

# Notice for non-established taxable persons (VAT registration and other selected VAT responsibilities)

This notice contains a basic information on registration for value added tax and other responsibilities arising from the tax law that need to be fulfilled by so called non-established taxable persons in the Czech Republic.

In connection with changes in EU rules in the e-commerce area from 1 July 2021, non-established taxable persons should carefully pay attention to the fact that they may have tax obligations in the Czech Republic as a result of cross-border trade.

A special regime of one administrative place (so-called One Stop Shop, hereinafter referred to as "OSS") has been (for simplification) introduced and non-established taxable persons may use it regarding the payment of VAT on selected transactions carried out in the Czech Republic. Registration in the OSS usually takes place in the EU member state in which the non-established taxable person has its registered office or establishment. The use of OSS in order to pay VAT on selected transactions frees non-established taxable persons from the obligation to register as a payer.

According to the VAT Act, No. 235/2004 Coll., as amended by later regulations (hereinafter referred to as the VAT Act)<sup>1</sup>, a **non-established taxable person** is a person that:

- **does not have a registered office in this country**<sup>2</sup>,
- **carries out a taxable transaction**, which is the delivery of goods or provision of a service, **with the place of transaction in this country**, and
- **does not have an establishment in this country** or has an establishment in this country but such establishment does not participate in such transaction.<sup>3</sup>

**Tax Office for the Moravian-Silesian Region**<sup>4</sup> is locally competent for taxable persons without a registered office, a place of residence or an establishment in this country. For further information including contact and bank account details see our website: <https://www.financnisprava.cz/en/taxes/vat-registration-for-non-established-persons>.

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<sup>1</sup> Section 4 Subsection 1 Paragraph I) of the VAT Act

<sup>2</sup> In case of natural persons the place from which they are managed or the place of residence is not in this country, i.e. in the Czech Republic.

<sup>3</sup> The establishment is a branch of a taxable person that can deliver goods or provide services because it is sufficiently permanent and has appropriate personnel and technical resources (Section 4 Subsection 1, (j) of the VAT Act).

<sup>4</sup> Section 93a Subsection 2 of the VAT Act

If a registered office is not in this country but an establishment is located here, the locally competent tax office will be determined according to the address of the establishment in this country.

For the purposes of local jurisdiction, the registered office is defined in accordance with Section 13 Subsection 1 of the Tax Code, No. 280/2009 Coll., as amended by later regulations (hereinafter referred to as the Tax Code), irrespective of the real seat defined in VAT Act, as the address which is registered for the legal entity in the Commercial Register or a similar public register, or the address where the legal entity is actually seated if such an entity is not registered in such registers (for example an establishment of a foreign legal person).

The notice does not inform about all responsibilities and situations that may occur in practice and also does not cover all information for those taxable persons who have only the establishment in this country.

## 1. VAT Registration

The VAT Act defines situations when a taxable person who has not a registered office in this country becomes automatically a payer (or an identified person) by the law (for further information see the **chapter 1. 1 Compulsory registration**).

Taxable persons who have not a registered office or an establishment in this country can also submit an application for registration of a payer **voluntarily** on condition that they will carry out transactions with entitlement to tax deduction within the framework of their economic activity with the place of supply in this country. Therefore, they can be registered (with an allocation of the identification number for VAT purposes) before the commencement of their supplies in this country and so before they become payers by the law. Identified persons can be also registered voluntarily (for further information see **the chapter 1.2. Voluntary registration**).

### 1.1. Compulsory registration

#### 1.1.1 Realization of a taxable transaction in this country

**A taxable person that does not have a registered office<sup>5</sup> in this country and that carries out a taxable transaction, which is delivery of goods or provision of a service, with the place of supply in this country, except for a transaction for which the tax shall be declared by the person for whom such transaction is provided or a transaction subject to the special One Stop Shop (OSS) scheme, shall be a payer from the day when such taxable transaction takes place (Section 6c Subsection 2 of the VAT Act).**

**According to Section 6c Subsection 2 of the VAT Act the respective persons are not obliged to register in the Czech Republic provided that they realize:**

#### **1. the transaction (supply) with the place of supply outside this country**

*For example: A taxable person with a registered office outside this country (this person also has no establishment in this country that would carry out this transaction) provides consulting services to citizens in the Czech Republic (non-taxable persons) – the place of supply and taxation of these services is outside this country.*

**2. the taxable supply with the place of supply in the Czech Republic and the customer in the Czech Republic is a payer or an identified person who is obliged to declare and pay the tax in this country according to Section 108 Subsection 3 of the VAT Act.<sup>6</sup>**

*For example:*

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<sup>5</sup> This provision is valid not just for non-established persons (without registered office or the establishment in this country) but also for those who do not have a registered office but have an establishment in this country.

