Tax Agenda Czechia

November 2025

The better the question. The better the answer. The better the world works.

Shape the future with confidence

No.	Fact	Action
1	**Tariffs on Imports** The new agreement between EU and United States, that is effective from 1 August 2025, primarily states that the EU will eliminate tariffs on all industrial goods and allow preferential imports of selected agricultural products. The United States will apply the higher of two tariff rates on goods originating from the EU: either the rate under the Most Favored Nation clause or a uniform tariff rate of 15%. This new rule will also apply to pharmaceuticals, automobiles and their parts, semiconductors, and wood.	Companies trading with US partners: Closely monitor the EU-US negotiation and consider how flexibly the company's supply chain can react to the increased tariffs and EU countermeasures.
2	**Change in taxation of employment benefits** A legislative changes introduced in 2024 significantly impact the taxation of employment benefits. Further, from 1 January 2025, there is a separate limit for the exemption of health benefits up to the amount of the average wage for a particular year. Additional amendments related to employee benefits were approved with effect since 1 January 2026.	Review internal benefits scheme to be able to react flexibly to the significant changes. Methodical information on the taxation of benefits has been published.
3	**Functional currency** Based on the consolidation package the Czech accounting entity can keep accounting books in the Czech crowns, the euro, the US dollar or the British pound. The functional currency (other than CZK) should be the currency of the primary economic environment in which the entity operates.	Consider the right of using the functional currency other than CZK, as this could simplify the administration of Czech entities and branches from the accounting and corporate income tax perspective. The change in currency is possible only on the first day of the accounting period.
4	**Taxation of employee share plans** The taxation of income (and social security and healthy insurance) in the form of the difference between the price paid by the employee to the employer for the share in the company and the market price of that share should be deferred (when specific conditions are met). The latest taxation of that income by the employee would be 10 years after the acquisition of the share. This amendment to the Income Tax Act is effective since 1 January 2024 and related amendments of the Social Security and Healthy Insurance Acts are effective since 1 July 2024. Newly signed amendment effective from 1 April 2025, changes that the deferred taxation is an option (not obligation), i.e., companies may choose (under certain conditions) immediate taxation upon share allocation (the same as before 2024). Further, additional amendment has shifted the latest moment for taxation from 10 to 15 years.	Consider impact of amendments as they may apply also to the purchase of shares in (i) the employer's parent company or (ii) employer's subsidiary or (iii) a company related to the employer by capital.

Nov

Dec

Jan

Feb

Use text boxes above the timeline to plan your actions for coming months

Compliance *Risk management* *Cash-flow and ETR impact*

No.	Fact	Action
5	**Limitation of exemption for sale of securities, shares and crypto-assets** As of 1 January 2025, the exemption for individuals on income from the sale of securities and company shares (currently subject to a time test of 3 years or 5 years between acquisition and sale) is capped at CZK 40 million. The amended law also permitted the revaluation of the tax base for shares and securities to their market value as of 31 December 2024 for tax purposes. Similar rules have been approved for revenue from the sale of crypto-assets. However, the new Income Tax act, effective since 1 January 2026, eliminate the 40 million CZK cap for the exemption of income from the sale of securities/shares for individuals. Conversely, the mentioned limit will continue to apply to the exemption of cryptocurrency sales.	Assess the application of the exemption and the possibility of revaluing the tax base. Ensure that related documentation is prepared before the planned sale.
6	**Pillar Two of BEPS 2.0** Approved Pillar Two of BEPS 2.0 enforcing a 15% minimum effective taxation globally for eligible groups with over EUR 750 million turnover. Although the Czech statutory tax rate exceeds 15%, calculating effective tax under Pillar Two is complicated due to many exceptions and deviations and may result in additional taxation. The Czech implementation of the EU directive entered into force in January 2024. Amendments that, inter alia, deal with the postponement of the deadline for filing the initial information statement/top-up tax return in the Czech Republic to 2026 have been approved and effective as of 31 December 2023.	Review the applicability of Pillar Two rules for the group, individual entities, and jurisdictions, assess the potential impact, develop the model for the calculation, prepare for reporting, monitoring, and compliance. Be aware that it will be necessary to demonstrate during the preparation of the financial statements and subsequent audits of 2024 whether additional taxation will arise or the safe harbour conditions will be met.
7	**Amendment to the Labor Code** The amendment to the Labor Code enhanced labor relations flexibility for both employees and employers. It introduced changes such as extended trial periods, revised notice period for employment termination, and measures to support work-life balance for parents. The amendment explicitly prohibits confidentiality clauses regarding salary. The amendment came into force on 1 June 2025.	Review the changes to the Labor Code and prepare to comply with the new legal requirements as an employer and/or incorporate / amend adopted changes to the employment documentation.
8	**Unified Monthly Employer Report** The Unified Monthly Employer Report, will replace up to 25 existing employer reporting obligations. Related legislative amendments, inter alia, include the abolition of final withholding tax on income from dependent activities or changes related to employees' benefits. In the first phase, starting from January 2026, there will be changes in the taxation of income for individuals, specifically for tax non-residents who are members of the bodies of legal entities.	Review the changes and assess their potential impact on the company, for example, in relation to the employee benefits system.

