liability for value added tax for the taxation period preceding the effective date of this Act, as well as for rights and obligations related thereto, Act No. 235/2004 Coll., As amended, effective before the effective date of this Act shall apply. .

**3.**In the case of the supply of water, the provision of services related to the removal and treatment or disposal of waste water and the supply of heat or cold, the taxpayer who performed the taxable supply with the date of taxable supply from the date of entry into force of this Act shall be entitled this Act comes into effect and separately for the period from the date of entry into force of this Act on the basis of deductions from measuring devices on the day preceding the date of entry into force of this Act or on the basis of calculations if In such cases, the taxpayer shall apply a reduced tax rate in force for the period prior to the effective date of this Act and the reduced tax rate effective from that date for consumption in the period from the effective date of this Act; in the case of acceptance of remuneration prior to the effective date of this Act, from which the tax liability arose, these rates shall apply from the tax base determined for each period pursuant to Section 37 (3) of Act No. 235/2004 Coll., as amended. The taxpayer is entitled to apply a reduced tax rate valid in this period for the supply of water, the provision of services related to the removal and treatment or disposal of waste water and for the supply of heat or cold relating solely to the period prior to the effective date of this Act. if the actual consumption is established in the period from the date of entry into force of this Act. as amended. The taxpayer is entitled to apply a reduced tax rate valid in this period for the supply of water, the provision of services related to the removal and treatment or disposal of waste water and for the supply of heat or cold relating solely to the period prior to the effective date of this Act. if the actual consumption is established in the period from the date of entry into force of this Act. as amended. The taxpayer is entitled to apply a reduced tax rate valid in this period for the supply of water, the provision of services related to the removal and treatment or disposal of waste water and for the supply of heat or cold relating solely to the period prior to the effective date of this Act. if the actual consumption is established in the period from the date of entry into force of this Act.

**6.** If the taxpayer arose before the date of entry into force of this Act, the taxpayer shall declare the output tax upon receipt of the payment before the date of the taxable transaction and Section 37 (1) or (2) of Act No. 235/2004 Coll., As amended, the tax rate valid on the date of taxable supply, and only on the basis of the tax determined pursuant to Section 37 (3) of Act No. 235/2004 Coll. , as amended.

**9.** In the case of deduction of tax applied to technical improvements acquired before the date of entry into force of this Act, from the date of entry into force of this Act, the adjustment of the tax deduction shall be governed by § 78 para. 3 and § 78a para. in the version effective before the date of entry into force of this Act.

**10.** If the taxpayer carries out a taxable supply from the date of entry into force of this Act, for which he is obliged to apply the reverse charge regime pursuant to Section 92e of Act No. 235/2004 Coll., As amended, to determine the tax on the date of receipt of the consideration, determines for this taxable supply the tax base on the difference between the tax base pursuant to Section 36 (1) of Act No. 235/2004 Coll., as amended, and the tax base according to Section 36 (2) No. 235/2004 Coll., as amended.

**Transitional provisions introduced by Act No. 500/2012 Coll. Art. IV**

**Temporary provisions**

**1.** For tax liability for value added tax for the taxation period before the date of entry into force of this Act, as well as for rights and obligations related thereto, Act No. 235/2004 Coll., As amended, shall apply. .

**2.**In the case of the supply of water, the provision of services related to the removal and treatment or disposal of waste water and the supply of heat or cold, the taxpayer who performed the taxable supply with the date of taxable supply from the date of entry into force of this Act shall be entitled this Act comes into effect and separately for the period from the date of entry into force of this Act on the basis of deductions from measuring devices on the day preceding the date of entry into force of this Act or on the basis of calculations if In such cases, the taxpayer shall apply a reduced tax rate in force for the period prior to the effective date of this Act and, for consumption for the period from the effective date of this Act, the reduced tax rate in force from that date. The payer shall apply a reduced rate of tax applicable in the same period, even in the case of the provision of services related to the removal and treatment or disposal of waste water and the supply of heat or cold relating solely to the period prior to the date of entry into force of this Act. , when the actual consumption is established in the period from the date of entry into force of this Act. In the case of acceptance of remuneration before the date of entry into force of this Act, from which the obligation to declare tax arose, these rates shall apply from the tax base determined for each period pursuant to Section 37a of Act No. 235/2004 Coll. . or the disposal of waste water, and in the case of the supply of heat or cold relating solely to the period prior to the date of entry into force of this Act, shall apply a reduced tax rate in force during that period, even if of the Act. In the case of acceptance of remuneration before the date of entry into force of this Act, from which the obligation to declare tax arose, these rates shall apply from the tax base determined for each period pursuant to Section 37a of Act No. 235/2004 Coll. . or the disposal of waste water, and in the case of the supply of heat or cold relating solely to the period prior to the date of entry into force of this Act, shall apply a reduced tax rate in force during that period, even if of the Act. In the case of acceptance of remuneration before the date of entry into force of this Act, from which the obligation to declare tax arose, these rates shall apply from the tax base determined for each period pursuant to Section 37a of Act No. 235/2004 Coll. .

**3.**In the supply of electricity, gas and in the provision of telecommunications services, gas transmission and distribution, electricity transmission and distribution, the payer who has performed the taxable supply with the date of taxable supply from the date of entry into force of this Act is entitled to determine consumption separately for the period before of the Act and separately for the period from the date of entry into force of this Act on the basis of subtraction from the measuring devices to the day preceding the date of entry into force of this Act or on the basis of calculation, if In such cases, the taxpayer shall apply the standard tax rate in force for the period prior to the effective date of this Act and the basic tax rate valid from that date for the period from the effective date of this Act. In the supply of electricity, gas and in the provision of telecommunications services, gas transmission and distribution, electricity transmission and distribution relating exclusively to the period prior to the date of entry into force of this Act, the taxpayer shall apply the standard tax rate applicable in that period, the actual consumption shall be established from the date of entry into force of this Act. In the case of acceptance of remuneration before the date of entry into force of this Act, from which the obligation to declare tax arose, these rates shall apply from the tax base determined for each period pursuant to Section 37a of Act No. 235/2004 Coll. . apply the basic tax rate valid in this period, even if the actual consumption is established in the period from the date of entry into force of this Act. In the case of acceptance of remuneration before the date of entry into force of this Act, from which the obligation to declare tax arose, these rates shall apply from the tax base determined for each period pursuant to Section 37a of Act No. 235/2004 Coll. . apply the basic tax rate valid in this period, even if the actual consumption is established in the period from the date of entry into force of this Act. In the case of acceptance of remuneration before the date of entry into force of this Act, from which the obligation to declare tax arose, these rates shall apply from the tax base determined for each period pursuant to Section 37a of Act No. 235/2004 Coll. .