<sup>6</sup> According to Section 108 Subsection 3 of the VAT Act, if a taxable transaction is effected by a non-established taxable person, the person who has accepted the transaction shall be obliged to declare the tax, provided that this person is

a) a payer or identified person where the following transaction is effected:

1. provision of a service under Section 9 through 10d,

2. delivery of goods with installation or assembly, or

3. delivery of goods through systems or networks,

b) a payer to whom the goods are delivered by a non-established taxable person who is not registered as a payer in this country; this provision is not applicable in the case that the payer to which the goods are delivered failed to fulfil his/her registration obligation within the designated time, namely no later than the day when the decision comes into legal force by which he/she registered as a payer.

- A non-established taxable person<sup>7</sup> provides consulting services to an entrepreneur with a registered office in the Czech Republic. As the recipient of service is a taxable person with registered office in this country, the place of supply is here and the recipient is obliged to declare and pay VAT in this country.<sup>8</sup> The non-taxable person is not obliged to register in the Czech Republic.
- A non-established taxable person (without valid registration as a payer in this country) supplies goods with the place of supply in this country and the customer is a registered payer. The tax obligation is transferred to the registered payer in this country.<sup>9</sup>
- A non-established taxable person supplies goods with an installation or assembly in the Czech Republic to an entrepreneur (taxable person) with his business in this country. As the installation or assembly is carried out in this country, the place of supply is here. The tax obligation is transferred (reverse charged) to the customer (the inland entrepreneur).<sup>10</sup> The non-established taxable person is not obliged to register in the Czech Republic.
- A non-established taxable person provides services connected with immovable property (for example services of an architect) in the Czech Republic for a taxable person. As the immovable property is located in this country, the place of supply is here. The tax obligation is transferred (reverse charged) to the customer (the inland entrepreneur).<sup>11</sup> The non-established taxable person is not obliged to register in the Czech Republic.
- Similar rules will be applied to services in culture, the arts, sports, science, education and entertainment on condition that the place of supply is in this country and the recipient is a taxable person in the Czech Republic who is obliged to declare and pay the tax here.<sup>12</sup>

### 3. the transaction subject to the special **One Stop Shop (OSS)** scheme

**On the other hand, a special attention should be paid to situations when the persons mentioned in Section 6c Subsection 2 of the VAT Act are obliged to register in the Czech Republic, i.e. provided:**

- **the place of supply is in this country and**
- **the customer in this country is a person who is not obliged to register, declare and pay the respective tax in this country (the transaction cannot be reverse charged)**
- **the special regime of One Stop Shop (OSS) is not used for transactions**

**The person without a registered office in this country must be registered, declare and pay VAT in this country for example if the following situations occur:**

- A non-established taxable person provides services connected with immovable property (for example the service of an architect) for non-taxable persons in this country. As the immovable property is located in this country, the place of supply is here. The tax cannot be reverse charged to the recipient of service. The non-established taxable person is obliged to register in the Czech Republic, he or she declare and pay the tax here (if OSS was not used).
- Similar procedure would be applied in the area of services in culture, the arts, sports, science, education and entertainment or supplies goods with installation or assembly in this country, provided that the place of supply is in this country and customers are non-taxable persons;
- A non-established taxable person sells his or her own goods in the Czech Republic, for example at the trade fair, solely to persons who are not registered as payers. The delivery of goods is not connected with the transportation or dispatch, therefore the place of supply

<sup>7</sup> A non-established person in these cases means a person according to Section 4 Subsection 1 Paragraph 1) of the VAT Act.

<sup>8</sup> According to Section 108 Subsection 3 Paragraph a Point 1 of the VAT Act

<sup>9</sup> According to Section 108 Subsection 3 Paragraph b of the VAT Act

<sup>10</sup> According to Section 108 Subsection 3 Paragraph a Point 2 of the VAT Act

<sup>11</sup> According to Section 108 Subsection 3 Paragraph a Point 1 of the VAT Act

<sup>12</sup> According to Section 108 Subsection 3 Paragraph a Point 1 of the VAT Act

is always the place where the goods are at the moment of the supply, which is this country (the amount of supplies is not decisive).

