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Editorial

Summer is a time when the pace of legislation appears to slow down. This is, of course, also connected with the "parliamentary recess", which is, in a way, the legislative equivalent of summer holidays. Those of you who managed to file the June VAT ledger statement and related submissions, completed the financial statements for 2025 and filed them with the Commercial Register, and submitted the top-up tax information returns for 2024 under the Pillar Two rules can now also allow yourselves a break. After a demanding first half of the year, there is at least a short pause before tax returns are due at the end of October.

Still, this is a good time to follow the tax administration's interpretations and recent case law, and to consider the impact of developments from the previous month that may have been overlooked in the busy final days of June. In this issue of the Tax and Legal Update, we therefore highlight recently approved changes, provide an overview of interesting positions taken by the financial administration and important court decisions from Czechia and abroad, and add comments from our experts.

What will be the impact of the CNB's June increase in key interest rates? Is working from home from a cottage or seaside really so easy and without complications? These are just a small taste of the articles in this issue.

I wish you inspiring reading and a peaceful summer.

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Taxes

CNB raises rates. How is tax-related interest changing from July?

The CNB's June increase in the key interest rate to 3.75% will also affect the amount of tax-related interest from 1 July 2026, with an impact not only on default interest on late tax payments but also on compensation paid by the tax administrator to taxpayers.

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Since 2021, default interest on late tax payments has been based on the CNB repo rate applicable on the first day of the relevant calendar half-year, increased by eight percentage points. For the second half of 2026, default interest therefore amounts to 11.75% p.a. If the tax administrator permits tax payment deferment, half of this rate applies.

Conversely, taxpayers can expect higher compensation where the tax administrator had failed to refund an overpayment on time or incorrectly assessed tax: in these cases too, following the increase in the repo rate, the interest rate will be 11.75% p.a. Half of this rate will apply to interest on VAT deductions if the tax administrator fails to pay it and the review lasts longer than four months from the deadline for filing the tax return.

We discuss the calculation of individual types of tax-related interest, as well as ways to reduce interest payable to the tax administrator, in more detail in our articles What interest to claim from tax administrator? and Default interest: how it arises and how to reduce it.

Planning agreements are subject to VAT: substance, not title, is decisive

The General Financial Directorate (GFD) has confirmed that the public-law nature of a planning (zoning) agreement does not in itself mean that the supplies provided under it are outside the scope of VAT. If a municipality, a Prague municipal district or a region receives consideration from a developer for fulfilling its obligations, this will generally constitute an economic activity. The key question will always be whether the payment genuinely represents consideration for a supply provided.

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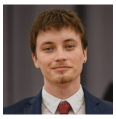

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The Coordination Committee of the Ministry of Finance and the Chamber of Tax Advisors discussed the VAT treatment of city planning / zoning agreements, which have been regulated by the new Building Act since July 2024. The act expressly designates them as public-law agreements. Planning agreements are concluded by municipalities, regions or public infrastructure owners with developers and typically set out how the parties will cooperate in implementing a development or infrastructure project and what consideration the developer will provide in return.

The authors of the submitted paper for discussion proposed distinguishing between individual types of obligations. In their view, where a municipality undertakes to take steps towards the issuance of zoning / planning documentation, it acts as a public authority and the supply should therefore not be subject to VAT. For other obligations, however, they acknowledged that the municipality may be acting as a taxable person. The GFD rejected this approach.

According to the GFD, municipalities, Prague municipal districts and regions do not exercise public-authority prerogatives when fulfilling obligations under planning agreements. Concluding such an agreement is neither mandatory nor legally enforceable, and the parties agree on both the obligations and the consideration on a contractual basis. The designation of a planning agreement as a public-law agreement in the Building Act is not decisive for VAT purposes. If there is a direct link between the municipality's obligation and the consideration paid by the developer, the supply will fall under the VAT treatment.

The GFD also emphasised that planning agreements differ significantly in practice. In each specific case, it is therefore first necessary to **verify whether the developer's payment constitutes genuine consideration for a specific supply made by the municipality**. Only then can the VAT treatment, the date of taxable supply and any entitlement of the developer to deduct input VAT be assessed. For payments spread over time, the decisive factor will not be merely the instalment schedule, but also whether the agreement defines partial or recurring supplies.