**The transitional provision introduced by Act No. 502/2012 Coll. Art. II**

**1.** For the application of value added tax for the taxation period before the effective date of this Act, as well as for the exercise of rights and obligations related thereto, Act No. 235/2004 Coll., As amended before the effective date of this Act, shall not apply. unless otherwise specified below.

**2.** For the transfer of buildings, flats and non-residential premises acquired before the effective date of this Act, the deadline specified in Section 56 of Act No. 235/2004 Coll., As amended, effective before the effective date of this Act shall apply.

**3.** In the case of the transfer of buildings, flats and non-residential premises acquired before the effective date of this Act, the payer may decide to apply value added tax pursuant to Act No. 235/2004 Coll., As amended as of the effective date of this Act.

**4.** A taxable person who has failed to register pursuant to Section 95 (1) or Section 95 (2) (a). a) of Act No. 235/2004 Coll., as amended before the effective date of this Act, becomes the payer on the effective date of this Act and is obliged to file an application for registration within 15 days from that date. The tax administrator determines the value added tax in an alternative way pursuant to § 98 of Act No. 235/2004 Coll.

**5.** A taxable person who has fulfilled the obligation to register pursuant to § 95 para. 1 or § 95 para. a) of Act No. 235/2004 Coll., as amended before the effective date of this Act, submitting an application for registration by the 15th day of the month preceding the effective date of this Act, becomes the payer on the first day of the month following month in which this Act came into force.

**6.** A taxable person who has incurred the obligation to register pursuant to § 95 para. 1 or § 95 para. a) of Act No. 235/2004 Coll., as amended before the effective date of this Act, with the obligation to file an application for registration by the 15th day of the month in which this Act becomes effective, becomes the payer on the 1st day the second month following the month in which this Act became effective.

**7.** A person identified for taxation pursuant to Section 96 (1) to (3) of Act No. 235/2004 Coll., As amended before the effective date of this Act, shall become the identified person on the effective date of this Act.

**8.** A taxable person who became a payer from 1 April 2011 pursuant to Section 94 (6) to (11) or Section 94 (15) of Act No. 235/2004 Coll., As amended before the effective date of this Act, may: apply for cancellation of registration within 3 calendar months from the date of entry into force of this Act.

**9.** A taxable person who was a payer on the day preceding the effective date of this Act is obliged to notify the tax administrator within two months of the effective date of this Act the information specified in Section 96 of Act No. 235/2004 Coll., As amended. from the date of entry into force of this Act. If this person fails to comply with this obligation, it shall be deemed to have designated all accounts kept by the tax authorities as a result of his registration duty for publication.

**10.** The tax administrator shall disclose information pursuant to Section 98 (a). 1, Letter (d) of Act No. 235/2004 Coll., as amended from the effective date of this Act, on the first day of the third calendar month following the calendar month in which this Act took effect. Before the date of publication of this data, § 109 para. c) of Act No. 235/2004 Coll., as amended as of the effective date of this Act.

**11.** A payer registered in 2012 that fulfills the conditions specified in § 99a para. a) to c) of Act No. 235/2004 Coll., as amended as of the date of entry into force of this Act, and whose tax period for 2012 was a calendar quarter, may decide that its tax period for 2013 is a calendar quarter.

**Transitional provisions introduced by Measure No. 344/2013 Coll. Art. X**

**1.** For tax liability for value added tax for the taxation period before the date of entry into force of this statutory measure of the Senate, as well as for rights and obligations related thereto, Act No. 235/2004 Coll., As amended, shall apply. of this statutory measure of the Senate.

**2.** Unless stipulated otherwise, the same provisions of Act no. 1 shall apply to facts, relationships, subjects, subjects, objects, rights and obligations of private law under the legislation effective before the date of entry into force of this statutory measure by the Senate. 235/2004 Coll., In the wording effective from the effective date of this legal measure of the Senate, such as facts, conditions, relations, subjects, subjects, rights and obligations of private law according to legal regulations effective from the effective date of this legal measure of the Senate, they are closest to them by their nature and purpose.

**Transitional provisions introduced by Act No. 196/2014 Coll. Art. II**

**1.** For tax liability for value added tax for the taxation period before the date of entry into force of this Act, as well as for rights and obligations related thereto, Act No. 235/2004 Coll., As amended, effective before the date of entry into force of this Act shall apply. .

**2. A** foreign taxable person registered on the day preceding the effective date of this Act pursuant to Section 88 of Act No. 235/2004 Coll., As amended before the effective date of this Act, shall be a user pursuant to Section 110b (1). Article 1 (a) | e) of Act No. 235/2004 Coll., as amended, effective as of the effective date of this Act.

**Transitional provision introduced by Act No. 262/2014 Coll. Art. II**

For tax liability for value added tax for the taxation period prior to the effective date of this Act, as well as for rights and obligations related to it, Act No. 235/2004 Coll., As amended, effective before the effective date of this Act shall apply.

**Transitional provisions introduced by Act No. 360/2014 Coll. Art. II**

**1.** For tax liability for value added tax for the taxation period before the date of entry into force of this Act, as well as for rights and obligations related thereto, Act No. 235/2004 Coll., As amended, effective before the date of entry into force of this Act shall apply. .

**2.** In order to determine the turnover for the purposes of Act No. 235/2004 Coll., As amended as of the date of entry into force of this Act, in the case of calendar months before the date of entry into force of this Act, proceed pursuant to Section 4a (1) of Act No. 235/2004 , As amended, before the effective date of this Act.

**Transitional provisions introduced by Act No. 113/2016 Coll. Art. III**

**1.** For tax liability for value added tax for the taxation period before the date of entry into force of this Act, as well as for rights and obligations related thereto, Act No. 235/2004 Coll., As amended, effective before the date of entry into force of this Act shall apply. .

**2.** For tax liability for value added tax for the taxation period before the date of entry into force of Article II, points 1 to 3, as well as for rights and obligations related thereto, Act No. 235/2004 Coll., As amended, shall apply. on the date of entry into force of Article II, points 1 to 3.

**Transitional provisions introduced by Act No. 243/2016 Coll. Art. XXXIV**

**1.** If a taxable person who became a taxpayer pursuant to Section 6c (2) of Act No. 235/2004 Coll., As amended, before the date this Act came into effect, an obligation to declare the tax on consideration received prior to the chargeable event arose on the day preceding the date of entry into force of this Act, and who, since the date of entry into force of this Act, supplied the goods with the place of supply to the taxpayer, the taxable person who incurred the duty to declare 1 of Act No. 235/2004 Coll., As amended, effective before the effective date of this Act.

**2.** The tax administrator shall cancel the registration of a taxable person not established in the Czech Republic who became a payer pursuant to Section 6c (2) of Act No. 235/2004 Coll., As amended, before the effective date of this Act if within 6 months of the date of entry into force of this Act, the person applied for cancellation of the payer's registration and if, from the date of entry into force of this Act, he only delivers the goods to the payer with the place of performance in the country.