- *Distance sales of goods if the place of supply is in the the Czech Republic (when a legal conditions are fulfilled) and OSS has not been used – see the text below.*

**Only taxable persons with a registered office in this country are obliged to register when they exceed the turnover CZK 2,000,000 during 12 preceding following months in accordance with Section 6 of the VAT Act.**

**Taxable persons with a registered office outside this country who carry out a taxable supply (delivery of goods or providing of service) with the place of business in this country (and the recipient is not obliged to declare and pay tax) are obliged to register according to Section 6c Subsection 2 of the VAT Act and become payers since the first day of taxable supply regardless the amount of the turnover.**

*For example:*

*A taxable person with a registered office in Poland provided a construction service in connection with immovable property in the Czech Republic in the value of CZK 20,000 to a person who is not a taxable person (a payer or an identified person). Respective construction service was carried out on 10 April of a given year. The taxable person with a registered office in Poland became a payer in the Czech Republic on 10 April of a given year. This person declared in the VAT return the tax at the output in connection with the service provided.*

### **Distance sales of goods (without using OSS)<sup>13</sup>**

The obligation to register in the Czech Republic for a non-established taxable person arises if the legal conditions effective since 1 July 2021 are met and if this person does not use for selected transactions the special regime OSS for VAT payment. According to the legal rules effective since 1 July 2021, sellers who sell goods at a distance to final customers in other EU member states must observe the limit of EUR 10,000 common for the sales of goods at a distance and TBE services (telecommunication services, radio and television broadcasting services, electronically provided services)<sup>14</sup>.

If total value of the transactions into all EU member states exceeds in the current or in the immediately preceding calendar year EUR 10,000, then the taxable person must register for VAT in each EU member state of termination of transport or dispatch of goods. As mentioned above, this obligation can be avoided if the person is registered in the OSS.

### **Delivery of goods facilitated by an electronic interface operator**

According to the legal rules effective since 1 July 2021 at EU level, in certain cases the obligation to register for VAT will also arise for electronic interface operators (digital

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<sup>13</sup> According to Section 4 Subsection 9 of the VAT Act distance sale of goods means delivery of goods, provided that  
-the goods are dispatched or transported from a Member State different from the Member State which is the destination for the dispatch or transport by a taxable person who supplies the goods, or by a third person, if the taxable person that delivers the goods is involved in the dispatch or transport under a directly applicable EU regulation stipulating the implementing measures to the directive on the common system of value added tax,  
-goods are delivered to a person for whom the acquisition of goods is not subject to tax in the Member State which is the destination of the dispatch or transport of goods and  
-it is not the case of delivery of a new transport vehicle or delivery of goods with installation or assembly included

<sup>14</sup> These services are defined in Section 10i Subsection 2 of the VAT Act.

platforms)<sup>15</sup>, including non-established electronic interface operators in the Czech Republic, and for foreign persons<sup>16</sup> which supply goods to electronic interface operator.

### **Compulsory registration for electronic interface operators**

An electronic interface operator that provides a taxable transaction of delivery of goods under Section 13a of the VAT Act with the place of transaction in this country, with the exception of selected transactions to which the special One Stop Shop scheme applies, is a payer as of the date of providing the taxable transaction (Section 6fa Subsection 1 of the VAT Act).

### **Compulsory registration for foreign persons**

A foreign person that provides delivery of goods to an electronic interface operator under Section 13a Subsection 2 of the VAT Act with the place of transaction in this country is a payer as of the date of delivery of the goods (Section 6fa Subsection 2 of the VAT Act).

If this foreign person is not a payer voluntarily, he will be obliged to register at the latest when this delivery of goods takes place.

Delivery of goods by a foreign person to an electronic interface operator will be exempt from tax in the case of delivery of goods under Section 13a Subsection 2 (a) of the VAT Act (Section 71h of the VAT Act).

*For example:*

*A foreign person based in China imports the goods. After release of the goods into a customs procedure of free circulation stores them in the electronic interface operator's warehouse in the Czech Republic. The goods are delivered for the first time from a warehouse in the Czech Republic to a non-taxable person in this country or in other EU member state, which is facilitated by the electronic interface operator on 10 October of a given year.*

*This foreign person will become a payer on 10 October of the given year and will submit an application for VAT registration according to Section 6fa Subsection 2 of the VAT Act.*

## **1.1.2 Other reasons for compulsory registration**

A taxable person shall be a payer from the day when the transformation of a legal person is registered into the public registry or similar record keeping in accordance the law of the respective country if the assets of the legal person being dissolved or split up, provided this legal person was a payer, pass or are transferred to such taxable person during the transformation (**Section 6b Subsection 2 of the VAT Act**).

A taxable person that is not a payer shall be an **identified person if acquires goods from another EU member state in this country** and such goods are subject to tax, except for goods acquired by an intermediary in a simplified procedure for delivery of goods within the territory of the European Union in the form of triangular transactions, **from the day of the first acquisition such goods** (Section 6g of the VAT Act). This person can be registered **also voluntarily** – see the chapter 1.2 – statement about Section 6k of the VAT Act.

