



EUROPEAN COMMISSION
DIRECTORATE-GENERAL
TAXATION AND CUSTOMS UNION
Indirect Taxation and Tax Administration
VAT and other turnover taxes

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TAXUD/C/1

VAT in the European Community

**APPLICATION IN THE MEMBER STATES,
FACTS FOR USE BY
ADMINISTRATIONS/TRADERS
INFORMATION NETWORKS ETC.**

Note

This document collates a range of basic information on the application of VAT arrangements in the Member States which has been obtained from the tax authorities concerned.

The sole purpose of distributing details of national provisions is to create a work tool. In no way does this document reflect the views of the Commission of the European Communities. Nor does it signify approval of the relevant legislation.

CZECH REPUBLIC

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GENERAL INFORMATION

1. IF A FOREIGN TRADER WANTS TO OBTAIN INFORMATION ABOUT YOUR VAT SYSTEM, WHOM SHOULD HE CONTACT? (ADDRESS, TELEPHONE, FAX, EMAIL)

A foreign trader can obtain information from the following address:

Ministry of Finance
Information Office
Letenská 15
118 00 Prague 1
Czech Republic

Tel.: +420 25704 2719, +420 25704 2722

Fax: +420 25704 9272, +420 25704 9273

E-mail: informace@mfer.cz

2. WHAT IS THE ADDRESS OF THE NATIONAL TAX ADMINISTRATION WEBSITE? WHICH CATEGORIES OF INFORMATION ON VAT IS AVAILABLE ON THAT WEBSITE (GENERAL INFORMATION, LEGISLATION, CONTACT POINTS, FORMS, ETC.)? AND IN WHICH LANGUAGE(S)?

The address of the Czech Tax Administration's website is <http://cds.mfer.cz>.

The following is available on the website: general information, the full text of the VAT Act, forms, registers, electronic submissions and information concerning VAT application in selected areas.

Most information is available in Czech; some general information and certain forms are available in English or in a bilingual Czech-English version.

3. WHERE CAN ONE FIND NATIONAL VAT LEGISLATION AND REGULATIONS? IN WHICH LANGUAGE(S) ARE THEY AVAILABLE?

The rules concerning VAT are laid down in Act No 235/2004 on VAT.

The VAT Act as amended is available on the above website in the section entitled "Legislation" (*Legislativa*), although currently in a Czech version only.

VAT REGISTRATION OF FOREIGN TRADERS

4. WHAT ARE THE CIRCUMSTANCES GOVERNING THE NEED TO REGISTER FOR VAT?

Foreign traders pursuing commercial activities through an establishment situated in the Czech Republic must register for VAT on the day upon which the establishment is set

up. An exception to this rule is granted in the case of foreign traders whose establishment is engaged solely in exempt transactions without the right of deduction.

Foreign traders without an establishment in the Czech Republic must register for VAT if they become liable to pay VAT in the Czech Republic as a result of supplying goods, providing services or acquiring goods from another Member State.

5. WHAT ARE THE SITUATIONS WHERE REGISTRATION IS UNNECESSARY BECAUSE THE RECIPIENT OF THE GOODS OR SERVICES IS LIABLE FOR THE TAX?

IN SUCH SITUATION, IS IT POSSIBLE TO REGISTER ON A VOLUNTARY BASIS?

Taxable persons not established in the Czech Republic do not register for VAT on account of the fact that VAT is paid by the recipients of goods or services (taxable persons or non-taxable legal persons registered for VAT who are established in the Czech Republic), if any of the following transactions are involved:

- supplies of services referred to in Article 44 of Directive 2006/112/EC;
- supplies of goods with installation or assembly;
- supplies of gas through the distribution system or supplies of electricity;
- supplies of services connected with immovable property;
- provision of passenger transport;
- supplies of services in the area of culture, the arts, sport, science, education and entertainment, and similar services;
- supplies of catering services;
- hiring of a means of transport.

In the above cases, non-established persons carrying out taxable transactions are not allowed to register voluntarily for VAT.

6. WHOM SHOULD A FOREIGN TRADER CONTACT TO GET REGISTERED FOR VAT? (DETAILS ABOUT THE DEPARTMENT, INCLUDING ADDRESS, TELEPHONE, FAX AND E-MAIL...)

Foreign traders with an establishment in the Czech Republic are required to submit an application for registration to the tax administrator responsible for the place of the establishment.