**3.** The tax administrator with territorial jurisdiction pursuant to Section 93a (2) of Act No. 235/2004 Coll., As amended before the effective date of this Act, for a taxable person who has no registered office or establishment in the Czech Republic and who was registered before within 12 months of the effective date of this Act, it shall decide on the date on which the local jurisdiction of this person passes to the tax administrator of the locally competent pursuant to Section 93a (2) of Act No. 235/2004 Coll. on the effective date of this Act.

**4.** When assessing the fulfillment of the condition pursuant to Section 101j of Act No. 235/2004 Coll., In the wording effective from the date of entry into force of this Act, the delay in submitting an inspection report which occurred before the date of entry into force of this Act shall not be taken into account.

**5.** The obligation to pay a fine pursuant to Section 101h para. a) of Act No. 235/2004 Coll., as amended, which arose before the effective date of this Act and which was not decided by a payment assessment before the effective date of this Act, expires on the effective date of this Act.

**6.** The provisions of Section 101k of Act No. 235/2004 Coll., As amended from the effective date of this Act, shall also apply to fines pursuant to Section 101h para. b) to d) of Act No. 235/2004 Coll., as amended, which arose before the effective date of this Act. In the event that the period for filing the application for immunity began before the date of entry into force of this Act, the period shall not expire earlier than three months from the date of entry into force of this Act.

**Transitional provision introduced by Act No. 33/2017 Coll. Art. II**

For tax liability for value added tax for the taxation period prior to the effective date of this Act, as well as for rights and obligations related to it, Act No. 235/2004 Coll., As amended, effective before the effective date of this Act shall apply.

**Transitional provisions introduced by Act No. 170/2017 Coll. Art. VI**

**1.** For tax liability for value added tax for the taxation period before the date of entry into force of this Act, as well as for rights and obligations related thereto, Act No. 235/2004 Coll., As amended, effective before the date of entry into force of this Act shall apply. .

**2.** Until 31 December 2018, the Company's shareholders may proceed in accordance with the provisions of Act No. 235/2004 Coll., As amended, prior to the effective date of this Act regulating the company, while proceeding pursuant to Act No. 235/2004 Coll., As amended. from the date of entry into force of this Act.

**3.** If the shareholders of the company no longer comply with point 2, the designated shareholder shall notify the tax administrator of this fact within the deadline for filing the tax return for the tax year in which the last step referred to in point 2 was followed. The obligation to notify does not arise if this last tax period is a tax period ending on 31 December 2018.

**4.** For the purpose of canceling the payer's registration pursuant to Section 106b of Act No. 235/2004 Coll., As amended, the turnover of the shareholder of the company shall be determined pursuant to Section 106c (2) of Act No. 235/2004 Coll., As amended before the date of acquisition. for the calendar months preceding the entry into force of this Act or for the calendar months during which the Company's shareholders proceed in accordance with point 2 and pursuant to Section 4a of Act No. 235/2004 Coll., as amended as of the effective date of this Act, for the calendar months in which the members of the company do not proceed according to point 2.

**5.** Tangible assets under the Income Tax Act or land that is a long-term asset under accounting legislation, abandoned for use pursuant to Section 13, Para. 4 (4) (d) of Act No. 235/2004 Coll., in the version effective before the effective date of this Act, before the effective date of this Act shall not be considered as long-term assets of the user according to § 4 para. d) point 1 or 3 of Act No. 235/2004 Coll., as amended, effective as of the effective date of this Act.

**6.** The second sentence of Section 20a (2) of Act No. 235/2004 Coll., As amended from the date this Act comes into effect, shall not apply in the case of a taxable supply that occurs from the date this Act comes into effect if upon the entry into force of this Act, the consideration was received in connection with this performance and the received amount of the consideration was taxed pursuant to Act No. 235/2004 Coll., as amended before the effective date of this Act. If the remuneration received prior to the date of entry into force of this Act is bound to the transfer of the voucher, which entails the obligation to accept it as a consideration for the supply of goods or services, the tax pursuant to Act No. 235/2004 Coll. , as amended, effective before the effective date of this Act.

**7.** In the case of correction of the tax base and the amount of the tax for prepaid telecommunication services applied before the date of entry into force of this Act, if the received payment was used to pay for other performance from the date of entry into force of this Act, 235/2004 Coll., As amended, effective before the effective date of this Act.

**Transitional provision introduced by Act No. 225/2017 Coll. Art. XL**

If the commencement of the period of exemption for tax on the supply of selected immovable property pursuant to Section 56 (3) of Act No. 235/2004 Coll., As amended before the effective date of this Act, occurred before the effective date of this Act, it shall apply from Article 56 (3) of Act No. 235/2004 Coll., as amended, effective before the effective date of this Act.

**Transitional provisions introduced by Act No. 80/2019 Coll. Art. VI**

**1.** For tax liability for value added tax for the taxation period before the date of entry into force of this Act, as well as for rights and obligations related thereto, Act No. 235/2004 Coll., As amended, shall apply.

**2.** For contracts on the abandonment of goods for use, if it is agreed that the ownership right to the used goods will be transferred to its users, which were concluded and for which the goods were abandoned before the date of entry into force of this Act, proceed according to § 13 par. 3 písm. 1, Letter (d) of Act No. 235/2004 Coll., as amended, prior to the effective date of this Act.

**3.** When calculating the tax on the supply of goods and services, the provisions of Section 37 of Act No. 235/2004 Coll., As amended, prior to the effective date of this Act, may be used for a period of 6 calendar months from the effective date of this Act.

**4.** For vouchers pursuant to Act No. 235/2004 Coll., As amended from the date of entry into force of Article V, points 32 and 62, issued

**a)** before 1 January 2019, the Act No. 235/2004 Coll., as amended, shall apply before 1 January 2019,

**b)** From 1 January 2019 to the day preceding the date of entry into force of Article V, points 32 and 62, Act No. 235/2004 Coll., as amended, effective from the date of entry into force of Article V, points 32 and 62 may be applied.

**5.** Proceedings constituting suspension of the period for the correction of the tax base pursuant to Section 42 (8) of Act No. 235/2004 Coll., As amended from the effective date of this Act, shall also suspend the period which began before the effective date of this Act; proceedings initiated before the date of entry into force of this Act shall suspend the running of this period only from the date of entry into force of this Act.

**6.** If a major repair pursuant to Section 78da of Act No. 235/2004 Coll., As amended as of the date of entry into force of this Act, started before the date of entry into force of this Act and completed after the date of entry into force of this Act, the payer may proceed under 78da of Act No. 235/2004 Coll., As amended, effective as of the effective date of this Act.

**7.** Insolvency proceedings in which the court has decided to declare bankruptcy of the debtor's assets and which were initiated before the effective date of this Act shall be governed by Act No. 235/2004 Coll., As amended before the effective date of this Act.