Municipalities, regions and developers (investors) should therefore **clarify the VAT implications already when preparing planning agreements**. We recommend clearly describing the individual obligations, the link between the consideration and the specific supplies, and the invoicing rules. For existing agreements, it is advisable to review whether the tax treatment applied is consistent with the conclusions of the Coordination Committee and the GFD’s position. The above rules apply from the date on which the minutes of the Coordination Committee meeting were published, i.e. **from 17 June 2026**, irrespective of the date on which the planning agreement was concluded.

Home office from beach: attractive benefit and potential problem

The summer months bring increased interest in working from abroad. Employees want to combine holidays with work, and employers often try to accommodate them. However, home office from another country is not just “ordinary remote work with a better view”. It may involve a number of labour-law, tax and regulatory risks that are worth considering before an employee opens their laptop on the beach.

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Since the Covid pandemic, remote work has become a standard part of working life, and many employees now expect to be allowed to work outside the office at least occasionally. In the summer months, requests to work from abroad, typically from holiday destinations, are becoming increasingly common. Czech law does not contain any special rules for remote work performed from abroad, but potential risks still need to be considered.

First of all, it should be emphasised that employees are not entitled to work from abroad. The decision whether to allow such an arrangement remains with the employer. At the same time, the employer should clearly define the conditions under which such work may be performed, ideally in an individual agreement with the employee and, where appropriate, also in an internal policy. In practice, we often see employers approving requests on an ad hoc basis without a deeper assessment of their implications.

One of the key areas that must always be kept in mind is occupational health and safety. Responsibility for ensuring safe working conditions remains with the employer, regardless of where the employee performs the work. The employer should insist that the employee work only in places that meet occupational health and safety requirements and that the employee arrange sufficient insurance; if necessary, the employee should arrange for insurance covering risks associated with working abroad on their own.

The protection of company data and cybersecurity are also a separate issue. Connecting to public hotel Wi-Fi, working from shared spaces or using private devices can significantly increase the risk of sensitive information being leaked. Employees should use a secure VPN and employer-provided devices when working. It is also worth bearing in mind that some websites or applications may be blocked in third countries.

Particularly in the case of longer-term work from abroad, it should also not be overlooked that the employment relationship may become subject to the laws of the country in which the employee performs the work, even if the employment was agreed under Czech law.

In addition to legal risks, employers should also consider potential tax, health insurance and social security insurance implications, as well as immigration aspects. Although short-term stays will generally not lead to extensive obligations or administrative burden, their potential implications should always be assessed on a case-by-case basis.

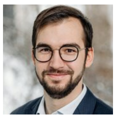
Many employers have not yet systematically set up rules for remote work from abroad. If properly arranged, however, a ‘workation’ can be an attractive benefit without representing a significant legal risk.

If you are interested, we will be happy to help you set up internal rules or assess specific situations.

Legal

Who actually owns the company? The answer no longer available to everyone

Until recently, it took just a few clicks for anyone to find out, free of charge and without registration, who ultimately stood behind any Czech company. That era ended on 17 December 2025 when the register of beneficial owners was made inaccessible to the public following Czech court rulings. The register has thus found itself in a legal vacuum. This is to be addressed by a forthcoming amendment, approved by the government on 22 June 2026, which also transposes the new EU anti-money laundering rules.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From a public register to a non-public one

The amendment has established that the register will be non-public. In future, the public will only be able to verify whether a beneficial owner is registered for a given legal entity and to view a narrow set of data, in particular data whose publication has been approved by the beneficial owner or data automatically transferred from a public register. Public authorities and obliged entities (such as banks and notaries) will retain access to the data via remote access for the purposes of fulfilling AML obligations. Others will be able to access specific data only if they demonstrate a legitimate interest to the Ministry of Justice, i.e. prevention of money laundering and terrorist financing. For selected groups, legitimate interest will be presumed by default (for example, journalists, non-profit organisations and academics active in this area, persons entering into a business relationship, contracting authorities and subsidy providers). Access based on legitimate interest is to be granted for three years, with applicants generally being given access only to current data.