Foreign traders without an establishment in the Czech Republic should contact:

Prague 1 Finance Office
Štěpánská 28
112 33 Prague 1

Tel. +420 224 043115, +420 224 041145, +420 224 041149

Fax: +420 224 043 198

E-mail: podatelna@pr1.pm.ds.mfcr.cz

7. PLEASE DESCRIBE THE DETAILED PROCEDURES (INCLUDING NECESSARY DOCUMENTS) FOR ISSUING VAT IDENTIFICATION NUMBERS, SPECIFICALLY TO FOREIGN TRADERS.

Foreign traders who pursue commercial activities through an establishment situated in the Czech Republic and who are required to register for VAT must submit a registration form to the finance office which is responsible for the place of the establishment. That office then issues a VAT registration certificate to the trader. No special VAT identification number is assigned in the Czech Republic; there is a single tax identification number used for all taxes. The relevant registration form (ref. No MFin 5104) is available on the Czech Tax Administration's website (<http://cds.mfcr.cz>). It is also available in a Czech-English version.

Foreign traders who do not have an establishment in the Czech Republic and who become liable to pay VAT must apply for VAT registration to the finance office responsible for the Prague 1 district (see reply to Question 6). The relevant registration form (ref. No MFin 5121) is available on the Czech Tax Administration's website (<http://cds.mfcr.cz>). It is also available in a Czech-English version. The certificate bears the applicant's identification details (name, address, person authorised to act on his behalf), information certifying that a licence or authorisation to trade is held, bank account details, tax identification numbers assigned for VAT purposes in other countries and certain other information.

THRESHOLDS

8. WHICH THRESHOLD DO YOU OPERATE AS REGARDS INTRA-COMMUNITY DISTANCE SELLING UNDER ARTICLE 34 OF THE VAT DIRECTIVE (2006/112/EC)?

The threshold is CZK 1 140 000 (EUR 35 000).

9. WHICH THRESHOLD DO YOU OPERATE AS REGARDS ACQUISITIONS BY NON-TAXABLE LEGAL PERSONS OR EXEMPT PERSONS UNDER THE SECOND SUBPARAGRAPH OF ARTICLE 3 OF THE VAT DIRECTIVE (2006/112/EC)?

The threshold is CZK 326 000 (EUR 10 000).

APPOINTMENT OF TAX REPRESENTATIVES BY FOREIGN (NON-EU) TRADERS

10. WHAT ARE THE SITUATIONS IN WHICH THE APPOINTMENT OF A TAX REPRESENTATIVE IS OBLIGATORY?

In the Czech Republic the appointment of a tax representative is not obligatory, although foreign traders are entitled to have such a representative.

11. WHAT ARE THE CONDITIONS GOVERNING THE APPOINTMENT OF A TAX REPRESENTATIVE?

Foreign traders are entitled to have a tax representative to represent them in tax proceedings without restriction or only to the extent defined by the power of attorney. The extent of representation is defined in a written power of attorney (or where appropriate orally, with a record being drawn up by the tax administrator). Where the scope of representation is not defined, the power of attorney for representation in tax proceedings is deemed to be unlimited.

12. WHAT ARE THE RIGHTS AND OBLIGATIONS OF TAX REPRESENTATIVES?

See answer to Question 11.

13. WHAT ACTION CAN YOU TAKE IN THE EVENT OF FAILURE BY A TRADER IN ANOTHER COUNTRY TO DESIGNATE A TAX REPRESENTATIVE IN YOUR TERRITORY?

None. The appointment of a tax representative is not obligatory.

14. IS IT NECESSARY TO SET UP A BANK GUARANTEE?

No.

APPOINTMENT OF TAX REPRESENTATIVES BY FOREIGN TRADERS ESTABLISHED IN THE EU

15. IS IT POSSIBLE TO APPOINT A TAX REPRESENTATIVE?

Yes, foreign traders are entitled to have a tax representative.

16. WHAT ARE THE CONDITIONS GOVERNING THE APPOINTMENT OF A TAX REPRESENTATIVE?

See answer to Question 11.

17. WHAT ARE THE RIGHTS AND OBLIGATIONS OF A TAX REPRESENTATIVE?

See answer to Question 11.

18. ARE THERE SITUATIONS WHERE IT IS OBLIGATORY TO SET UP A BANK GUARANTEE?

There are no such situations.

INVOICING

RULES ABOUT INVOICING

19. WHERE CAN THE RELEVANT RULES (LAWS, REGULATIONS, INSTRUCTIONS, GUIDELINES...) BE FOUND?

The relevant rules can be found in the VAT Act and on the Czech Tax Administration's website (see answers to Questions 2 and 3).