**8.** The provisions of Sections 46 to 46g and the provisions of Section 74a of Act No. 235/2004 Coll., As amended as of the effective date of this Act, shall also be applied if the original taxable supply occurred before the effective date of this Act, if all facts decisive for performed repairs pursuant to Section 46 (1) of Act No. 235/2004 Coll., as amended as of the effective date of this Act, occurred from the effective date of this Act.

**9.** Administrative, judicial or arbitration proceedings establishing suspension of the period for correction of the tax base pursuant to § 46 par. d) of Act No. 235/2004 Coll., as amended as of the date of entry into force of this Act, also suspends the period of time that began before the date of entry into force of this Act; administrative, judicial or arbitration proceedings commenced before the date of entry into force of this Act shall be suspended from the date of entry into force of this Act.

**10.** The tax administrator shall publish information within 1 month from the date of entry into force of this Act pursuant to Section 98 (a). e) of Act No. 235/2004 Coll., as amended as of the date of entry into force of this Act, on the payer, which was kept in the register of payers before the date of entry into force of this Act.

**11.** For tax liability for value added tax for the taxation period before the date of entry into force of Article V, points 112 and 238 to 243, as well as for rights and obligations related to them, Act No. 235/2004 Coll., As amended, shall apply. before the date of entry into force of Article V, points 112 and 238 to 243.

**12.** The provisions of Section 101i (3) of Act No. 235/2004 Coll., In the wording effective from the effective date of this Act, shall also apply to the obligation to pay a fine incurred before the effective date of this Act.

**13.** The tax administrator shall cancel the registration of a non-resident taxpayer who became a taxpayer before the date of entry into force of this Act, provided that the taxpayer submits an application for revocation within three months of the date of entry into force of this Act and it carries out only the taxable transaction for which the taxable person is liable or the supply of goods which the taxpayer could supply as an intermediary for the buyer if he were not the taxpayer in the country.

**14.** In the case of the broadcaster legally pursuant to the Act regulating the operation of radio and television broadcasting, the calculation of the tax deduction in proportion to 31 December 2021 shall apply the last sentence of Section 75 (1) of Act No. 235/2004 Coll. this Act becomes effective.

**15.** For tax liability for value added tax for the taxation period before the date of entry into force of Article V point 237, as well as for rights and obligations related thereto, Act No. 235/2004 Coll., As amended, shall apply. Article V, point 237.

**16.** Tax liability for value added tax

**a)** before 1 January 2019, as well as for the rights and obligations related to them, § 10i, 27 and § 110g of Act No. 235/2004 Coll., as amended before 1 January 2019, shall apply,

**b)** Sections 10i, 27 and 110g of Act No. 235/2004 Coll. may be applied from 1 January 2019 to the day preceding the date of entry into force of Article V, points 22, 45 and 262, as well as for rights and obligations related thereto, as amended from the date of entry into force of Article V, points 22, 45 and 262.

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Annex No. 1 to Act No. 235/2004 Coll.

**List of transactions in respect of which bodies carrying out public administration are treated as taxable persons**

**1.** Supply of water, gas, heat, cold and electricity.

**2.** Delivery of new goods made for sale.

**3.** Telecommunication services.

**4.** Passenger and freight transport.

**5.** Storage, port and airport services.

**6.** Travel agency and tour operator services, guide services.

**7.** Services of advertising agencies.

**8.** Services for the organization of exhibitions, fairs and congresses.

**9.** Operation of shops for employees, canteens, canteens and similar canteens.

**10.** Services of broadcasters other than exempt from tax pursuant to § 53.

**11.** Transactions carried out by the State Agricultural Intervention Fund in respect of the supply of agricultural and food products in accordance with the rules applicable to the operation of this Fund.

Annex No. 2 to Act No. 235/2004 Coll.

List of services subject to the first reduced rate

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| --- | --- |
| CZ-CPA | Service Description Repairs of medical devices listed in Annex 3 to this Act. |
| 33.17.19 | Repair of wheelchairs. |
| 36.00.2 | Water treatment and distribution services. |
| 37 | Wastewater collection and treatment including other services related to these activities. |
| 38.1 | Collection and transport of municipal waste. |
| 38.2 | Preparation for disposal and disposal of municipal waste. |
| 49.39.2 | Passenger transport by cableway, cable cars and ski lifts, except in the case of mass passenger services. |
| 51 | Air transport of passengers and their luggage by air. |
| 55 | Accommodation services. |
| 56 | Catering services, serving beverages, unless they are exempt as catering services under Sections 57 to 59 or are not serving alcoholic beverages covered by tariff nomenclature codes 2203 to 2208 or tobacco products covered by tariff nomenclature codes of Chapter 24. |
| 59.14 | Granting access to film shows. |
| 81.21.10 | Home cleaning services. |
| 81.22.11 | Window cleaning services carried out in households. |
| 86 | Health care defined by the CZ-CPA 86 production code number, unless it is exempt as a health service pursuant to Section 58. |
| 87 | Social care, unless it is exempt under § 59. |
| 88.10,88.91 | Home care for children, elderly, sick and disabled citizens. |
| 90 | Services provided by writers, composers, sculptors and other performers, except in the case of authorization to exercise the right to use the work and outside the services of independent journalists, independent models and models. |
| 90, 91, 93 | Granting access to museums and other cultural facilities (cultural events and monuments, exhibitions, zoological and botanical gardens, nature reserves, national parks, amusement parks, amusement parks, circuses, historical buildings and similar tourist attractions). |
| 93.11,93.12 | Granting access rights to sporting events; use of indoor and outdoor sports facilities for sports activities. |
| 93.13 | Gym services and fitness center. |
| 93.29.11 | Services related to the operation of recreational parks and beaches. |
| 93.29.21 | Providing access to fireworks, light and sound performances. |
| 96.03 | Funeral and related services, except funeral services for animals. |
| 96.04 | Turkish baths, saunas, steam baths and salt caves. |

Services corresponding to the CZ-CPA production code number valid on 1 January 2008 and the explicit verbal description of this code in the text part of this Annex are subject to the first reduced tax rate.  
Customs Tariff Nomenclature code is the code for the description of selected products given in the Customs Tariff as in force on 1 January 2018 [**72 )**](https://www.zakonyprolidi.cz/cs/2004-235#f2551675) .  
Regular public transport means the transport of persons on specified routes, when passengers board and disembark at predetermined stops or places according to predetermined timetables, approved pursuant to Act No. 111/1994 Coll., On Road Transport, as amended, Act No. 266/1994 Coll., on runways, as amended, Act No. 49/1997 Coll., on civil aviation and amending and supplementing Act No. 455/1991 Coll., on Trade Licensing (Trade Licensing Act), in as amended, Act No. 114/1995 Coll., on Inland Navigation, as amended, or Decree No. 122/2014 Coll., on timetables of public regular transport, in the case of regular passenger lines public transport.