At the same time, the amendment strengthens the position of beneficial owners: they will be informed who has accessed their record, and in justified cases (for minors and, newly, also where there is a risk that the beneficial owner may become a victim of a criminal offence) it will be possible to make the data completely inaccessible.

Sanctions are back, together with a new obligation

Although the Czech court rulings temporarily prevented proceedings on discrepancies from being initiated and sanctions from being imposed, this obstacle disappeared when the register was made inaccessible in December 2025 – independently of the amendment. Registration courts may therefore once again deal with discrepancies in the register of beneficial owners, enforce registration obligations or sanction legal entities up to CZK 500,000 for missing entries or inconsistencies in the register of beneficial owners.

At the same time, private-law sanctions will also apply, such as a ban on the distribution of profit shares or liquidation balances, or the suspension of voting rights, and the amendment clarifies the application of private-law consequences. Two situations need to be distinguished. If the beneficial owner of a business corporation is not registered, a profit share (or liquidation balance) cannot be paid to that person or to a shareholder of whom that person is also the beneficial owner, nor may that person exercise voting rights. Under the new rules, this will apply only to shareholders holding at least five per cent of the registered capital, and such shareholder must submit to the corporation an extract from the register no older than three months. However, if the beneficial owner is a person determined based on their position in top management (a "substitute" beneficial owner), the sanctions will not apply. A different situation arises where a shareholder has no beneficial owner registered at all, which can be verified from the public part of the register. In that case, no profit distribution may be paid and no voting allowed, regardless of the size of the shareholding.

What needs to be addressed

At this point, it is advisable to verify whether the registration reflects the actual ownership and management structure and to correct any discrepancies. An incorrect or missing registration continues to jeopardise a company's participation in public tenders and access to subsidies and complicates banking and transaction due diligence. Once the amendment takes effect, shareholders will also need to obtain an up-to-date extract from the register before profit shares are distributed and before a general meeting is held.

When the amendment will take effect

The amendment is now heading to the chamber of deputies and is expected to take effect on 1 January 2027. It may still change during the legislative process. However, given that it transposes an EU directive into Czech law, no major changes are expected to its key requirements – in particular the requirement to demonstrate a legitimate interest as a condition for access to the register, or the safeguards for beneficial owners who are at risk or are minors.

Only one year left before new AML regime starts

Obliged entities have only one year left to adjust their AML framework to the new rules. This is not only about the regulation itself but also about the technical standards and guidelines that are gradually being prepared by the new European Authority for Anti-Money Laundering and Countering the Financing of Terrorism (AMLA).

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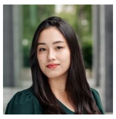

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We introduced the regulation, directly applicable from 10 July 2027, in our article AML Regulation: uniform rules and stricter supervision in the EU. We covered AMLA, the key European supervisory authority in the AML area, here.

The next step is now the preparation of detailed technical rules, in particular regulatory technical standards (RTS), through which AMLA is tasked with ensuring a uniform interpretation and application of the new AML framework.

AMLA has already published and is preparing final drafts of several key regulations that will have a direct impact on the day-to-day operations of obliged entities. These include in particular:

- **RTS on group-wide minimum requirements and additional measures for subsidiaries and branches in third countries** (Article 16(4) and Article 17(3) AMLR), which define the shape of the group AML framework in multinational groups,
- **RTS on customer identification and customer due diligence (CDD)**, which specify in more detail what information will be collected from customers as part of standard, simplified and enhanced due diligence,
- **RTS on criteria for identifying business relationships, occasional and linked transactions, and lower thresholds**, which are intended, among other things, to prevent circumvention of the rules through artificial splitting of transactions.

Consultations are also currently under way on **guidelines for the ongoing monitoring of business relationships**, i.e. on the setup of transaction monitoring, work with warning signs and documentation depending on the customer's risk profile, and on **guidelines for business-wide risk assessment**, which will be one of the cornerstones of the internal AML system.

Obliged entities should therefore not wait until 2027. It already makes sense to carry out a gap analysis and review internal AML policies, risk assessments, KYC/CDD processes, transaction monitoring and related documentation.

