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June 2026

Obsah

Editorial

With summer approaching, I have a number of hot updates for you. I am very pleased that KPMG has entered into a global alliance with Anthropic. This makes us the first advisory firm able to integrate the Claude AI model into its applications. Our Digital Gateway, a tax platform solution, already works with artificial intelligence, but this will be a true revolution.

KPMG's US firm is already using Claude in live operations. We are waiting for the remaining regulatory issues for the EU to be resolved, so we expect the launch during the summer. Claude will then be available in our secure environment both to us and to our clients who use the platform. And not only as a standalone AI tool but also integrated into the other modules.

One of them is called KBAT and helps global clients address, in a comprehensive way, Pillar 2 issues: the top-up tax is intended to ensure that global companies with turnover exceeding EUR 750 million pay a reasonable minimum amount of tax in every country in which they operate. As is often the case, the basic rules have been in place for more than three years, yet the requirements are still being changed and adjusted at the last minute. There has not been much urgency around the forms either. After all, the deadline for the first filing is less than a month away, so there is still plenty of time, right?

Overall, this is an interesting area that seeks to interconnect reporting across the entire world, or at least most of it. It has also brought with it a host of interesting acronyms. There is GMT, IIR, UTPR, QDMTT, STTR, MNE, CE, LTCE, UPE, POPE, IPE, JV, ETR, SH, QRC, MTTC and many others. Apparently, it works well as a bedtime story substitute.

On 1 July, the deadline for filing most tax returns will expire. Here too I have some news showing that we can move in the opposite direction to AI development. For example, a minor change in the instructions to the corporate income tax return form means that companies claiming a deduction from the tax base for gifts must now submit copies of contracts or confirmations together with their tax return. Much as individuals have been doing for years. No one understands the purpose of this requirement. It creates extra work for everyone, and I would be interested to know whether anyone will actually review it. If so, it will no doubt be proof of the tax authorities' efficient operation.

But it could be worse. For example, the procedure for refunding withholding tax in Austria (for instance, on dividends paid by an Austrian company to foreign individuals) requires original documents to be submitted in a very traditional way: by post, in paper form and with a stamp. So for now, things are still relatively fine here.

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Pillar 2: simplification for filing GloBE Information Returns

The OECD has published a common understanding among jurisdictions that have implemented qualified top-up taxes. It responds to the approaching deadline for filing GloBE Information Returns and includes a commitment, under certain circumstances, not to require the filing of simplified jurisdictional information returns or impose penalties for failing to file them.

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According to the OECD's updated list, a total of 37 jurisdictions have introduced a qualified top-up tax with effect for the 2024 fiscal year. Multinational corporate groups operating in these jurisdictions must file a GloBE Information Return (GIR) for 2024 by 30 June 2026, and the information from the central filing must be shared with the other relevant jurisdictions by 31 December 2026 under the applicable Multilateral Competent Authority Agreement on the Exchange of GloBE Information (GIR MCAA). If no such agreement is in force between the jurisdiction where the GIR is filed centrally and another jurisdiction in which the group operates, the group must file a jurisdictional (simplified) information return in that other jurisdiction.

Given that the relevant GIR MCAAs are not yet effective in many countries and a number of them do not yet have conditions in place allowing for central filing, most countries that introduced qualified top-up taxes for 2024 have agreed to refrain from imposing penalties and will not require the filing of a jurisdictional information return. This applies on the condition that:

- the group files a full GIR containing information for the entire group centrally in one of the 33 jurisdictions that are expected to have an operational filing system by 31 May 2026 (these are, in essence, the jurisdictions that have signed up to the common understanding, including the Czech Republic), and
- the local constituent entity files a notification of the central filing of the GIR (by 30 June 2026).

If the information from the centrally filed GIR is not provided to the relevant jurisdiction by 31 December 2026, that jurisdiction may proceed to enforce the obligation to file a jurisdictional GIR.