For the purposes of this Act, domestic cleaning services for households and window cleaning services for households shall mean cleaning in a dwelling or family house outside a non-residential area. Cleaning of the common areas of an apartment building is also considered as domestic cleaning work.

Authorization to exercise the right to use the work means authorization under Act No. 121/2000 Coll., On Copyright, on Rights Related to Copyright and on Amendments to Certain Acts, as amended.

Annex No. 2a to Act No. 235/2004 Coll.

**List of services subject to the second reduced tax rate**

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| **CZ-CPA** | **Service description** |
| 49 | Land transport of passengers and their luggage, except passenger transport by ski lifts |
| 50 | Public water transport of passengers and their luggage. |

Services corresponding to the CZ-CPA production code number valid on 1 January 2008 and the explicit verbal description of this code in the text part of this Annex are subject to the second reduced tax rate.

Regular public transport means the transport of persons on specified routes, when passengers board and disembark at predetermined stops or places according to predetermined timetables, approved pursuant to Act No. 111/1994 Coll., On Road Transport, as amended, Act No. 266/1994 Coll., on runways, as amended, Act No. 49/1997 Coll., on civil aviation and amending and supplementing Act No. 455/1991 Coll., on Trade Licensing (Trade Licensing Act), in 114/1995 Coll., on Inland Navigation, as amended, or Decree No. 122/2014 Coll., on timetables for public regular transport, in the case of regular passenger transport public.

Annex No. 3 to Act No. 235/2004 Coll.

**List of goods subject to the first reduced rate**

|  |  |
| --- | --- |
| **Tariff nomenclature code** | **Name of the goods** |
| 01-05,07-23,25 | - Food including beverages (except alcoholic beverages as defined by special regulation [**70 )**](https://www.zakonyprolidi.cz/cs/2004-235#f2551673) and animal feed; live animals, seeds, plants and additives, usually intended for the preparation of foodstuffs; products normally used as a supplement or as a substitute for food; water.Other goods classified in codes 2203-2208 and goods in codes 0402, 0404, 1901, 2106, which are included in Annex 3a. |
| 06 / | - Live trees and other plants; bulbs, roots and the like; cut flowers and decorative foliage. |
| 07-12 | - Plants and seeds. |
| 28-30 | - Radiopharmaceuticals, sorbitol for diabetics, aspartame, saccharin and its salts, antibiotics, pharmaceutical products - intended only for health services, disease prevention and treatment for human medical purposes. Excluding goods classified in codes 2843-2846, 2852, 3002, 3003, 3004, 3006, which is included in Annex 3a. |
| 49 | - Books, brochures, leaflets, prospectuses, picture albums, picture books, drawing and coloring books for children, printed or handwritten music, cartographic products of all kinds, including atlases, wall maps, topographic plans and globes, except printed or substantially intended for advertising. Excluding printed matter wholly or substantially intended for advertising, and excluding goods classified under CN codes 4901, 4903, 4904, which are included in Annex 3a. |
| 01-96 | - Medical devices according to the legislation governing medical devices which are usually intended for the exclusive personal use of the disabled to treat the disability or to mitigate its consequences in the case of medical devices that can be classified in the groups listed in Section A of Annex 3 of the Public Health Insurance Act or listed in Annex 4 of the Public Health Insurance Act, with the exception of medical devices that are included in the following types (types) of medical devices of Sections B and C of Annex 3: - all types (types ) of medical devices listed in section B - wound swabs - cellulose wadding - ostomy - deodorant - wig. |
| 01-96 | - Medical devices according to the legislation governing medical devices which are usually intended for the exclusive personal use of the disabled to treat or mitigate the effects of the disability, in the case of medical devices manufactured under the prescription of a qualified health worker. a medical device intended to be used by only one particular patient. |
| 90 | - Orthopedic appliances and instruments, including crutches, surgical belts and trusses; splints and other fracture treatments; artificial body parts; hearing aids and other devices worn in the hand or on the body or implanted in the body to compensate for the consequences of a defect or incapacity, and only medical devices according to the legislation governing medical devices when they are usually intended for the sole personal use of the disabled or to mitigate its consequences. |
| 48, 64, 66, 84, 85, 87, 90, 91 | - Goods for personal use by the sick to mitigate the effects of non-medical conditions under special legislation, namely: - Braille paper - Personal and kitchen scales with voice output for blind and partially sighted persons - Typewriters and word-processing machines processors) adapted for use by blind and partially sighted persons or persons with amputated or paralyzed upper limb - Electronic calculators with voice or tactile output for blind and partially sighted persons and electronic calculating machines with voice or tactile output for blind and partially sighted persons - Computers specially adapted for blind and partially sighted persons with voice or tactile output or hardware adapter for font and image enlargement, and their units and additional devices with voice or tactile output or hardware adapter for font and image enlargement - Braille computer printer for the blind and partially sighted persons, keypads for the blind and partially sighted persons and other computer output and input units for tactile writing - Computer units and computer equipment enabling them to be operated by persons with reduced fine motor skills or amputated limbs - Phones and video telephones designed for use by the deaf - TV image magnifiers for blind and partially sighted persons - Special acoustic or visual devices for deaf, blind and partially sighted persons - Manual foot control, hand lever, including gear lever, for disabled persons - Watch for blind and partially sighted persons with a tactile or voice output with a case other than expensive metals and vibration and light watches for deaf persons - Vibration and light alarms for deaf persons and tactile or tactile alarm clocks for blind and partially sighted persons - Parts of such articles for which an affidavit demonstrates that the goods belong to a certain amount specified goods. |
| 94 | - Child car seats. |
| 4401 | - Firewood in logs, in billets, in twigs, in fagots or in similar forms; wood chips or particles, sawdust and wood waste and scrap, whether or not agglomerated in logs, briquettes, pellets or similar forms, for use as fuel. |

Customs Tariff Nomenclature code is the code for the description of selected products given in the Customs Tariff as in force on 1 January 2018 [**72 )**](https://www.zakonyprolidi.cz/cs/2004-235#f2551675) .

The first reduced rate of duty shall be subject to goods which correspond at the same time to the tariff nomenclature code and to the verbal description of that code in the text part of this Annex.

For the purposes of the classification of goods in the respective tax rate, advertising means advertising pursuant to Act No. 40/1995 Coll., On the regulation of advertising and amending and supplementing Act No. 468/1991 Coll., On the operation of radio and television broadcasting, as amended, as amended.

Annex No. 3a to Act No. 235/2004 Coll.