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9	**Evidencing beneficial ownership** Following the judgments of the Court of Justice of the EU (CJEU), the onus of proof for evidencing beneficial ownership of dividend, royalty or interest payment is expected to be higher in cases when claiming the reduced withholding tax rates or exemptions, especially with respect to intra-group transactions.	Ensure that the company is able to evidence the beneficial ownership of the royalty, dividend and interest payment when applying the withholding tax reduced rates or exemptions.
10	**Services from the related parties and tax audits** Tax audits focus on intra-group services. Czech tax authorities expect robust documentation for deductible inter-company expenses beyond contracts and invoices. This position of tax authority was approved by the Supreme Administrative Court.	Maintain records of supporting documentation especially concerning cooperation with the group, so the company would be able to fully substantiate the scope of the charges and their link to the taxable income of the company.
11	**Transfer pricing audits** According to the published statistics of the tax authority on tax audits, transfer pricing setup stands out as one of the main focuses for Czech tax authorities. This trend may continue with the increasing use of analytical tools.	Ensure that the company has transfer pricing documentation available and act in accordance with it. Regular review of TP documentation is strongly recommended.
12	**Increase of limits for categorization of accounting units** The amendment to the EU Directive requires member states to increase the limits for assets and net turnover by approximately 25% within each accounting unit category. The criterion for the average number of employees remains unchanged. Based on the amended Accounting Act, the audit will be only mandatory for medium and large accounting entities since 1 January 2026.	Review whether a change in the value of these two limits will alter the accounting unit category of your company, as it could impact the accounting and financial obligations of the company. Be aware, that the Ministry of Finance issued a statement regarding the implementation of the amendment to the Accounting Act.
13	**Changes to work performance agreements** With effect from 1 January 2025, income from a work performance agreement (DPP) will not be subject to social security and health insurance contributions if, in aggregate from the same employer, it does not exceed 25% of the average wage in a calendar month (i.e., CZK 11,500 in 2025). The same limit applies to the application of withholding tax (subject to other legal conditions).	If you have an employee working on a performance agreement, apply the changes accordingly.
14	**Accessibility of certain products and services** With effect from 28 June 2025, the new act on requirements for accessibility of certain products and services introduces new rules for a broad area of products and services (including hardware computer systems, self-serviced terminals, e-books etc.). Their manufacturers, importers, distributors, or providers in case of services, must comply with several requirements for their accessibility, especially for persons with disabilities.	Ensure the compliance with newly imposed requirements and regulation, if applicable.