Of the countries that had already introduced qualified top-up taxes for 2024, the Bahamas, North Macedonia, the Slovak Republic and Vietnam had not joined the common understanding as of 12 May 2026. Greece and Poland have joined only in relation to EU member states with an operational central filing system.

What could this common understanding mean for constituent entities operating in the Czech Republic? If the GIR is filed in countries on the list that are not in the EU (e.g. the United Kingdom, Canada, Japan, Switzerland or Korea), it should be sufficient in the Czech Republic to file a notification of GIR filing, without the need to file a simplified information return. In other words, the same approach should apply as if the GIR were filed within the EU. However, this will depend on the approach taken by the Ministry of Finance and the financial administration, which is not yet known.

More detailed information can be found in the KPMG summary.

Taxes

Top-up tax: simplification of information returns also confirmed for the Czech Republic

Based on the new OECD agreement on a common understanding among countries, it will be possible to utilize exemptions from the obligation to file an information return under the top-up tax framework in the Czech Republic as well. This has been confirmed in a press release by the Czech Financial Administration.

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The financial administration's press release responds in particular to the newly issued OECD Multilateral Competent Authority Agreement on the Exchange of GLoBE Information (see our previous article in Tax and Legal Update here) and confirms the possibility of utilising the exemption from filing information returns in the Czech Republic, provided that by 30 June 2026:

- The GIR (a full group-wide information return) for the 2024 calendar year reporting period is filed in a jurisdiction listed by the OECD (EU member states and certain other countries such as the UK, Switzerland, Canada or South Korea).
- The group's entities in the Czech Republic report this fact to the Czech tax authority.

Provided that the above conditions are met, Czech constituent entities may therefore only file a notification of compliance with the exemption conditions in the Czech Republic instead of a simplified information return, which will significantly reduce their related administrative burden. At the same time, it will be necessary for the information contained in the central filing (the GIR) to be provided to the Czech Republic by 31 December 2026, in accordance with the relevant multilateral agreements. Otherwise, the Czech constituent entities will have to file a (simplified) information return in the Czech Republic. In this context, we would add that the Czech Republic is now on the updated list of states that have signed the agreement, which suggests that it will be ready for the fulfilment of this condition.

When to submit the notification

Given that the OECD agreement makes the application of the exemption conditional upon the submission of

a notification by 30 June 2026, we recommend submitting the notification for the purposes of Czech top-up tax and allocated top-up tax within this deadline. This is despite the fact that the generally accepted deadline for submitting the information return for the 2024 calendar year reporting period in the Czech Republic is 1 July 2026.

Since the Czech Republic is among the participating jurisdictions to the agreement, the information return for the entire group can also be filed centrally through the Czech financial administration. The forms required for top-up tax purposes (the information return and the tax return) are specified in the relevant decree on forms. The dedicated section of the financial administration's portal for the electronic filing of the information return—or, as the case may be, for submitting a notification of central filing in another country—is expected to become operational in the coming days.

The financial administration further states that the deadline for filing tax returns for the reporting period of the 2024 calendar year is 2 November 2026. Tax returns will need to be filed separately in relation to the Czech top-up and the allocated top-up tax (it will therefore be necessary to file two tax returns for the given period).

The press release also includes information regarding the special status of Cyprus, which is not a member of the OECD Inclusive Framework but has implemented the top-up tax rules. A recommendation from the European Commission is expected in the near future, advising all EU member states to temporarily treat Cyprus as having qualified status, thereby preventing the risk of double taxation on undertaxed income.

EET 2.0: bill heading to Chamber of Deputies. What is implementation timeline?

The government has approved the draft EET 2.0 act and submitted it to the Chamber of Deputies. Compared to the version communicated earlier, there have been no major substantive changes. The main development is therefore the publication of the implementation timetable: the system is scheduled to go live on 1 January 2027.