*For example:*

*A taxable person with a registered office in Germany runs a business (e-shop), which is focused on sales of goods, since 1 May of a given year. On 10 May of a given year this person transfers the goods from Germany to the warehouse in the Czech Republic in order to supply them to persons who are not payers (from the warehouse in the Czech Republic the goods will be supplied to other EU member states as well as to these persons who are not*

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<sup>15</sup> Operator of electronic interface shall mean a taxable person who, using an electronic interface, including but not limited to electronic marketplace, platform, portal or similar means, facilitates delivery of goods or provision of service under a directly applicable EU regulation stipulating the implementing measures to the directive on the common system of value added tax (Section 4 Subsection1 (n) of the VAT Act).

<sup>16</sup> Foreign person shall mean a taxable person that does not have a registered office or residence in the territory of the European Union (Section 4 subsection1 (g) of the Vat Act).

*payers with the place of supply in the Czech Republic). On 10 May of a given year the taxable person becomes an identified person according to Section 6g of the VAT Act.*

These provisions of the VAT Act (Sections 6g and 6k) are valid for all taxable persons including non-established taxable persons who acquire goods from another EU member state in the Czech Republic, provided they are not yet payers (the transaction must be taxed, unlike a payer an identified person has not the right to a tax deduction).

If this person carries out a **following supply of goods in this country**, and the tax obligation is not possible to transfer to the customer (for example a non-established taxable person delivers the goods into a consignment stock in the Czech Republic and subsequently delivers them to particular Czech customers who are non-taxable persons), this person (the supplier) is obliged to register as a payer due to subsequent supplies of goods with the place of supply in this country.<sup>17</sup>

The same will be applied, if this person supplies goods to other EU member state. In this case, this person should be also registered as a payer by law – see also the text below.

The **voluntary registration** is also possible before conditions for the registration by law are fulfilled (see also chapter 1.2).

For example:

*A taxable person with a registered office and VAT registration in Germany runs a business (e-shop) focused on sales of goods. On 10 May of a given year the taxable person transfers the goods from Germany to the warehouse in the Czech Republic in order to sell the goods to persons who are not payers (the goods are supposed to be sold from the warehouse in the Czech Republic to other EU member states as well as to persons who are not payers whereas the place of supply is in this country).*

*The taxable person submits an application for voluntary VAT registration according to Section 6f Subsection 2 of the VAT Act. The decision concerning registration is delivered on 15 April of a given year. This person is a payer from the following day (16 April) and in the box No. 3 of VAT return for the taxable period May declares an acquisition of goods from Germany (the transfer of own goods). This person will not be registered as an identified person in this case.*

A taxable person that does not have the registered office in this country<sup>18</sup>, is not an exempted person<sup>19</sup>, and **delivers goods to another EU member state** and the goods are dispatched or transported from this country by such person, the acquirer or authorised third person to a person for which the acquisition of goods in another member state is subject to tax shall be a **payer from the day of such goods are delivered (Section 6c, Subsection 3 of the VAT Act)**. Apart from other legal obligations, this payer is also obliged to submit the recapitulative statement.

For example:

*A taxable person with a registered office and VAT registration in Austria buys goods (the place of supply is in the Czech Republic) that are delivered from the Czech Republic to a registered person in Germany on 10 February of a given year.*

*The taxable person with a registered office and VAT registration in Austria becomes a payer on 10 February of a given year according to Section 6c Subsection 3 of the VAT Act and must declare the supply of goods to other EU member state in the VAT return and recapitulative statement for the taxable period February of a given year.*

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<sup>17</sup> Section 6c Subsection 2 of the VAT Act

<sup>18</sup> This provision is valid not just for non-established taxable persons (without a registered office or establishment in this country) but also for those who do not have a registered office but have an establishment in this country.

<sup>19</sup> An exempted person is a taxable person with a registered office or an establishment in other EU member state who has a similar status in this member state as a taxable person with a registered office in this country who is not a payer.

A taxable person with their registered office not located in this country who performs delivery of goods for consideration, representing the relocation of goods from this country to another Member State, becomes a payer as of the date of delivery of the goods, provided that the acquisition of the goods in another Member State is subject to tax for that person (Section 6c Subsection 4 of the VAT Act).

## 1.2 Voluntary registration

A taxable person that has neither their registered office nor establishment in this country and will carry out transactions (supplies) with entitlement to tax deduction with the place of supply in this country may submit an application for registration of a **payer** (Section 94a Subsection 2 of the VAT Act).

This person shall be a **payer from the day following the day of notification concerning the decision registering such person**, which is issued by the tax office (Section 6f Subsection 2 of the VAT Act).

The taxable person that is not a payer, that will acquire goods from another Member State in this country, may submit an application for registration of **an identified person** voluntarily and shall be **an identified person from the day following the day of notification concerning the decision registering such person** (Section 6k and 97a Subsection 2 of the VAT Act).

