KPMG

Daňovky

Daňové a právní aktuality

Taxes
Subsidies
Legal
In brief

Special Edition

Obsah

Taxes

Tax liberation package waives selected prepayments

Subsidies

Government extending some subsidy programmes and introducing new ones

Compensation bonus for the self-employed and small limited liability company members is back

Legal

More generous Regime A of Antivirus to continue until year end

In brief

News in brief, 19. 10. 2020

© 2026 KPMG Česká republika, s.r.o., a Czech limited liability company and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Tax liberation package waives selected prepayments

The Ministry of Finance adopted another tax liberation package, postponing selected tax duties of entrepreneurs most affected by the government's latest emergency measures by waiving road tax and income tax prepayments and VAT-related default interest for entities in selected industries, and waiving VAT on the gratuitous delivery of selected medical goods and services for all taxpayers.



Václav Baňka
vbanka@kpmg.cz



Jana Fuksová
jfuksova@kpmg.cz

The tax liberation package in form of a decision of the Minister of Finance, published in Financial Bulletin 22/2020, only applies to taxpayers whose major part of income generated in the period from 1 June 2020 to 30 September 2020 derives from one or more activities that are banned or restricted effective from 14 October 2020 as a result of Government Resolution No. 1021 of 12 October 2020. These involve activities such as the operation of restaurant facilities and bars; organisation of concerts and other musical, theatrical and film performances; organisation of congresses and other educational events; organisation of trade fairs; and the performance of other similar activities explicitly stated in the government resolution. Taxpayers fulfilling these conditions are entitled to claim a waiver of:

- default interest relating to VAT for the September 2020, October 2020 and November 2020 taxable periods or VAT for the third quarter of 2020 taxable period, if the VAT to which default interest relates is paid no later than on 31 December 2020
- road tax prepayments for the 2020 taxable period payable on 15 April 2020, 15 July 2020, 15 October 2020 and 15 December 2020
- income tax prepayments payable in the period from 15 October 2020 to 15 December 2020.

To claim the waiver, the taxpayer must notify the appropriate tax authority that the major part of their income in the relevant period derived from the activities stipulated in the government resolution. Waivers concerning VAT do not cover the late filing of a tax return: both VAT returns and VAT ledger statements still have to be filed within the statutory deadlines. Waivers concerning road tax and income tax prepayments do not waive the tax itself. The statement of grounds for the minister's decision points out that to the extent not covered by the decision, taxpayers may still apply for tax deferment or payment in instalments for reasons associated with the spread of SARS-CoV-2. If granted, default interest and interest on the deferred amount arising between 12 March 2020 and 31 December 2020 are automatically waived (see Financial Bulletin 9/2020).

On a general basis, the decision waives VAT on the gratuitous delivery of selected goods and services for which the duty to declare VAT arose in the period from 1 October 2020 to 31 December 2020. These involve mainly the following:

- gratuitous delivery of goods (protective tools, testing kits, etc.) or goods intended for their production
- gratuitous delivery of goods to produce disinfectants or gratuitous delivery of disinfectants
- gratuitous delivery of goods and services to health professionals

© 2026 KPMG Česká republika, s.r.o., a Czech limited liability company and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

- gratuitous delivery of goods and services to the Integrated Rescue System, Czech Armed Forces, or social services.

© 2026 KPMG Česká republika, s.r.o., a Czech limited liability company and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Subsidies

Government extending some subsidy programmes and introducing new ones

On 14 October 2020, the government approved several subsidy programmes for entrepreneurs affected by the coronavirus pandemic. This involves extending the effectiveness of some of the previous subsidy programmes and introducing some new ones. The individual programmes' detailed conditions will be disclosed in the upcoming days.



Václav Baňka
vbanka@kpmg.cz



Matěj Kolář
kpmg@kpmg.cz

The government approved the extension of the **COVID – Rent** subsidy programme with new funds for allocation amounting to CZK 1.2 billion. Entrepreneurs entitled to this type of subsidy are those who perform retail activities and provide services to customers in leased retail premises and whose provision of services to customers and sale of goods in these premises was banned or significantly curtailed as a result of the adopted emergency measures. The amount of support shall be 50% of the total rent for the July to September 2020 period and shall no longer be conditional upon a discount provided by the lessor. In the Minister of Industry and Trade's opinion, it is good that the programme had already been approved by the European Commission, thus allowing the retrospective compensation of rent even for the period preceding the escalation of the second wave of the pandemic.