No.	Fact	Action
15	**Amendment to the VAT Act** The Ministry of Finance has submitted a very extensive draft of amendment to the VAT Act which came into force (with minor exceptions) on 1 January 2025. Further significant changes regarding VAT in connection to real estates came into force in July 2025.	Review the amendment and consider the potential impact on the company. Be aware that the General Financial Directorate has issued information intended to help clarify the application of the amended VAT Act (e.g. regarding the obligation to appoint an agent for delivery if a foreign entity registered for VAT in the Czech Republic does not have a databox).
16	**Changes in VAT rules for imported consignments** The Council of the European Union has approved an amendment to the VAT Directive, which changes the rules for applying VAT to consignments from third countries, effective from 1 July 2028. Sellers and platforms facilitating online sales of goods to end customers will be responsible for collecting VAT and will no longer be able to pass this obligation onto customers, i.e. the new regulation aims to motivate sellers and platforms to use the Import One Stop Shop (IOSS) scheme.	If the company facilitates online sales of goods to end customers, consider using the Import One Stop Shop (IOSS). Be aware that sellers and platforms that do not use this special scheme will have to register for VAT in all EU Member States where their customers are located, and generally also appoint a tax representative there.
17	**Change in the Submission Method for Intrastat Declarations** As of 1 January 2026, support for the desktop application InstatDesk, used for submitting Intrastat declarations will be discontinued. Starting with the reference period of January 2026, Intrastat declarations can only be submitted through the new application InstatEvo. This new application is operating since July 2025.	Familiarize yourself with the new system in a timely manner and transition accordingly.
18	**Amendment to the Excise Duty Act** The amendment introduces a number of substantial technical changes, e.g., the digitalization of processes, adjustments for small breweries, storage and sale of raw tobacco, waste oil management and cigarette pricing procedures. The amendment is effective from 1 January 2025.	Review the amendment and consider the potential impact of on the company.
19	**Amendment to the Tax Code** An amendment to the Tax Code was recently submitted to the Senate for approval. The amendment contains a number of changes, same of which are scheduled to take effect on 1 July 2025, with the remaining provisions coming into force on 1 January 2026.	Review the amendment and consider the potential impact within the company's processes.
20	**I-51: Reporting of products and goods used for demonstration** The interpretation I-51 newly issued by the National Accounting Council (NAC) provides guidance on whether demonstration goods should be recorded as inventory or classified as fixed assets. According to the interpretation, the key factors are the intended use and expected duration of use.	If you own demonstration goods, review the new interpretation, as proper classification affects not only the structure of the balance sheet but also the timing of expense recognition in the income statement and consequently, the tax base.
21	**Amendment to the Act on Transformations** The Amendment extends the possibility of cross-border conversions, mergers and divisions, and further clarifies some of the shortcomings of the existing legislation which caused difficulties in practice. The amendment is effective from 19 July 2024.	Review the changes to the Transformations Act and consider their impact on the potential company's planned transaction.

No.	Fact	Action
22	**The EU adopts the Artificial Intelligence Regulation (AI Act)** The Regulation lays down harmonised rules in particular for the development, placing on the market, putting into service and use of AI systems in line with EU values. The Regulation applies to providers placing on the market or putting into service AI systems in the EU, whether established or located within the EU or in a third country. However, the Regulation applies to importers or distributors of AI systems and others as well.	The Regulation is binding and directly applicable in all EU Member States. Accordingly, affected entities will need to revise their practices and systems to comply with the new legislation.
23	**New EU Pay Transparency Directive** In 2023, the Directive of the European Parliament and Council (EU) 2023/970 was adopted. The Directive strengthens the enforcement of the principle of equal pay for men and women for equal work or work of equal value. The main objective of the Directive is to reduce the gender pay gap to 5 %, and non-compliance could lead to significant penalties. EU member states must transpose the Directive by 7 June 2026. The Czech bill has not yet been published; however, due to the complexity, we recommend starting preparations now. Among other things, the Directive explicitly prohibits confidentiality clauses regarding salary (already prohibited by the amendment to the Labor Code effective from 1 June 2025).	For employers: Analyze your current remuneration system and rectify any shortcomings. By June 2026, your remuneration system must be set up to comply with the requirements of the Directive. Avoid confidentiality clauses in employment contracts.
24	**Equal pay for equal work** The Supreme Court confirmed in its ruling that different socioeconomic conditions in regions do not justify different remuneration for employees performing equal work or work of equal value.	For employers: Review your current remuneration system.
25	**Support for Old Age in risky jobs** From 1 January 2026, employers are required to pay higher social security contributions for employees performing risky jobs in the fourth category. The new bill also introduces the obligation for employers to pay a mandatory contribution to a retirement savings product for employees performing risky work classified in the third category.	For employers: Inquire whether the company is subject to obligations regarding mandatory support for employees in risky jobs.
26	**Non-discriminatory job advertisements** According to the Employment Act, there is already a prohibition on any discrimination in job advertisements. Following the adoption of the relevant legislation (required from June 2026), it will be mandatory to include the starting salary or its range in job advertisements. Non-compliance could lead to significant penalties.	For employers: Formulate job advertisements in accordance with the requirements of the legal framework.
27	**New Rules for Mandatory Employment of Persons with Disabilities** The amendment to the Employment Act that came into effect in January 2025 introduced, among other things, a restriction that no longer allows employers to meet the legal obligation to employ persons with disabilities by purchasing goods or services from, or awarding contracts to, related parties.	For employers: Familiarize with the new rules and review company's compliance.