In case of voluntary registration of a payer with **previous cancellation of registration by financial office due to a serious breach of obligations relating to tax administration**, the taxable person may submit an application for registration no earlier than after the expiration of 1 year from the day when their registration as a payer was cancelled due to the reasons above mentioned (Section 94a Subsection 3 of the VAT Act).

## 1.3 Application for VAT registration

The taxable person that does not have a registered office in this country and fulfils conditions for **compulsory registration** is obliged to submit **an application for registration within 15 days from the day when this person became a payer or an identified person.**<sup>20</sup>

The day when this taxable person becomes a payer is e. g. the day:

- when the first taxable transaction with the place of supply in this country takes place, this includes also transactions under the distance sales of goods scheme (if OSS was not used)<sup>21</sup> or
- the day of the first delivery of goods from this country to other Member State.<sup>22</sup>

The day when this taxable person becomes an identified person is the first day of intracommunity acquisition goods from another EU Member State.<sup>23</sup>

A taxable person who has neither a registered office nor an establishment in this country can submit an application for VAT registration **voluntarily** whenever, on condition that fulfils the conditions given by law (see also the chapter 1.2).

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<sup>20</sup> Section 94 Subsection 2 and Section 97 of the VAT Act

<sup>21</sup> see above mentioned Section 6c, Subsection 2 of the VAT Act

<sup>22</sup> see Section 6c Subsection 3 and Subsection 4 of the VAT Act

<sup>23</sup> Section 6g of the VAT Act

## **Annexes of the application**

Only a taxable person can be registered for VAT, i.e. the legal or natural person who is able to carry out an economic activity.

Therefore, **compulsory annexes** for non-established taxable persons are:

- **VAT (or similar tax) registration certificate from another country,**
- **trade licence / certificate or other authorization to business activity,**
- **business register statement**

All these annexes must be officially verified copies of original documents translated to the Czech language. Officially verified translation into the Czech language is not required but in case of need financial office has the right ask for it later.<sup>24</sup> The Slovakian documents do not need to be translated into the Czech language at all.

**Voluntary annex** is so called **ANNEX TO VAT REGISTRATION APPLICATION FORM – ECONOMIC ACTIVITY INFORMATION**. It may be voluntarily attached to the application in order to speed up VAT registration procedure. *The English version of this document is available on [VAT registration for non-established persons | Taxes | Financial Administration \(financnisprava.cz\)](#).*

## **2. Change in registration data and cancellation of VAT registration**

### **Change in registration data**

In the event of a change in the data the tax payer is obliged to state during registration, the payer is obliged to notify the tax administrator of such a change within 15 days from the day when the change occurred<sup>25</sup> This obligation can be fulfilled only by submitting of the notification of the change in the registration data (Section 127 of the Tax Code).

### **Cancellation of VAT registration**

A payer that does not have their registered office in this country may request the cancellation of their registration if they did not carry out a taxable transaction in this country or did not deliver goods to another Member State exempt from tax with an entitlement to tax deduction in the 6 immediately preceding consecutive calendar months, except for a provided taxable transaction for which the tax must be declared by the person to which the transaction is provided, or except for the delivery of goods that could be delivered by such payer as an intermediary person for a buyer if they were not a payer in this country, or they ceased to pursue economic activities in this country (Section 106b Subsection 2 of the VAT Act).

The tax administrator will comply with the request for cancellation of the VAT payer's registration without fulfilment of the six-month period set in Section 106b Subsection 2 (a) of the VAT Act, if the payer is registered in OSS in another Member State and does not carry out any other transactions in the country, with the exception of the transactions referred to in Section 106b Subsection 2 (a) of the VAT Act (taxable transaction for which the tax must be declared by the person to which the transaction is provided, or delivery of goods that could be delivered by such a payer as an intermediary person for the buyer if they were not payers in this country). A payer ceases to be a payer on the day following the day of the notification of the decision that cancels their registration. (Section 106d Subsection 3 of the VAT Act).

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<sup>24</sup> Section 76 Subsection 2 of the Tax Code

<sup>25</sup> This obligation does not apply to data, the change of which the tax administrator can find out in an automated manner from registers or records to which he has established automated access.



### 3. Electronic submission

The application for registration (compulsory and voluntary), the application for cancellation of registration or notification of change of registration data must be submitted only electronically<sup>26</sup> and on the appropriate form.

The application for VAT registration is available on following address of portal My Taxes: [Elektronické formuláře - Portál MOJE daně \(mfcr.cz\)](#) (next steps: Daň z přidané hodnoty → Registrace → Přihláška k registraci k dani z přidané hodnoty platná od 1.1.2015).