The **COVID – Culture** programme will also remain in effect, offering CZK 750 million for allocation. Support shall be provided in respect of expenses incurred for unrealised cultural events or projects that should have taken place between 1 October 2019 to 20 November 2020 as well as expenses for performing continuous culture-related activities in the period from 1 March 2020 to 20 November 2020.

An entirely new subsidy programme, **COVID – Bus**, should help entrepreneurs in non-scheduled bus transport; the **COVID – Sport II** programme mainly targets professional sports clubs and sports event organisers. The government is also preparing the **AgroCOVID Food Industry** subsidy programme intended to provide support to food producers whose production headed towards public food services has been significantly curtailed by the government's emergency measures; the programme's conditions are yet to be approved by the government.

The government has also approved a proposal of how to use funds from **REACT-EU** within the Integrated Regional Operational Programme 2014–2020. The European Commission is planning to allocate EUR 47.5 billion to member states, while the exact allocation amounts are not yet known. The government has preliminarily agreed that 56% of the final allocation will be intended for healthcare, 15% for investment in facilities for athletes, and 29% to support the Integrated Rescue System and retirement home constructions conforming to a passive building standard.

The above information is based on press releases issued after the government sessions. The individual programmes' final criteria will be made available once specific calls to participate in the programmes are announced.

© 2026 KPMG Česká republika, s.r.o., a Czech limited liability company and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Compensation bonus for the self-employed and small limited liability company members is back

On 16 October 2020, the government approved a bill on compensation bonuses for entrepreneurs predominantly operating their business within closed segments of the economy. The bill proposes a compensation bonus of CZK 500 for every calendar day of the bonus period.



Iva Krákorová
ikrakorova@kpmg.cz



Lenka Nováková
lnovakova@kpmg.cz

The compensation bonus will again be provided to self-employed persons, members of small limited liability companies (having no more than two members, or family businesses as limited liability companies) and persons performing work outside employment (based on agreements to perform work or agreements to complete a job) whose activities were banned or restricted by the government as a result of the state of emergency declared on 5 October 2020. The bill is yet to be passed by parliament and signed by the president.

The compensation bonus is proposed to amount to CZK 500 for every calendar day of the bonus period (i.e. the state of emergency from 5 October 2020 to 4 November 2020). The maximum compensation bonus amount for the entire period of 31 days may thus reach a total of CZK 15,500. The bill also takes into account the possibility of another compensation bonus period, should the state of emergency be prolonged beyond 4 November 2020.

In contrast with the compensation bonus distributed to the self-employed in spring of this year, the current form of compensation is less general, with an increased focus on the affected sectors of the economy. Entrepreneurs entitled to the bonus should only be those whose dominant source of income in the relevant period from 1 June to 30 September 2020 was generated from a segment directly banned or curtailed by the government, i.e. mainly restaurant services and the organisation of congresses, educational events, trade fairs, culture and sports, etc. The fact that a self-employed person is also participating in the sickness insurance scheme as an employee should no longer be a problem; however, such activity must not be of a prevailing nature.

The government is also planning to provide compensation to entrepreneurs whose business activities were not directly banned or curtailed but who deliver goods, services or other outputs to entrepreneurs whose activities were banned or curtailed by the government's emergency measures. These involve entrepreneurs whose activities were in direct symbiosis with the closed sectors of the economy. This group of entrepreneurs should be entitled to the compensation bonus on the condition that, as a result of government measures, at least 80% of their business activity was rendered impossible; the income from this activity constituted the entrepreneur's major source of income that cannot be easily replaced with any other; and, simultaneously, it must have been impossible to provide the relevant outputs to somebody else without major difficulties.

According to the bill, the entitlement to the compensation bonus should also be granted to persons performing work based on an agreement to complete a job or an agreement to perform work, carrying out work for the above

© 2026 KPMG Česká republika, s.r.o., a Czech limited liability company and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

entrepreneurs if they participated in the sickness insurance scheme as employees for at least three of the four months of the decisive period (i.e. between 1 June 2020 and 31 September 2020).

The bill also stipulates other conditions that must be fulfilled to be entitled to the compensation bonus. These conditions are similar to those that were in effect in the spring. Among other things, the law requires that self-employed persons have trade licenses that are valid as at 5 October 2020 or have had their activity suspended after 12 March 2020, with this suspension still in effect on 5 October 2020.