The new regime for holding companies deserves separate attention. The AML Regulation expressly provides that a financial or non-financial holding company may also be an obliged entity if one of its subsidiaries is an obliged entity. This may have a significant impact on some corporate groups, as **AML obligations will no longer apply only to the specific regulated subsidiary but may also extend to the level of the holding company and the entire group.**

In practice, this may mean the need for a group-wide AML risk assessment, uniform group policies, rules for sharing information within the group and a clear determination of who is responsible for AML management at group level.

Technology support may also play an important role in practice. Many companies today use specialised platforms that help manage the KYC lifecycle from end to end by:

- accelerating onboarding,
- allowing automated periodic reviews and event-driven triggers to be set up,
- automating communication with customers and the collection and processing of data, and
- being able to reduce the operating expenses for KYC/CDD.

One example of such a solution is Sapphirus, a platform developed by KPMG that offers end-to-end management of KYC processes, support for various types of obliged entities and scalability for the period when AMLA's new technical rules begin to apply in full.

If you are considering adjusting your existing AML framework or introducing a new structure of processes and tools before the new regime takes effect in 2027, we can help you set up the processes, documentation and technology solution.

End of “cheap parcels” from e-shops outside Europe

New customs rules for small consignments (up to EUR 150) will take effect on 1 July 2026. This is one of the most significant changes to customs rules for small consignments in the EU in recent years.

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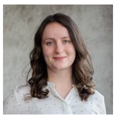

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The rules are intended to level the playing field: European traders have long pointed out that cheap imports from third countries put them at a disadvantage, as they themselves have to bear the full tax burden. For the time being, the duty will apply during a transitional period from 1 July 2026 to 1 July 2028, unless this period is extended.

The customs duty exemption for consignments of up to EUR 150 is coming to a definitive end and will be replaced by a customs duty of EUR 3 for each item in the consignment. This will typically affect purchases from Chinese and other non-European e-shops, which are very popular in Czechia. The change will affect both end consumers and, in particular, foreign sellers and domestic e-shops competing with cheap imports.

Consignments of up to EUR 150 sent from countries outside the EU have so far been fully exempt from customs duty. Consumers therefore generally paid only the price of the goods and, where applicable, VAT (under IOSS – Import One Stop Shop), with no customs duty to deal with. From 1 July 2026, the customs duty exemption will be abolished and all small consignments of up to EUR 150 intended for end consumers will be subject to a “flat-rate” customs duty of EUR 3 per item.

The flat-rate customs duty applies to each item in the parcel, with an item understood as goods falling under a single customs code (the same tariff classification, description and origin of the goods). In practice, this may mean, for example, that if a customer orders a jumper and trousers for a total of EUR 15, i.e. two different items (two customs subcodes), they will pay an additional EUR 6 in customs duty on top of the price. If they ordered two pairs of trousers, they would pay only EUR 3. The decisive factor for applying the duty is the date on which the goods enter EU territory, not the date of the order.

The IOSS scheme allows a third-country seller to collect VAT at the time of purchase and pay it centrally in the EU. For consignments under IOSS intended for end consumers, the flat-rate customs duty of EUR 3 will replace individual customs assessment under the customs tariff. The aim is to simplify and speed up customs procedures for the vast number of low-value consignments. For entities not registered under IOSS, the EU Common Customs Tariff will continue to apply as standard after 1 July 2026.

A new handling fee is also expected to be added to the flat-rate customs duty, already from 1 November 2026. Its purpose is to cover the costs incurred by customs authorities in processing the growing number of parcels. The exact amount has not yet been determined, but it is expected to be a few euros per consignment.

In practice, consumers making low-value purchases may therefore face a combination of:

- a flat-rate customs duty of EUR 3 per item,
- a handling fee charged by customs authorities,
- and any additional fees charged by logistics companies.

From October 2026, the European Commission will monitor on a regular (monthly) basis whether trade flows are shifting away from IOSS to other import methods with the aim of avoiding the flat-rate customs duty, or whether the rules are being systematically circumvented (for example through incorrect declarations of parcel contents). If serious issues are identified, the Commission may propose changes to the transitional regime.

Case law

SAC on proving management services within a holding group

In judgment 8 Afs 164/2025-40, the Supreme Administrative Court (SAC) examined how specifically the tax administrator must formulate their doubts and what evidence a taxpayer must provide when claiming costs of services provided within a corporate group structure.