The application for cancellation of registration is available on following address of portal My Taxes: [Elektronické formuláře - Portál MOJE daně \(mfcr.cz\)](#) (next steps: Daň z přidané hodnoty → Registrace → Žádost o zrušení registrace).

The notification of change of registration data is available on following address of portal My Taxes: [Elektronické formuláře - Portál MOJE daně \(mfcr.cz\)](#) (next steps: Daň z přidané hodnoty → Registrace → Oznámení o změně registračních údajů).

Specimens of all documents in English language are available on our website: [Value Added Tax | Tax Forms | Taxes | Financial Administration \(financnisprava.cz\)](#). Please be aware of the fact that these specimens serve just as a help and they are not determined for electronic submission itself.

**According to Section 71 Subsection 1 of the Tax Code the submission can be made electronically by a data message via:**

#### Data Box

Data Box enables fast communication with tax office during tax proceedings. Ministry of Interior is responsible in this matter. For information concerning establishment of Data Box for persons from abroad please visit:

[Úvodní stránka - Datové schránky.info \(datoveschranky.info\)](#)

In case of communication via Data Box a data message (an attachment) must have relevant format and structure (Section 72, Subsection 2 (c) of the Tax Code) – .XML, for possible technical purposes - relevant XSD schemas. Authorized electronic signature for the purpose of submissions via Data Box for tax administration is not necessary.

If for example a foreign representative establishes the Data Box, he or she can send the application for VAT registration (applications for all persons that he or she represents) and all relevant annexes only via Data Box electronically. In this case, a power of attorney can be submitted in paper form, electronic submission is not obligatory.

#### EPO application (EPO= Electronic submissions for the Financial Administration)

*(the path to the application EPO through portal My Taxes is given in the introductory paragraph of this chapter)*

- **signed with the authorized electronic signature** (issued by the Czech accredited authority)

It is possible apply for a certificate from one of the qualified trust service providers. These are for example: [Czech Post](#), [e-Identity](#), [First Certification Authority](#)

more on:

<http://epodpora.mfcr.cz/cs/index/app/UXVlc3Rpb25zfGRpZ2VzdC5hc3B4P3NpZD00Mzcy>

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<sup>26</sup> This legal obligation applies to payers and from 1 January 2021 also to identified persons (Section 101a Subsection 2 of the VAT Act). According Art. VI. Section 1 of the transitional provisions of Act No. 238/2020 Coll., the filing of an application for registration or a notification of changes to the registration data may be made in paper form for the period preceding the date of entry into force of this Act until 31. 12. 2020 for identified persons (not payers). I.e. if a taxable person becomes an identified person by 31 December 2020, but submits an application for registration within the statutory deadline after 1 January 2021, he may do so both electronically and in paper form. Only electronic submissions are permitted for persons who become identified persons after 1 January 2021.

- **with the certified identity of the submitting party in a manner making it possible to log in their Data Box**
- **with guaranteed identity NIA (National identification authority)**

A identity verification of a natural person through the National Point for Identification and Authentication (Act No. 250/2017 Coll., on electronic identification, as amended)-more on: [www.identitaobcana.cz](http://www.identitaobcana.cz)

- **without a signature** (i. e. without the authorized electronic signature, or without guaranteed identity -NIA), if this submission is confirmed in any ways mentioned in Section 71 Subsection 1 of the Tax Code. This submission must be confirmed with a special form called "E-form (E-tiskopis)", which is generated after submission in the portal My Taxes without el. signature and signed electronically in a manner with which another legal regulation connects the effects of a personal signature. The signed form has to be sent to a locally competent tax administrator within 5 days after the submission via portal My Taxes. **It is possible E-form (printed and signed) also sent to locally competent tax administrator in paper form.**

#### **DIS+ (tax information box)**

A tax administrator allows the tax subject to use a tax information box via remote access. A tax information box set up for a tax subject may be used for submissions by this tax subject or submissions on behalf of this tax subject (Section 69 of the Tax Code).- more on: <https://www.financnisprava.cz/cs/dane/dane-elektronicky/danovy-portal/danova-informacni-schranka-do-28-2-2022>

*For completeness we state that the Financial Administration of the Czech Republic accept as well as submissions made via an e-mail message with the authorized electronic signature based on the case<sup>27</sup> law of the Supreme Administrative Court<sup>28</sup>.*

## **4. Selected VAT responsibilities following registration**

The non-established persons have similar rights and obligations in connection with VAT registration as persons who are established in the Czech Republic and are obliged to VAT registration here. Any party involved in tax administration may select a representative. All tax administration proceedings must be conducted and documents must be drawn up in the Czech language.

