



# Czech Republic

## VAT standard rate

The standard VAT rate in the Czech Republic in 2024 is 21%.

## VAT Reduced rate

The reduced rate is 10% for digital books.

## Thresholds

Companies incorporated or having a permanent establishment in the EU can use the rules for low annual turnovers. In this case, the threshold is €10,000.

Companies established outside the European Union cannot benefit from the intra-EU threshold. The threshold for registration for companies outside of the EU is zero. It means that they are obliged to register from the first sale. Such businesses may register for non-Union OSS instead of registration in Belgium.

The threshold for VAT registration for local businesses is CZK 258,000 (€10,800).

## Pieces of evidence

There is a list of basic criteria to determine the location of the buyer. It is extremely important for determining tax obligations.

Customer's permanent address;

Billing address (bank or electronic payment operator);  
Internet Protocol (IP) address;  
Telephone number;  
The location of the customer's fixed landline through which the service is supplied to him;  
Other commercially relevant information.

And if two of them are in the Czech Republic, the customer may be determined as Czech.

## E-services list

A digital product is any product that is stored, delivered, and used in an electronic format. A customer can receive these goods or services by e-mail, downloading them from the Internet, or logging into a website. In particular, the law names the following as digital services:

Electronic books, images, movies, and videos, whether buying a copy from Shopify or using a service (for example, Amazon Prime). In tax materials, these products are referred to as "Audio, visual or audiovisual products";  
Downloadable and streaming music, whether buying an MP3 or using music services;  
Cloud-based software and as-a-Service products (SaaS, PaaS, IaaS);  
Websites, site hosting services, and Internet service providers;  
Online ads and affiliate marketing.

## Registration procedure

To register, you need to fill out a registration application. To do this, you will need the following information about the company:

Full information about the company:  
Company's name, a trading name of the company (if applicable), full postal address, email address and website of the taxable person, name and phone number of the contact person;  
National tax number (if applicable);  
Country in which the taxable person has his place of business;

International bank account number or OBAN number and BIC;  
An electronic declaration that the taxable person is not registered for VAT within the Union;  
Date of commencement of using the scheme.

Document in a language other than Czech must be presented in the original wording together with its Czech translation.

## **Tax representative**

Sellers selling digital services are not obligated to appoint a tax representative in the Czech Republic.

## **Keeping records**

The retention period of Tax documents for VAT is 10 years – the tax authorities have the right to request them.

## **Filing VAT returns**

The standard reporting period in the Czech Republic is a month. Legal persons have to submit the VAT Control Statement no later than the 25th day after the end of each month.

For example, the VAT return for February must be submitted by 25 March at the latest.

## **VAT payment date**

The deadline for payments is the 25th of the month following the reporting month.