ISSUANCE OF INVOICES

20. WHAT ARE THE CASES WHEN AN INVOICE NEEDS TO BE ISSUED

An invoice must be issued for every taxable transaction or tax-exempt transaction with a right of deduction involving a taxable person or a non-taxable legal person. In such cases an invoice must also be issued for receipt of payment where there is a liability to pay VAT.

In the case of transactions involving non-taxable persons the requirement to issue an invoice also applies in the case of goods supplied in accordance with the rules on distance selling and for intra-Community supplies of new means of transport.

21. WHAT ARE THE RULES ON CORRECTIVE INVOICES (CREDIT/DEBIT NOTES)?

The rules concerning corrective invoices are similar to those concerning ordinary invoices: they are to be issued where the VAT amount is corrected as a result of a correction to the taxable amount or the amount of the tax. In addition to other mandatory information, corrective invoices must always state the reference number of the original invoice and the amount of the difference.

22. WHAT IS THE TIME LIMIT FOR ISSUING INVOICES?

Invoices must be issued within 15 days of the day when the transaction takes place or payment is received.

23. WHAT ARE THE RULES FOR SUMMARY INVOICING?

Summary invoices may be issued for several separate transactions involving the same person. The details common to all such transactions may be indicated just once on the summary invoice; details concerning the dates of the transactions or receipt of payment and the details of the VAT calculation must be shown separately for each transaction.

Summary invoices must be issued within 15 days of the start of the calendar month in which the first transaction took place or the first payment was received.

24. WHAT ARE THE CONDITIONS IMPOSED ON SELF-BILLING?

Self-billing may be practised, provided that the person carrying out the transaction undertakes in writing to accept all invoices issued in accordance with the self-billing procedure.

25. IS THERE ANY SPECIFIC RULE IN RELATION TO OUTSOURCING OF INVOICES TO A PERSON WHO IS ESTABLISHED OUTSIDE THE EU?

No, there are no specific rules.

CONTENT OF INVOICES

26. UNDER WHAT CONDITIONS MUST THE VAT NUMBER OF THE CUSTOMER BE ON THE TAX INVOICE?

The customer's VAT identification number must always be shown on the invoice, except in the case of simplified invoices (see answer to Question 37).

27. ANY OTHER SPECIFIC RULE IN RELATION TO THE CONTENT OF THE INVOICE

No, there are no other specific rules.

ELECTRONIC INVOICING

28. AS REGARDS INVOICES SENT WITH ADVANCED ELECTRONIC SIGNATURES, IS IT OBLIGATORY TO USE QUALIFIED CERTIFICATED AND SECURE-SIGNATURE-CREATION DEVICES? IF SO, PLEASE GIVE DETAILS.

Yes, such invoices must bear a recognised electronic signature or a recognised electronic mark based on an official system certificate.

29. AS REGARDS INVOICES SENT BY ELECTRONIC DATA INTERCHANGE, IS AN ADDITIONAL SUMMARY DOCUMENT ON PAPER OBLIGATORY? IF SO, PLEASE GIVE DETAILS ABOUT ITS CONTENT AND PROCEDURE.

No supplementary printed summary is required.

30. DO YOU ALLOW INVOICES ISSUED PURSUANT TO THE SECOND SUBPARAGRAPH OF ARTICLE 233(1) OF THE VAT DIRECTIVE (2006/112/EC) ("BY USING ANY OTHER ELECTRONIC MEANS")? IF SO, UNDER WHICH CONDITIONS AND FORMALITIES?

No.

31. ANY OTHER SPECIFIC RULE IN RELATION TO ELECTRONIC INVOICING

Electronic invoicing may be used only with the consent of the person for whom the transaction is carried out.

STORAGE OF INVOICES

32. WHAT ARE THE RULES ON THE PLACE OF STORAGE OF INVOICES?

Traders are free to choose where to store invoices. At the tax administrator's request, traders must allow access to invoices without undue delay. If the place where the invoices are stored is located outside the Czech Republic and if the invoices in question are in electronic form, traders must allow the tax administrator free access to them by electronic means.

33. IS PRIOR NOTIFICATION OF INVOICES STORED IN ANOTHER COUNTRY AN OBLIGATION? IF SO, PLEASE SPECIFY.

Yes. In such cases the tax administrator must be notified in advance of the place at which the invoices are stored.