**List of goods subject to the second reduced tax rate**

|  |  |  |
| --- | --- | --- |
| **Tariff nomenclature code** | **Name of the goods** |  |
| 0402.0404, 1901.2106 | - Infant formulas and follow-on formulas and baby foods. |  |
| 2843-2846, 2852, 3002, 3003, 3004, 3006 | - Radiopharmaceuticals, vaccines, medicines, X-ray contrast agents, diagnostic reagents intended for administration to patients, chemical contraceptives on a hormonal basis - intended for health and veterinary services, disease prevention and treatment for human and veterinary medical purposes. |  |
| 4901.4902, 4903.4904 | - Printed books, picture books for children, newspapers and magazines; music, printed or handwritten, whether or not bound or illustrated. |  |
| Excluding goods where advertising exceeds 50% of the area. |  |
| 0801, 1101 to 1106, 1201, 1204, 1206 to 1208, 1212, 1214, 2004, 2005 | - Mill products, namely: |  |
| - cereals falling within the tariff nomenclature codes in Chapter 10 - products falling within the tariff nomenclature codes in Chapters 8 and 12 - potatoes - dried leguminous vegetables of heading 0713, sago or roots or tubers of heading 0714 or from articles of Chapter 8. |  |
| - Mixtures of these mill products. |  |
| 1107-1109, 1903, 3505 | - Malt, starches, wheat gluten and mixtures of these products. |  |
| 1806, 1901, 2004, 2005, 2103, 2106 | - Prepared mill products and prepared mixtures for the preparation of foodstuffs for persons intolerant to gluten. |  |

For the purposes of classification of goods in the relevant tax rate, the code of the nomenclature of the Customs Tariff means the numerical code of the description of selected products stated in the Customs Tariff in the version valid as of 1 January 2018 [**72 )**](https://www.zakonyprolidi.cz/cs/2004-235#f2551675) .

The second reduced rate of duty shall be subject to goods which correspond simultaneously to the tariff nomenclature code and to the verbal description of that code in the text part of this Annex.

For the purposes of this Act, newspapers shall mean journals and periodicals published at least twice a year under the same name and, as such, typical for them without a fixed connection of individual sheets.

Infant formulas and follow-on formulas shall, for the purposes of the classification of goods at the appropriate rate, be the foodstuffs defined in Article 2 (2) (a). (c) and (d) Regulation (EU) No 609/2013 of the European Parliament and of the Council of 12 June 2013 on foods intended for infants and young children, foods for special medical purposes and the substitution of full-time diet for weight control and repealing Council Directive 92 / 52 / EEC, Commission Directives 96/8 / EC, 1999/21 / EC, 2006/125 / EC and 2006/141 / EC, Directive 2009/39 / EC of the European Parliament and of the Council and Commission Regulation (EC) No 41 / 2009 and (EC) No 953/2009. Food for young children means the food defined in Article 2 (2) (a). (f) Regulation (EU) No 609/2013. Mill products and mixtures of these mill products, malt, starches, wheat gluten and mixtures of these products,

For the purposes of classifying goods at the applicable tax rate, a printed book also includes books reproduced by a photocopier, under the control of an automatic data-processing machine, stamping, photographing, photocopying, thermo-copying or typewriting.

For the purposes of classifying goods in the applicable tax rate, a children's picture book is a children's book in which the main content is an illustration and the text has a secondary meaning.

For the purposes of the classification of goods in the respective tax rate, advertising means advertising pursuant to Act No. 40/1995 Coll., On the regulation of advertising and amending and supplementing Act No. 468/1991 Coll., On the operation of radio and television broadcasting, as amended, as amended.

Annex No. 4 to Act No. 235/2004 Coll.

Works of art, collectors' items and antiques

|  |  |
| --- | --- |
| Tariff nomenclature code | Name of the goods |
| **A) Works of art** | |
| **5805** | - Tapestries made by hand based on the original artwork provided by the artist, but not more than eight copies. |
| **6304** | - Wall-papers made by hand according to the original artwork provided by the artist, but not more than eight copies. |
| **9701** | - Paintings, paintings, drawings, collages and similar works of art, made entirely by hand by the artist, except plans and drawings for architectural, technical, industrial, commercial, topographic or similar purposes, hand-decorated and made-up items, stage sets, studio and similar painted background. |
| **9702** | - Original engravings, prints and lithographs, which are made by the artist by immediate reprinting in a limited number of copies in black and white or in color, exclusively by hand, not by mechanical or phototechnical techniques. |
| **9703** | - Original sculptures and sculptures of any material, provided they have been made entirely by the artist; cast statues up to 8 pieces, if the production is under the supervision of the artist or his legal representative. |
| **B) Collectibles** | |
| **9704** | - Postage stamps, postage stamps or revenue stamps, envelopes, stamped and stamped on the first day of issue, stamps and postal stamps and similar stamps, whether or not intended to be legal tender or intended to be used as legal tender. |
| **9705** | - Collections and collectors' pieces of zoological, botanical, mineralogical, anatomical historical, archaeological, paleontological, ethnographic or numismatic interest. |
| **C) Antiques** | |
| **9706** | - Objects other than works of art or collectors' items if they are more than 100 years old. |

Annex No. 5 to Act No. 235/2004 Coll.

**List of goods to which the reverse charge procedure applies**

|  |  |
| --- | --- |
| Tariff nomenclature code | Name of the goods |
| 2618 00 00 | Granulated slag (slag sand) from the manufacture of iron or steel |
| 2619 00 | Slag, foamed slag (other than granulated slag), scales and other wastes from the manufacture of iron or steel |
| 2620 | Slag, ash and residues (other than from the manufacture of iron or steel), containing metals, arsenic, or compounds thereof |
| 3915 | Wastes, scrap and scrap of plastics |
| 4004 00 00 | Waste, parings and scrap of rubber (other than hard rubber) and powders and grains thereof |
| 4707 | Waste paper or paperboard (waste and scrap) |
| 5003 00 00 | Silk waste (including cocoons unsuitable for reeling, yarn waste and garnetted stock) |
| 5103 00 00 | Waste of wool or of fine or coarse animal hair (including yarn waste but excluding garnetted stock) |
| 5103 20 00 | Other waste of wool or of fine animal hair |
| 5103 30 00 | Waste of coarse animal hair |
| 5202 00 00 | Cotton waste (including yarn waste and garnetted stock) |
| 5202 10 00 | Thread waste |
| 5505 | Waste of man-made fibers (including noils, yarn waste and garnetted stock) |
| 6310 | Used or new rags, twine, cordage, rope and cables of textile materials, in the form of residues or scrap products |
| 7001 00 10 | Cullet and other waste of glass |
| 7112 | Waste and scrap of precious metal or of metal clad with precious metal; other waste and scrap containing precious metals or precious metal compounds, of a kind used principally for the recovery of precious metals |
| 7204 | Waste and scrap of iron or steel; remelting scrap ingots of iron or steel |
| 7404 00 | Copper waste and scrap |
| 7503 00 | Nickel waste and scrap |
| 7602 00 | Aluminum waste and scrap |
| 7802 00 00 | Lead waste and scrap |
| 7902 00 00 | Zinc waste and scrap |
| 8002 00 00 | Tin waste and scrap |
| 8101 97 00 | Waste and scrap of tungsten |
| 8102 97 00 | Molybdenum waste and scrap |
| 8103 30 00 | Tantalum waste and scrap |
| 8104 20 00 | Magnesium waste and scrap |
| 8105 30 00 | Cobalt waste and scrap |
| ex 8106 00 10 | Bismuth waste and scrap |
| 8107 30 00 | Cadmium waste and scrap |
| 8108 30 00 | Titanium waste and scrap |
| 8109 30 00 | Zirconium waste and scrap |
| 8110 20 00 | Antimony waste and scrap |
| 811100 19 | Manganese waste and scrap |
| 8112 13 00 | Beryllium waste and scrap |
| 8112 22 00 | Chromium waste and scrap |
| 8112 52 00 | Thallium waste and scrap |
| 8110 92 10 | Hafnium waste and scrap |
| 8110 92 21 | Niobium waste and scrap (columbia); rhenia; gallia; india; vanadium and germanium |
| 8113 00 40 | Cermet waste and scrap |
| 8548 10 | Waste and scrap of primary cells, primary batteries and electric accumulators; unusable primary cells, primary batteries and electric accumulators. |