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28	**Publication of the scope of business activities in the Commercial Register** According to the decision of the Supreme Court, the scope of business activities cannot be registered in the Commercial Register by reference to other documents, registers, or laws, even if they are publicly accessible sources. This expands the previous interpretation from 2021, according to which the definition "Production, trade and services not specified in Annexes 1 to 3 of the Trade Licensing Act" is vague and, thus, inappropriate.	Ensure that the company's scope of business activities is registered in accordance with the law.
29	**New EU Regulation DORA (Digital Operational Resilience Act)** The Digital Operational Resilience Act came into force on 17 January 2025. It sets out requirements concerning the cybersecurity of financial institutions. The full range of ICT-related capabilities is needed to address the security of the network and information systems which a financial entity makes use of and which support the continued provision of financial services and their quality.	For financial institutions: The Regulation is binding and directly applicable in all EU Member States. Accordingly, financial institutions will need to revise their practices and systems to comply with the new legislation.
30	**Annual bonuses and equal treatment** If an employer refuses to pay the annual bonus for work performed to an employee whose employment has ended or is about to end, according to the Supreme Court, it may be considered unequal treatment. The purpose of the bonus is crucial for determining unequal treatment. According to the Supreme Court, it does not constitute unequal treatment if the bonus has an incentive function pro futuro.	For employers: Review your current bonus system.
31	**Use of AI by employees** In connection with the increasing use of AI by employees, a number of risks arise for employers. Personal data and other sensitive data and information of employers are at risk, as well as the work performance of employees.	For employers: Consider adding provisions regarding the use of AI to employment contracts and internal regulations. Ensure AI literacy for all employees working with AI systems.
32	**Digitalization of employment contracts and agreements** Since 2023, it has been possible to electronically sign employment contracts, amendments to employment contracts, employment agreements and agreements on employment termination. The amendment to the Labor Code effective from 1 June 2025 brought changes in the electronic delivery of labor documents to employees. Among other things, the implementing regulation of the Ministry of Justice governing the procedure for verifying the authenticity of signatures on documents in electronic form by attorneys-at-law came into effect on 1 July 2025.	For employers: Consider the implementation of the digitalization of labor documents. If you have already implemented digitalization, adjust the current electronic service system in accordance with the amendment.