34. WHAT IS THE OBLIGATORY STORAGE PERIOD FOR INVOICES?

Invoices must be stored for ten years from the end of the tax period in which the transactions to which they relate were carried out.

35. WHAT ARE THE SPECIFIC RULES ON STORAGE FORM AND POSSIBLE CONVERSIONS?

Invoices may be converted from paper to electronic form and stored in that form, on condition that the conversion and storage method provides a guarantee of origin and ensures that the invoices remain legible with their content intact, and on condition that invoices converted to electronic form bear the recognised electronic signature or recognised electronic mark of the person responsible for the conversion.

36. ANY OTHER SPECIFIC RULE IN RELATION TO INVOICE STORAGE.

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SIMPLIFIED INVOICES

37. WHAT ARE THE SITUATIONS WHERE SIMPLIFIED INVOICING IS ALLOWED PURSUANT TO ARTICLE 238 OF THE VAT DIRECTIVE (2006/112/EC)? AND WHAT ARE THE SPECIFIC RULES?

Simplified invoices may be issued for supplies of goods and services involving cash payment or payment by cheque or payment card, or for services supplied by electronic means where the supply is conditional upon payment and the payment is made by bank transfer. Simplified tax invoices may be issued only for transactions carried out in the Czech Republic with a maximum VAT-inclusive value of CZK 10 000. A simplified invoice may not be issued for the sale of goods subject to excise duty on alcohol and tobacco products at prices other than the fixed prices payable by the final consumer.

A simplified tax invoice must contain the following details:

- name, address and the tax identification number of the supplier;
- reference number of the tax invoice;
- subject and the scope of the transaction;
- date of the transaction;
- VAT rate;
- amount of the transaction including VAT.

PERIODIC VAT RETURNS

38. UNDER WHAT CIRCUMSTANCES IS A TRADER OBLIGED TO SUBMIT A VAT RETURN?

In general, any person required to register for VAT is required to submit VAT returns. Foreign traders who are not established in the Czech Republic are required to submit VAT returns only if in the relevant tax period they became liable to tax or were required to declare a transaction exempt from VAT with a right of deduction.

39. AT WHAT INTERVALS ARE VAT RETURNS AND ASSOCIATED PAYMENTS TO BE MADE?

Persons registered for VAT must submit a VAT return and pay the VAT due within 25 days of the end of the tax period.

The tax period for persons established in the Czech Republic and registered for VAT depends on their turnover: where turnover for the preceding calendar year exceeds CZK 10 million, the tax period is a calendar month; where turnover for the preceding calendar year is less than CZK 10 million, the tax period is a calendar quarter. However, where the turnover for the preceding calendar year is less than CZK 10 million but more than CZK 2 million, the person registered for VAT may choose a month as a tax period.

The tax period for persons not established in the Czech Republic is a calendar quarter.

40. WHAT IS THE PROCEDURE FOR THE REPAYMENT OF EXCESS VAT REPORTED IN THE PERIODIC VAT RETURN? WHAT ARE THE TIME LIMITS FOR THE EXCESS VAT REPAYMENT IF ANY?

Where excess VAT declared on a periodic VAT return is due to be repaid, the amount in question will be refunded automatically to the taxpayer within 30 days, provided that the amount exceeds CZK 100.

41. DOES A SPECIAL REGIME AS REGARDS PERIODIC VAT RETURNS EXIST FOR SMALLER TRADERS AND/OR CERTAIN CATEGORIES OF BUSINESS? IF SO, PLEASE DESCRIBE THEM. IF SO, PLEASE GIVE A DESCRIPTION.

No.

42. DO YOU OPERATE SIMPLIFIED CALCULATION OF TAX LIABILITY? IF SO, WHAT ARE THE QUALIFYING CRITERIA, TO WHOM DO THEY APPLY AND WHAT IS THE NATURE OF THE SIMPLIFICATION?

Traders who buy goods for the purpose of onward sale in an unaltered state and who are unable to establish the output tax on the basis of their daily record of takings may ask the appropriate finance office to devise an individual way of establishing tax liability.

RECAPITULATIVE STATEMENTS

43. DO YOU ALLOW SUBMISSION OF RECAPITULATIVE STATEMENTS BY CALENDAR QUARTER? IF SO, UNDER WHICH THRESHOLD AND CONDITIONS?

Only VAT-registered persons who perform only intra-Community supplies of service and whose VAT-return tax period is a calendar quarter may submit recapitulative statements by calendar quarter (see answer to Question 39).