### **VAT Return:**

Payers or identified person are obliged to submit a VAT return. The payer who has not a registered office or an establishment in the Czech Republic is not obliged to submit a VAT return for the taxable period, in which this payer has no tax obligation or obligation to declare an exempt supply (submission of a "zero VAT return" is not required). Similarly, an identified person does not submit VAT return for the taxable period, in which there is no obligation to declare tax.<sup>29</sup>

**Deadline: no later than the 25<sup>th</sup> day after the end of the tax period<sup>30</sup>**, which is:

- **calendar month** – basic tax period, or
- **calendar quarter** – only a VAT payer (not an identified person) can decide that his

<sup>27</sup> The judgements of the Supreme Administrative Court 1 Afs 428/2019-42 and 2 Afs 167/2019-32.

<sup>28</sup> This does not apply to the submission of Control Statement and submissions pursuant to Act No. 164/2013 Coll., on International Cooperation in Tax Administration.

<sup>29</sup> Section 101 Subsection 1, 4 a 5 of the VAT Act

<sup>30</sup> Section 99 and § 99a of the VAT Act and Section 136 Subsection 4 of the Tax Code.

tax period for the current calendar year is a calendar quarter on specific legal conditions.<sup>31</sup> The change of tax period cannot be made for the calendar year in which the VAT payer was registered or for the immediately following calendar year.<sup>32</sup>

**The tax is due on the last day of the deadline set out for the submission of a regular VAT return.<sup>33</sup>**

Declaration of some obligations of non-established taxable persons in a VAT return:

Realized taxable transactions (supply of goods or provision of service) with the place of supply in this country are declared into the Line 1 (standard rate is 21 %) or into the Line 2 (lower rate is 15 % or 10 %), the amount of tax base and tax should be stated. This amount of tax should be included into the Line 62 (output tax). The final tax obligation (the Line 64 – a tax obligation or the Line 65 – an excess tax deduction) is influenced accordingly.

Into Line 24 (Selected transactions according Section 110b Subsection 2 of the VAT Act) covers an amount of the following performed selected transactions with entitlement to tax deduction to which the special One Stop Shop scheme is applied, or to which this scheme could be applied, if a person carrying out the selected transactions was registered in this scheme, apart from taxable selected transactions given on Line 1 and 2:

- supplies of services to a non-taxable person with the place of transaction in a Member State other than the Member State in which a person carrying out the selected transactions has his registered office or establishment;
- distance sales of goods with the place of transaction pursuant to Section 8 Subsection 1 of the VAT Act;
- supplies of goods by an electronic interface pursuant to Section 13a Subsection 2 (b) of the VAT Act;
- distance sales of imported goods with the place of transaction pursuant to Section 8a of the VAT Act;

Delivery of goods by a foreign person to an electronic interface pursuant (transactions exempt from tax without entitlement to tax deduction according to § 71h of the VAT Act) is declared in Line 26.

**For proper declaration of other transactions an official guidelines for VAT return should be used.**

VAT return must be submitted **only electronically** by the law<sup>34</sup>, just as the application for VAT registration and other electronic submissions for tax administration (for more information see chapter 3. Electronic submission).

VAT return is available on following address of portal My Taxes:

[Elektronické formuláře - Portál MOJE daně \(mfcz.cz\)](https://mfcz.cz) (next steps: Daň z přidané hodnoty → Přiznání k dani z přidané hodnoty platné od 1.1.2011).

The specimen of the VAT Return form in English language is also available on our website including instructions for filing: <https://www.financnisprava.cz/en/taxes/tax-forms/forms-information/value-added-tax>. Please be aware of the fact that this specimen only serves as a help, it cannot be used for electronic submission.

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<sup>31</sup> His turnover for the immediately preceding calendar year did not exceed CZK 10,000,000; he is not an unreliable VAT payer; he is not a group; and he announces the change of tax period to the tax authority until the end of January of the respective calendar year.

<sup>32</sup> For the reasons deserving a special attention the tax authority can, upon request of the VAT payer submitted until the end of October of the year in which the VAT payer was registered, decide that the change of tax period can be made for the immediately following calendar year.

<sup>33</sup> Section 135 Subsection 3 of the Tax Code

<sup>34</sup> Section 101a of the VAT Act.

### **VAT Control Statement:**

Only a payer (not an identified person) is obliged to submit a VAT control statement<sup>35</sup>, only on specific conditions defined by law - for more information see our website: <https://www.financnisprava.cz/en/taxes/VAT-Control-Statement>

**Declaration of some obligations of non-established taxable persons in a VAT control statement:**

Realized taxable transactions (supply of goods or provision of service) for non-taxable persons with the place of supply in this country are declared in a part A.5. of a VAT control statement. In this part are declared also realized transactions with the place of supply in this country for taxable persons (payers and persons who are not payers) and non-taxable legal persons if the value including tax is up to CZK 10,000.