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33	**Implementation of the NIS2 Directive** The new Act on Cybersecurity which aims to implement the requirements of the NIS2 Directive into Czech law was published in the Collection of Laws under No. 264/2025. In comparison with the current regulation of cybersecurity in the Czech Republic, the Act dramatically expands the scope of applicability of the regulation to numerous companies that were not subject cybersecurity regulation so far (it is estimated that approximately 9,000 new companies will come into the scope of the regulation). The new Act on Cybersecurity shall come into effect on 1 November 2025.	Assess whether the new legal regulation of cybersecurity will be applicable to your company. If yes, register with the National Cyber and Information Security Agency and perform gap analysis to assess compliance with the new legal regulation.	●		☐
34	**Public CbCR Tracker - the implementation of the EU Directive** The EU Directive on Public Country-by-Country Reporting (PCbCR) mandates multinational companies with consolidated revenues exceeding EUR 750 million to disclose specific financial data. Implemented into Czech law via an amendment to the Accounting Act, PCbCR requires these groups to publish an income tax report with detailed financial and operational information. This report must be released within 12 months after the fiscal year-end, for periods starting from 22 June 2024. Non-compliance could lead to significant penalties.	Multinational groups should promptly review their reporting obligations under the new PCbCR requirements. It is crucial to identify all entities and countries that must be included in the income tax report and begin preparations to ensure accurate and timely disclosure of the required information. To assist with this, a tracker summarizing the PCbCR rules and the current status of implementation in each country is available here.	●	●	☐
35	**Carbon duty mechanism in force** The EU Council and Parliament have agreed on the Carbon Border Adjustment Mechanism (CBAM), which applies from 1 October 2023. The new obligations affect imports of carbon-intensive products and are accompanied by the reporting rules for the transitional period. The process for obtaining the status of authorized declarant is already underway - the Form for accessing the CBAM Register has been published. On 29 September 2025, the Council adopted a regulation that simplifies and strengthens the EU's CBAM, as part of the so-called „Omnibus I" legislative package. The legislative act will be published in the EU's official journal in the coming days and will come into force on the third day following that of this publication.	Review the potential impact of implementing a carbon duty on the company and if it affects it, prepare for the new rules. Be aware, that all CBAM reports from Q3 2024 onwards (inclusive) must include the actual values of the emissions embedded. If applicable, apply for the Authorised Declarant status to mitigate the risk that goods subject to CBAM cannot be imported into the EU from 1 January 2026.	●		☐
36	**New EU legislation to combat deforestation** The new rules target operators who place selected products (e.g., made using cattle, cocoa, coffee, palm oil, rubber, soya, wood) on the EU market or export these from the EU. Obliged entities will be required inter alia to report the geolocation of all land on which the selected products are produced. The main part of the regulation should have entered into force on 30 December 2024, but the applicability of the Regulation has been postponed by 12 months (with exceptions). The European Parliament has approved the Omnibus Package, which brings a number of simplifications. Moreover, the approval of the Omnibus package confirms that the final phase of CBAM will not be postponed and will begin on 1 January 2026.	Review if the regulation is applicable for the company and if yes, start preparing for the potential impact of new rules. Bear in mind that if the production of the products results in deforestation or degradation of land or forests, the products cannot be placed on or exported from the EU market at all. A guidelines for the regulation and accompanying, supporting, and interpretative materials from the Commission has been published.	●		☐
37	**Czech Mandatory Disclosure Rules (MDR) legislation** Certain cross-border transactions and arrangements may be subject to the reporting under the Czech MDR measures implementing DAC6. The General Financial Directorate updated FAQs with practical examples of reporting.	Consider the potentially eligible cross-border arrangements from the MDR perspective. Evaluate the impact of MDR measures on individual arrangements. Notify the tax authorities when required.	●	●	☐

No.	Fact	Action		
38	**Reporting obligation for digital platform operators (DAC7)** The digital platform operators are required to report selected information to the tax authorities yearly based on the local implementation of the EU Directive (DAC7). The General Financial Directorate has published a Q&A about the new obligations.	For digital platform operators: Review the possible obligation to report information to tax authorities and set-up respective due diligence, collection of information, reporting and monitoring procedures. For sellers: Be aware of increased probability of potential tax inspections of income realized via digital platforms from the tax authorities.	●	☐
39	**Reporting of crypto-asset transactions (DAC 8)** The European Commission has presented a Directive (DAC8) for another reporting obligation, now with respect to the automatic exchange of information between Member States in the following areas: crypto-asset transactions, advance cross-border rulings for high net worth individuals, and 'non-custodial' dividends. A draft of the Czech implementation of DAC 8 was published and will now be discussed in the Chamber of Deputies.	Review the possible new obligation to report additional information to tax authorities.	●	☐
40	**New reporting obligation for Payment Service Providers (CESOP)** Payment Service Providers will be required to report selected information to the tax authorities on a quarterly basis following the local implementation of the EU Directive 2020/284. This obligation will arise when the number of cross-border payments per payee exceeds 25 per calendar quarter. Reporting requirements started from 1 January 2024.	For payment service providers: Review the possible obligation to report information to the tax authorities and set up respective processes. Familiarize with the guidelines issued by the tax authorities.	●	☐
41	**New EU Data Act** The EU Data Act (Regulation (EU) 2023/2854) introduces new rules on fair access to and use of data generated by connected devices and related services. Its core provisions become applicable from 12 September 2025. The regulation affects manufacturers, service providers, and cloud platforms operating in the EU. Unlike GDPR, the EU Data Act applies to both personal and non-personal data.	Companies should assess the impact of the EU Data Act on their data governance, contracts and technical infrastructure.	●	☐
42	**Further support of electromobility** Amendment to the Energy Act, effective from 1 August 2025, introduced simplified permitting for renewable energy installations and sets future obligations for EV infrastructure. Notably, from 2027, non-residential buildings with more than 10 parking spaces will be required to include charging stations.	Developers and property owners should evaluate the impact of these requirements on current and future projects, and plan for the integration of charging infrastructure and renewable energy systems.	●	☐

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