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CK Hungariatour s.r.o. claimed payments for management services received from its parent company as deductible expenses for income tax purposes in 2018 to 2020. As evidence, the company submitted mainly contractual documentation for the provision of services, issued invoices and other supporting documents describing the provider's activities. However, the tax administrator concluded that the company had not proved either that the services had actually been provided or their specific content, and assessed additional corporate income tax, including a penalty.

The company argued that the services had been provided within the holding group and that their economic benefit followed from the very existence of group cooperation and could not always be expressed through individual outputs or separate documents. In its view, the tax administrator required an unreasonably high standard of proof and had not substantiated its doubts sufficiently.

Assessment by the SAC

The SAC recalled that the taxpayer bears the burden of proof for facts they themselves assert and record in their accounting books. However, formally correct accounting documents may not in themselves be sufficient if the tax administrator identifies specific doubts as to the credibility, completeness or provability of the declared supply. The tax administrator does not always have to prove that the supply did not take place at all. However, they must specify their doubts sufficiently and allow the taxpayer to respond to them. Formulating merely general doubts regarding the expenses claimed, i.e. on the grounds that they involve services between related parties, is not sufficient. Only when the tax administrator has properly expressed (formulated) their doubts, is the taxpayer required to prove the actual content, scope and economic benefit of the declared services.

The court emphasised that, from an evidentiary perspective, the provision of services between related parties does not enjoy any privileged regime. On the contrary, companies within the same holding group can be expected to be better able to document the content and scope of services provided to each other than independent entities.

The SAC ultimately dismissed the cassation complaint and upheld the regional court's decision, although it did not agree with part of its reasoning. At the same time, it clarified the rules on the allocation of the burden of proof in tax proceedings.

Practical implications

The decision is significant primarily for groups of companies that use centrally provided services, such as group management, finance, IT, HR or strategic advisory services. As a rule, a contract and an invoice alone are not sufficient for the expenses to be recognised for income tax purposes.

The judgment confirms the long-standing approach of administrative courts to proving services between related parties. Companies should pay increased attention to ongoing documentation of management, advisory or similar intra-group services. The absence of specific evidence of the content and scope of the supplies may result in the related expenses not being recognised for tax purposes.

From the tax administrator's perspective, the key issue will be whether the documentation allows it to verify retrospectively what exactly was delivered, who used the service and why it was economically necessary for the company concerned. The mere existence of a group relationship or regular monthly invoicing without further documentation may be insufficient in a tax inspection.

SAC: Application for exemption from income tax on royalties is not time-limited

The Supreme Administrative Court (SAC) has changed its previous interpretation concerning the time limit for filing an application for exemption from income tax on royalties. Following a preliminary ruling by the Court of Justice of the European Union (CJEU), the SAC concluded that filing such an application is not subject to any time limit.


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The dispute concerned a company that, in June 2019, applied for a decision granting exemption for the taxable periods from 2014 to 2018. The tax administrator granted the exemption only for 2017 and 2018, while rejecting the application for the preceding periods by reference to the SAC case law standing at that time (3 Afs 250/2016), according to which the application had to be filed within two years of the conditions for the tax exemption being met.

The municipal court reached the same conclusion. It held that, since the Czech Income Tax Act does not regulate any time limit for filing the application, the direct effect of Council Directive 2003/49/EC on a common system of taxation applicable to interest and royalty payments made between associated companies of different member states applies. In the existing case law, the directive had been interpreted as allowing a two-year time limit.

The case reached the SAC, which referred two questions to the CJEU for a preliminary ruling. The court answered them as follows (judgment in case C-828/24):

1. It confirmed that the exemption may also be granted retroactively, i.e. for periods preceding the submission of the certificate and other supporting information, as well as for periods before the decision itself was issued.

2. The directive does not set any deadline for submitting the certificate and supporting information, nor does it in any way limit the period for which the exemption may be granted retroactively.

On the basis of the CJEU judgment, the SAC confirmed that the conclusions of its previous case law had been superseded. Filing an application for a decision is therefore no longer subject to any time limit, whether it concerns royalties or interest on debt financial instruments.