Realized taxable transactions (supply of goods or provision of service) and received payments with the place of supply in this country are declared in a part A.4. on conditions that the recipient of the supply is a taxable person (a payer or person who is not payer) or a non-taxable legal person and the value including tax is over CZK 10,000.

Supply of goods to another EU member state is not declared in this statement.

**For proper declaration of other transactions in VAT control statements official guidelines for VAT control statement should be used.**

Also a VAT control statement must be submitted **only electronically** by the law, just as the other electronic submission for tax administration (for more information see chapter 3. Electronic submission). Special attention should be paid to the fact that if a control statement is submitted using a data message that requires additional confirmation, it must be confirmed under the conditions stated in the Tax Code by the deadline for a control statement submission.<sup>36</sup>

The VAT Control Statement is available on following address of portal My Taxes : [Elektronické formuláře - Portál MOJE daně \(mfcz.cz\)](#) (next steps: Daň z přidané hodnoty → Kontrolní hlášení DPH platné od 1.1.2016).

Guidelines for filling out of the VAT Control statement are also available in English language on our website: [Value Added Tax | Tax Forms | Taxes | Financial Administration \(financnisprava.cz\)](#).

### **Recapitulative Statement:**

Taxable persons registered for VAT are obliged to submit a recapitulative statement just in case they carried out transaction (supply or goods or provision of service) to other Member State.<sup>37</sup> Especially a payer registered according to Section 6c, Subsection 3 or Section 6c, Subsection 4 of the VAT Act (see the chapter 1.1.2) is obliged to submit a recapitulative statement declaring supply of goods to the other Member State.

A recapitulative statement shall be filed by a payer for each calendar month within 25 days from the end of the calendar month.<sup>38</sup> Data about the value of the delivered goods (or provided service) shall be stated in the Czech currency.

Also a recapitulative statement must be submitted **only electronically** by the law, just as the other electronic submission for tax administration (for more information see chapter 3. Electronic submission). Special attention should be paid to the fact that if a recapitulative

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<sup>35</sup> Section 101c and following of the VAT Act

<sup>36</sup> Section 101d Subsection 2 of the VAT Act

<sup>37</sup> Section 102 of the VAT Act

<sup>38</sup> In case of identified person within 25 days from the end of calendar month, in which the transaction was carried out. If a payer would realize only supply of services to other Member State, he shall file the recapitulative statement together with the tax return within the term for filing the tax return.

statement is submitted using a data message that requires additional confirmation, it must be confirmed under the conditions stated in the Tax Code by the deadline for a recapitulative statement submission.

Recapitulative Statement is available on following address of portal My Taxes <sup>39</sup>: [Elektronické formuláře - Portál MOJE daně \(mfcr.cz\)](#) (next steps: Daň z přidané hodnoty → Souhrnné hlášení VIES).

For further information see: [Recapitulative statements | Cooperation and VAT | International Tax Affairs | Financial Administration \(financnisprava.cz\)](#).

### **Keeping records for VAT purposes:**

#### **Keeping records according to Section 100 of the VAT Act:**

Payers or identified persons are obliged to keep all data relating to their tax liabilities in records for VAT purposes, and must do so in the structure required for drawing up a tax return, recapitulative statement or control statement.

#### **Keeping records according to Section 100a of the VAT Act:**

A payer or identified person that acquires goods from another Member State is obliged to keep the value of the acquired goods in the records for value added tax purposes, where the acquisition of such goods shall be divided according to other individual Member States.

A person that forwards goods from this country to another Member State is obliged to keep records of the value of the forwarded goods or of the option under Section 8 Subsection 3 of the VAT Act.

A payer who is a seller in case of the delivery and acquisition of goods using the relocation of goods in the warehouse regime inside the territory of the European Union, and a payer or identified person who is a buyer or a taxable person pursuant to Section 18 Subsection 5 of the VAT Act in case of such delivery and acquisition, are obliged to record data for the purposes of value added tax pursuant to the directly applicable regulation of the European Union, determining implementing measures for the directive on the common system of value added tax .

#### **Keeping records according to Section 100b of the VAT Act:**

An electronic interface operator must keep records, for the purposes of value added tax under a directly applicable EU regulation stipulating the implementing measures to the directive on the common system of value added tax, of information relating to delivery of goods or provision of a service that the electronic interface operator facilitates.

An electronic interface operator must keep above mentioned for the period of 10 years from the end of the calendar year in which the transaction was provided, and provide this information electronically upon request of a tax administrator or a tax administrator of the other Member State in question.

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<sup>39</sup> If a recapitulative statement is filed using a data message that requires additional confirmation, it must be confirmed within the term for filing a recapitulative statement.