Customs Tariff Nomenclature code is the code for the description of selected products given in the Customs Tariff as in force on 1 January 2018 [**72 )**](https://www.zakonyprolidi.cz/cs/2004-235#f2551675) .

Where the ex-tariff nomenclature code is preceded by an 'ex' heading, the Annex shall apply to goods bearing at the same time the tariff nomenclature code and the explicit verbal description of that code in the part of the Annex.

Annex No. 6 to Act No. 235/2004 Coll.

**List of supplies of goods or services where the reverse charge regime applies, if the government so provides**

**1.** Transfer of greenhouse gas emission allowances pursuant to the law regulating the conditions of greenhouse gas emission allowance trading.

**2. The** supply of mobile telephones which, for the purposes of value added tax, means equipment manufactured or modified for use in connection with a licensed network and operating at specified frequencies, whether or not they have further use.

**3.** Delivery of integrated circuit devices, such as microprocessors and central processing units, prior to incorporation into end-user products.

**4.** Supply of gas and electricity to a trader as defined in Section 7a (2).

**5.** Delivery of gas and electricity certificates.

**6.** Provision of telecommunication services.

**7.** Delivery of game consoles, tablets and laptops.

**8.** Delivery of cereals and industrial crops, including oilseeds and sugar beet.

**9.** Deliveries of raw or semi-processed metals, including precious metals, other than those listed in Annex 5 and with the exception of supplies subject to special regimes pursuant to § 90 or 92.

**10. The** supply of goods or services for which the Czech Republic has been authorized by the Council Implementing Decision to apply a special measure derogating from Article 193 of Directive 2006/112 / EC on the common system of value added tax.

**Footnotes**

**1 )** Council Directive 2006/112 / EC of 28 November 2006 on the common system of value added tax.  
Council Directive 2006/79 / EC of 5 October 2006 on the exemption from taxes of imports of small consignments of a non-commercial character from third countries.  
Council Directive 2008/9 / EC of 12 February 2008 laying down detailed rules for the refund of value added tax provided for in Directive 2006/112 / EC to taxable persons not established in the Member State of refund but in another Member State.  
Thirteenth Council Directive of 17 November 1986 on the harmonization of the laws of the Member States relating to turnover taxes - Arrangements for the refund of value added tax to taxable persons not established in the territory of the Community.  
Council Directive 2008/8 / EC of 12 February 2008 amending Council Directive 2006/112 / EC as regards the place of supply of services.  
Council Directive 2008/117 / EC of 16 December 2008 amending Directive 2006/112 / EC on the common system of value added tax to combat tax evasion connected with intra-Community transactions.  
Council Directive 2009/47 / EC of 5 May 2009 amending Directive 2006/112 / EC as regards reduced rates of value added tax.  
Council Directive 2009/69 / EC of 5 May 2009 amending Directive 2006/112 / EC on the common system of value added tax as regards tax evasion linked to importation.  
Council Directive 2009/132 / EC of 19 October 2009 defining the scope of Article 143 (a) (b) and (c) of Directive 2006/112 / EC as regards the exemption for certain goods from value added tax on final importation.  
Council Directive 2009/162 / EU of 22 December 2009 amending certain provisions of Directive 2006/112 / EC on the common system of value added tax.  
Council Directive 2010/23 / EU of 16 March 2010 amending Directive 2006/112 / EC on the common system of value added tax as regards the optional and temporary application of the reverse charge mechanism in relation to the supply of certain high-value services risk of fraud.  
Council Directive 2010/66 / EU of 14 October 2010 amending Directive 2008/9 / EC laying down detailed rules for the refund of value added tax provided for in Directive 2006/112 / EC to taxable persons not established in a Member State tax refund, but in another Member State.  
Council Directive 2010/45 / EU of 13 July 2010 amending Directive 2006/112 / EC on the common system of value added tax as regards the rules on invoicing.  
Council Directive 2013/61 / EU of 17 December 2013 amending Directives 2006/112 / EC and 2008/118 / EC as regards the French outermost regions, and in particular Mayotte.  
Council Directive 2013/42 / EU of 22 July 2013 amending Directive 2006/112 / EC on the common system of value added tax as regards the rapid response mechanism against VAT fraud.  
Council Directive 2013/43 / EU of 22 July 2013 amending Directive 2006/112 / EC on the common system of value added tax as regards the optional and temporary application of the reverse charge mechanism in respect of the supply of certain goods and supplies some services with a high risk of fraud.  
Council Directive (EU) 2016/1065 of 27 June 2016 amending Directive 2006/112 / EC as regards the treatment of vouchers.  
Council Directive (EU) 2017/2455 of 5 December 2017 amending Directive 2006/112 / EC and Directive 2009/132 / EC as regards certain obligations in the field of value added tax for the supply of services and the sale of goods to distance.

**2 )** Article 25 of Act No. 563/1991 Coll., On Accounting, as amended by Act No. 353/2001 Coll. and Act No. 437/2003 Coll.

**4 )** Decree No. 341/2002 Coll., On the approval of technical competence and technical conditions for the operation of vehicles on the road, as amended by Decree No. 100/2003 Coll.

**4a )** Act No. 56/2001 Coll., On Conditions of Vehicle Operation on Roads and on Amendment to Act No. 168/1999 Coll., On Motor Third Party Liability Insurance and on Amendment to Certain Related Acts (Act on Motor Third Party Liability Insurance) ), as amended by Act No. 307/1999 Coll., as amended.