The court ruling concerns exclusively the time limit for filing an application for a decision granting the tax exemption. The time limit for filing an application for a refund of tax already withheld is not affected and remains two years.

The context of the judgment suggests that the company had not been withholding the tax in the taxable periods concerned, and that the tax administrator should have recognised retroactively that the conditions for the exemption had been met for all the years covered by the company's application. Conversely, if the company had withheld the tax, it would again have been entitled to the exemption for all years. The difference would be that the tax administrator would have had to refund the withheld tax only for the year in which the company applied for the refund and for the two preceding periods.

EU General Court addresses VAT exemption for loan management

Does a VAT exemption apply where a credit provider has sold loans to another person but has retained their management and charges a fee for that? According to the General Court of the EU, it does not. Since the original provider is no longer in the position of creditor, this is not a financial service consisting of credit management which is exempt from VAT under the VAT Directive.

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In the case at hand, a Finnish parent company granted mortgage loans, which it subsequently sold to its subsidiary at market price (i.e. at a value corresponding to the outstanding principal and interest). On the date of sale, the subsidiary acquired all rights and obligations relating to the loans. However, since the subsidiary did not normally grant or manage loans itself, it was agreed that the parent company would continue to manage the loans, for consideration.

The loan management mainly comprised ensuring customer services, calculating instalments, interest and fees, making various changes to the loans and, where applicable, providing collection services. The content of these services was therefore effectively the same as if the parent company had retained the loans.
The directive on the common system of VAT provides, among other things, that financial services consisting of the management of credit by the person granting it is exempt from VAT. The General Court of the EU recalled that the terms used to define exemptions from VAT constitute an exception to the general rule of taxation and must therefore be interpreted strictly, and in line with the objectives pursued by those exemptions and the principle of fiscal neutrality.

According to the General Court of the EU, the purpose of the exemption is to exempt all supplies provided as part of the credit relationship between the creditor and the debtor to prevent increasing the cost of consumer credit. This indicates that the exemption primarily concerns supplies between the credit provider and the debtor and does not cover services provided outside that relationship.

In the case before the court, the parent company transferred its receivables to the subsidiary. The management of the loans was no longer part of the original legal relationship that gave rise to the right to VAT exemption, although it continued to be carried out by the original creditor; the activity therefore constituted a supply of services for consideration provided directly to the subsidiary, rather than to the debtors.

On these grounds, the General Court held that the VAT exemption does not apply to loan management carried out by the original creditor who granted the loans and subsequently transferred them to a third-party.

The General Court further held that the management of loans by the parent company could not be exempt as dealings in credit guarantees or any other security for money or as transactions involving transfers of receivables.

The decision has practical implications for financial institutions and other entities that continue to manage assigned loans: according to the General Court of the EU, these services must be treated as taxable supplies.

Case law

EU General Court: VAT group membership and transfer of VAT exemption conditions

In judgment T-444/25, the General Court of the EU answered a question referred for a preliminary ruling concerning the transfer of conditions for VAT exemption between individual members of a VAT group. It confirmed that a membership in a VAT group does not, in itself, mean that all members of the VAT group should benefit from a VAT exemption linked to a special status of a service provider. Where the legislation requires specific conditions to be met for an exemption to apply, those conditions must be met directly by the member of the group that carries out the supply.

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The judgment concerned a Dutch VAT group composed of several entities providing care to people with intellectual disabilities. Only one member of the group had been recognised as an institution providing health and social services that may be exempt from VAT under the VAT Directive. However, the disputed exempt services were also provided by another member of the VAT group who did not hold the required authorisation. The VAT group argued that its status as a single taxable person allowed the exemption to be applied also by other members of the group, provided that at least one of them met the statutory conditions. The Dutch tax administration took the opposite view.

The General Court rejected the VAT group’s argument. Although a VAT group is treated as a single taxable person for VAT purposes, this does not mean that authorisations or permissions on which certain exemptions are based are automatically transferred between its members. The court emphasised that the exemptions under Article 132 of the VAT Directive are linked not only to the nature of the services provided but also to the status of their provider. The Directive expressly refers to duly recognised healthcare and social welfare institutions. According to the General Court, the required recognition cannot be attributed to another member of a VAT group. Such an interpretation would undermine the purpose of the condition that links the exemption to the status of the specific service provider.