The compensation bonus should be paid out based on an application and an affidavit on meeting the statutory conditions filed with the tax authority with local jurisdiction, in writing or via a data box within two months of the end of the bonus period.

© 2026 KPMG Česká republika, s.r.o., a Czech limited liability company and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

More generous Regime A of Antivirus to continue until year end

On 14 October 2020, the government approved the extension of Regime A of the Antivirus programme until the end of this year. Effective from 1 October, for employers under forced restrictions of operations this type of support will be distinctly more advantageous. The extension of or any adjustment to Regimes B and C should be discussed shortly.



Ladislav Karas
lkaras@kpmg.cz



Václav Bělohoubek
kpmg@kpmg.cz

Since April this year, under the Antivirus programme aiming to protect employment employers have been receiving partial compensation for wage compensation paid to employees in connection with some impediments to work. Whereas Regime A applies to situations such as the forced closure or restriction of operations due to emergency measures and quarantine, Regime B deals with related economic problems employers have had to tackle, such as a limited demand for services or products. Regime C involved the waiver of social security premiums.

Whereas Regime C ended at the end of August, Regimes A and B were repeatedly extended by the government and were supposed to be replaced by kurzarbeit (short-time working scheme), i.e. a concept of support at the time of partial unemployment. However, the first kurzarbeit bill was met with a lot of criticism and is almost certain not to be passed before the end of October.

In response to the deteriorating pandemic situation and new measures restricting business activities, the government has decided to extend the provision of support under Antivirus' Regime A, currently until the end of this year.

Employers whose operations have been restricted will receive higher support than before: whereas until the end of September they were entitled to compensation equal to 80% of wage compensation paid to employees including mandatory payments but only up to CZK 39 thousand per employee, from October they will be entitled to the reimbursement of 100% of wage compensation, receiving a maximum of CZK 50 thousand per employee. In the case of imposed quarantine, the provided support remains the same: 80% of the paid wage compensation.

At the closing date of the Tax and Legal Update, the government had not disclosed the full text of the appropriate government decision extending the Antivirus programme. Its basic parameters were only made available via a press release. Consequently, the details of the new conditions applicable to the extended Regime A are not known yet and may therefore vary from the information that has so far been disclosed.

© 2026 KPMG Česká republika, s.r.o., a Czech limited liability company and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

News in brief, 19. 10. 2020

Tax and legal news in a few sentences.



Václav Baňka
vbanka@kpmg.cz

- The government has approved a bill extending the period during which entrepreneurs do not have to fulfil duties arising from the Act on Electronic Reporting of Sales until 31 December 2022. The bill is to be debated in the chamber of deputies. The government proposes discussing it under a legislative emergency regime.
- The government has approved a bill extending the period for contracting loans under the COVID III programme by twelve months, i.e. until 31 December 2021. Moreover, it proposes the extension of the deadline up to which it is possible to claim the performance arising from the state guarantee until 30 April 2026. The bill also extends the state guarantee so that the guarantee provided by the Czech-Moravian Guarantee and Development Bank (ČMZRB) also covers loans other than operating ones. The bill is to be discussed by the chamber of deputies. The government proposes discussing it under a legislative emergency regime.
- The government has approved an emergency measure mitigating, during the state of emergency, statutory conditions for changes of employment (such as previous employment in the CR lasting at least six months) for foreigners holding an employee or blue card. It will also suffice to report a change of employer to the Ministry of Internal Affairs no later than on the date of commencement of new employment.
- The government has approved conditions of the Carer's Allowance II programme for self-employed persons who may apply for a subsidy of CZK 400 per day if they have lost earnings as a result of the closure of schools and they take care of a child younger than 10 years or dependent children up to 26 years old in need of the help of another person (at least Stage I dependence). The provision of carer's allowances to the self-employed is not regulated by law, so it does not have to be debated in parliament. Adjusted conditions applicable to carer's allowances for employees should be discussed in the chamber of deputies this week.

© 2026 KPMG Česká republika, s.r.o., a Czech limited liability company and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

LinkedIn | Twitter | Facebook | Instagram

www.kpmg.cz
Tel.: +420 222 123 111

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2026 KPMG Česká republika, s.r.o., a Czech limited liability company and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.