VAT-registered persons who perform intra-Community supplies of goods must submit recapitulative statements by the calendar month.

44. IS ANY ADDITIONAL INFORMATION REQUIRED OTHER THAN THAT SET OUT IN ARTICLE 266 OF THE VAT DIRECTIVE (2006/112/EC) AS AMENDED BY DIRECTIVE?

No.

45. DO YOU OPERATE SIMPLIFIED PROCEDURES AS REGARDS RECAPITULATIVE STATEMENTS AS PROVIDED FOR IN ARTICLE 269 OF THE VAT DIRECTIVE (2006/112/EC)? IF SO, WHAT ARE THE RELATED THRESHOLDS FOR APPLYING SUCH PROCEDURES?

No.

ELECTRONIC RETURNS

46. IS IT POSSIBLE TO SUBMIT VAT RETURNS BY ELECTRONIC MEANS? IF SO, HOW AND USING WHAT TECHNOLOGY? WHO SHOULD BE CONTACTED TO APPLY TO SUBMIT RETURNS ELECTRONICALLY?

VAT returns may be submitted electronically.

There are two ways of submitting returns electronically:

- 1) in the form of a data message bearing a recognised electronic signature and submitted via the Czech Tax Administration's Tax Portal (<https://adisepo.mfcr.cz>); or
- 2) in the form of a data message dispatched through a data box (for further details, see Guideline [D-331](#)).

47. IS IT POSSIBLE TO SUBMIT RECAPITULATIVE STATEMENTS BY ELECTRONIC MEANS? IF SO, HOW AND USING WHAT TECHNOLOGY? WHO SHOULD BE CONTACTED TO APPLY TO SUBMIT STATEMENTS ELECTRONICALLY?

Recapitulative statements may be submitted only by electronic means (see answer to Question 46).

OBLIGATIONS AT IMPORTATION

48. WHO ARE THE PERSONS THAT CAN BE DESIGNATED OR RECOGNISED AS LIABLE TO PAY IMPORT VAT UNDER ARTICLE 201 OF THE VAT DIRECTIVE (2006/112/EC)?

It is always the person for whom the imported goods are placed under the customs procedure giving rise to VAT liability.

49. WHAT ARE THE RULES FOR DECLARATION AND PAYMENT OF IMPORT VAT ?

VAT liability on imports of goods arises when the goods are placed under customs procedures which pursuant to the customs rules constitute imports of goods.

VAT-registered taxable persons declare VAT on imported goods in their VAT returns (import VAT is not paid separately).

In the case of persons not registered for VAT and in certain situations taxable persons too (e.g. in the case of illegal imports etc.), import VAT is assessed and collected by the customs office. Payment of import VAT falls due as stipulated in the customs rules.

50. DO YOU APPLY THE OPTION OF "POSTPONED ACCOUNTING" REFERRED TO IN ARTICLE 211 OF THE VAT DIRECTIVE (2006/112/ES)? IF SO, UNDER WHICH CONDITIONS?

Yes, this option is applied in the case of VAT-registered taxable persons for whom the imported goods are placed under a customs procedure giving rise to VAT liability. Such persons declare VAT in their periodic VAT returns for the relevant tax period.

ADMINISTRATIVE REQUIREMENTS

51. DO YOU OPERATE A FLAT-RATE SCHEME? IF SO, TO WHOM DOES THE SCHEME APPLY?

No.

52. DO YOU OPERATE SIMPLIFIED ADMINISTRATIVE REQUIREMENTS OTHER THAN THOSE ALREADY MENTIONED? IF SO, PLEASE GIVE A DESCRIPTION

No.

53. IN WHICH LANGUAGE(S) ARE FORMS (PERIODIC VAT RETURNS AND RECAPITULATIVE STATEMENTS) AVAILABLE OR TRANSLATED INTO?

The VAT return form is available in Czech and in a bilingual Czech–English version.

RIGHT TO DEDUCTION

54. FOR WHICH CATEGORIES OF GOODS AND SERVICES IS THERE NO RIGHT OF DEDUCTION?

There is no right of deduction for transactions relating to business representation.

55. ARE THERE CATEGORIES OF GOODS AND SERVICES IN WHICH THERE IS A PARTIAL RIGHT OF DEDUCTION? IF SO, WHAT IS THE PERCENTAGE?

There is no special category of goods or services with only a partial right of deduction.