The General Court therefore concluded that, when assessing an exemption under Article 132 of the VAT Directive, it is not sufficient to rely solely on the fact that the provider is part of a VAT group. What matters is whether the member of the group carrying out the supply meets the conditions for the exemption. If that member does not have the required status as a healthcare or social welfare institution, the exemption cannot be applied.

The judgment is of broader relevance beyond healthcare and social services. It confirms the general principle that the creation of a VAT group does not alter the specific authorisations, obligations or status of each individual member.

In brief

News in Brief, July 2026

Last month's tax and legal news in a couple of sentences.

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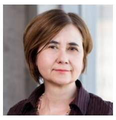

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DOMESTIC NEWS

- A Measure of a General Nature of the Government of the Czech Republic on the blanket waiver of excise duty on selected mineral oils has been published in the Ministry of Finance’s Financial Bulletin No. 11/2026.
- The Activity Report of the Financial Administration of the Czech Republic and the Customs Administration of the Czech Republic for 2025 has been published.

- The financial administration notes that, in connection with the change in self-employed persons’ pension insurance contributions, the advance payment in the first band of the lump-sum tax regime has been reduced as of 1 July 2026. It has decreased from CZK 9,984 to CZK 9,162 per month. Taxpayers who had paid the advances of CZK 9,984 between January and June 2026 will have an overpayment of CZK 4,932.

- The financial administration has announced that it is launching the sixth phase of its Tax Echo project, which uses informal communication to alert taxpayers to identified irregularities in their compliance with tax obligations and allows them to remedy them voluntarily before a tax inspection is initiated by the tax authority. Tax Echo VI focuses on VAT for identified persons.

- On its website, the Ministry of Labour and Social Affairs summarises legislative changes within its remit effective from 1 July 2026 and during the second half of the year.

- The Ministry of Labour and Social Affairs notes that, from 1 July 2026, employers may use the new employee pre-registration process (PREZEC), which allows them to fulfil their notification obligation before an employee starts work even where they do not yet have all the information required for standard registration. The ministry has launched this process as a tool to combat illegal employment.

- For 2027, the Ministry of Labour and Social Affairs proposes a coefficient of 0.446 for calculating the minimum wage and, for 2028, a coefficient of 0.458. The minimum wage should therefore reach approximately 44.6% of the average wage in 2027 and approximately 45.8% in 2028.

FOREIGN NEWS

- The Council of the EU has approved, under the Cyprus Presidency, a report on outcomes in the area of taxation. For indirect taxes, the report mentions progress in negotiations on the tobacco tax package, which is intended to modernise the taxation structure for tobacco products. The proposal is close to agreement but requires further work due to reservations by some member states.

- A similar situation applies to the proposal to abolish the EUR 150 threshold for low-value consignments for VAT purposes, which is being discussed as part of efforts to reduce tax fraud in e-commerce in the customs area.
- At the end of the Cyprus Presidency, a proposal for an Omnibus Directive and an amendment to the DAC Directive have been published, aiming to simplify tax obligations in the area of direct taxation. The report also notes that the Commission is discontinuing work on four directives regulating direct taxation: the financial transaction tax, the misuse of shell entities, the debt-equity bias reduction allowance, and transfer pricing.
- The European Commission has presented a tax simplification package that includes two legislative proposals: the Omnibus Directive (*"Omnibus on Direct Taxation"*) and the recast of the Directive on Administrative Cooperation (*"Recast of the Directive on Administrative Cooperation—DAC"*). The Omnibus Directive includes, e.g., the elimination of withholding tax on cross-border payments of dividends, interest and royalties between companies within the EU; it introduces common rules for the deduction of costs associated with the acquisition of assets used for research and development; and it modernises the ATAD rules (e.g., by exempting low-risk external financing). The recast of the DAC primarily involves repealing DAC 6 for groups subject to the global minimum tax. These proposals are now awaiting debate in the European Parliament and the Council of the EU. The proposed effective date is set for 2029 (ATAD, R&D allowance) with individual rules taking effect gradually through 2037 (abolition of withholding taxes between companies within the EU).

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