**5 )** Section 476 of the Commercial Code.

**7a )** For example Act No. 505/1990 Coll., On metrology, as amended, Act No. 248/2000 Coll., On regional development support, as amended.

**7c )** Sections 26 to 32a of Act No. 586/1992 Coll., On Income Tax, as amended.

**7d )** Act No. 563/1991 Coll., On Accounting, as amended.

**7e )** Council Implementing Regulation (EU) No 282/2011 of 15 March 2011 laying down measures for the implementation of Directive 2006/112 / EC on the common system of value added tax, as amended.

**10a )** Act No. 477/2001 Coll., On packaging and amending certain acts (the Packaging Act), as amended.

**11 )** Act No. 229/1991 Coll., On the regulation of ownership relations to land and other agricultural property, as amended.  
Act No. 42/1992 Coll., On the regulation of property relations and settlement of property claims in cooperatives, as amended.

**16 )** Act No. 26/2000 Coll., On Public Auctions, as amended by Act No. 120/2001 Coll. and Act No. 517/2002 Coll.

**21 )** Art. 2 Commission Recommendation 1994/820 / EC of 19 October 1994 on the legal aspects of electronic exchange of information.

**24a )** Art. Article 170 (2) (c) of Council Regulation (EEC) No 2913/92.

**27 )** Act No. 72/1994 Coll., Regulating certain co-ownership relations to buildings and some ownership relations to flats and non-residential premises and supplementing certain laws (Act on the Ownership of Flats), as amended.

**29 )** Act No. 231/2001 Coll., On the operation of radio and television broadcasting and amending other acts.

**30 )** § 2 para. l) of Act No. 231/2001 Coll.

**31 )** § 2 para. n) of Act No. 231/2001 Coll.

**32 )** Section 2, par. o) of Act No. 231/2001 Coll.

**39 )** Act No. 183/2006 Coll., On land-use planning and building regulations (Building Act), as amended by Act No. 68/2007 Coll.

**42 )** Section 7 of Act No. 561/2004 Coll., On pre-school, primary, secondary, tertiary professional and other education (Education Act).

**43 )** Section 65 (2) and Section 96 (2) of Act No. 561/2004 Coll.

**44 )** Act No. 109/2002 Coll., On the performance of institutional care or protective care in school facilities and on preventive educational care in school facilities and amending other acts, as amended.

**44a )** Act No. 111/1998 Coll., On universities and on amendments to other acts (Higher Education Act), as amended.

**44f )** Decision of the Ministry of Education, Youth and Sports establishing the List of Standardized Language Examinations or another similar list.

**46 )** Act No. 48/1997 Coll., On public health insurance and on amendments and supplements to certain related acts, as amended.

**47 )** Act No. 108/2006 Coll., On social services.

**47a )** Article 78 of Act No. 108/2006 Coll., On Social Services.

**48a )** Section 4 of Act No. 359/1999 Coll., On Social and Legal Protection of Children, as amended.

**(49 )** Council Regulation (EC) No 1186/2009 of 16 November 2009 setting up a Community system of reliefs from customs duty.

**49c )** Section 77 of Act No. 49/1997 Coll., On Civil Aviation and on amendment to Act No. 455/1991 Coll., On Trade Licensing (Trade Licensing Act), as amended.

**50 )** Section 3 (1) of the Act on Accounting, as amended by Act No. 353/2001 Coll.

**53 )** § 25 para. t) of Act No. 586/1992 Coll., as amended.

**55 )**For example, Decree No. 157/1964 Coll., On the Vienna Convention on Diplomatic Relations, Decree No. 21/1968 Coll., On the Convention on Privileges and Immunities of International Professional Organizations, Decree No. 32/1969 Coll., On the Vienna Convention on Consular Decree No. 40/1987 Coll., on the Convention on Special Missions, Decree No. 52/1956 Coll., on the Accession of the Czechoslovak Republic to the United Nations Convention on Privileges and Immunities, approved by the General Assembly of the United Nations on 13 February On establishment of the Secretariat of the Conference on Security and Cooperation in Europe and on the Privileges and Immunities of this Secretariat and other institutions of the Conference on Security and Cooperation in Europe, Communication of the Ministry of Foreign Affairs No. 36/2001 Coll. on the acceptance of the Agreement on the Legal Status of the North Atlantic Treaty Organization,

**56 )** Art. 1 of Decree No. 157/1964 Coll., On the Vienna Convention on Diplomatic Relations.

**57 )** Art. 1 of Decree No. 32/1969 Coll., On the Vienna Convention on Consular Relations.

**59a )** Act No. 130/2002 Coll., On support for research and development from public funds and amending certain related acts (the Act on Support of Research and Development), as amended.

**60 )** Act No. 310/1999 Coll., On the Residence of the Armed Forces of other States in the Czech Republic.

**61 )** Act No. 159/1999 Coll., On Certain Conditions of Business Activities in the Area of ​​Tourism and on Amendment to Act No. 40/1964 Coll., The Civil Code, as amended, and Act No. 455/1991 Coll., On Trade Licensing business (Trade Licensing Act), as amended.

**66 )** § 2 par. c) and d) of the Commercial Code.

**66a )** For example, Article 222 (1) (a) of Council Regulation (EEC) No 2913/92.

**70 )** Art. g) of Act No. 379/2005 Coll., on measures to protect against damage caused by tobacco products, alcohol and other addictive substances and on amendments to related acts.

**71 )** Act No. 123/2000 Coll., On medical devices and amending some other acts.  
Government Regulation No. 181/2001 Coll., Laying down technical requirements for medical devices, as amended by Act No. 336/2001 Coll. and Act No. 251/2003 Coll.  
Government Order No. 191/2001 Coll., Laying down technical requirements for implantable medical devices as amended by Act No. 337/2001 Coll. and Act No. 251/2003 Coll.  
Government Order No. 286/2001 Coll., Laying down technical requirements for in vitro diagnostic medical devices.

**72 )** Annex I to Council Regulation (EEC) No 2658/87 of 23 July 1987 on the tariff and statistical nomenclature and on the Common Customs Tariff.

**73 )** Section 32a (6) and Section 33 of Act No. 586/1992 Coll., As amended.

**74 )** Section 6 (8) and Section 7 (11) of Decree No. 500/2002 Coll., Implementing certain provisions of Act No. 563/1991 Coll., On Accounting, as amended, for entities that are entrepreneurs accounting in the double-entry bookkeeping system.

**75 )** Council Directive 2009/162 / EU of 22 December 2009 amending certain provisions of Directive 2006/112 / EC on the common system of value added tax Article 151 (1) (a) (aa) and the Protocol on the Privileges and Immunities of the European Communities.

**76 )** Act No. 695/2004 Coll., On Conditions of Trading in Greenhouse Gas Emission Allowances and on Amendments to Certain Acts.