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The basic features of EET 2.0 remain consistent with the Ministry of Finance's original proposals: in particular, contact payments (i.e., payments made by personal contact) are to be subject to reporting, with the aim to simplify the system compared with the previous EET scheme introduced in 2016, and reduce the scope of the reported data. The bill also preserves the special scheme for smaller businesses. More detailed information can be found in our previous article.

An implementation timetable has now been published, envisaging the following steps during 2026:

- technical documentation is to be made available as early as **June 2026**, followed by a testing environment from **1 July 2026**,
- from **1 November 2026**, functionalities within the DIS+ portal are expected to be made available, including certificate management,
- from **1 December 2026**, the MOJE EET application is to become available,
- on **1 January 2027**, full operation is planned to commence, likely with a parallel testing mode.

The affected entities can therefore begin preparing for the launch of the system, in particular as regards cash register and ERP systems, and overall technical readiness. Unlike EET 1.0, EET 2.0 is not planned to be introduced in waves but all at once.

However, the bill may still undergo amendments during the legislative process in the Chamber of Deputies.

Financial administration confirms rules for taxation of crypto-assets for 2025

Ahead of the standard minutes of the meeting of the Coordination Committee with the Chamber of Tax Advisors of the Czech Republic, the financial administration has published separate minutes from the discussion of a paper addressing the exemption of income from the transfer of crypto-assets for consideration. The reason is the ongoing preparation and filing of tax returns for the 2025 taxable period.

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As of 15 February 2025, new rules apply in the Czech Republic for individuals regarding the taxation of income from crypto-assets (Act No. 32/2025 Coll., also amending the Income Tax Act).

This amendment has given rise to a number of questions from the professional community, which were addressed by a paper submitted to the Coordination Committee of the Chamber of Tax Advisors of the Czech Republic. The financial administration has now issued the minutes of the meeting held on 29 April 2026, which clarify some of these uncertainties.

The minutes address, in particular, the following points:

- The General Financial Directorate (GFD) confirmed that, for the purposes of applying the income tax exemption, the starting point is generally the MiCA Regulation as implemented by Act No. 32/2024 Coll. The Czech legislators have proceeded on the assumption that the exemption would apply only to crypto-assets with sufficient degree of regulation and transparency.

- For the exemption of income, a cap of CZK 100,000 per taxable period has been introduced. If the aggregate income from the transfer of crypto-assets for consideration (with the exception of electronic money tokens) received by an individual does not exceed this limit, such income is exempt from tax. The GFD confirmed that the limit shall only apply to transactions carried out on or after 15 February 2025; sale before that date is taxed under the previous rules as other income.

- Another way to claim an exemption for income from the transfer of crypto-assets for consideration is to satisfy the three-year time test. The GFD confirmed that the holding period before the amendment took effect, i.e. before 15 February 2025, is also counted towards this three-year period.

- For the purposes of the CZK 40 million cap for the exemption of income from the sale of business interests and securities, which also includes the income from the transfer of crypto-assets for consideration, only income from the transfer of crypto-assets for consideration generated after the effective date of the amendment will be taken into account.

The minutes of the Coordination Committee also mention that it will be necessary to revisit the issue of crypto-assets and resolve other related questions that the professional community continues to discuss. A joint working group of tax experts and crypto-asset specialists is working on a comprehensive paper on this topic.

GFD on determining tax residence of individuals

The General Financial Directorate (GFD) has published guidance on determining the tax residence of individuals, primarily with the aim of harmonising administrative practice and increasing legal certainty for taxpayers.

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This is not a revolution in the Income Tax Act but rather a fairly detailed guidance of considerable practical importance, particularly for determining the scope of taxation of income of mobile employees and individuals staying abroad on a long-term basis.

The guidance is based on the Income Tax Act and builds on previous interpretations (e.g. Instruction D-59). At the same time, it expressly confirms certain rules that had so far remained largely unwritten and clarifies some controversial situations. It also includes a number of illustrative examples.

The conclusion of the guidance confirms that, when determining tax residence, it is always necessary first to analyse the tax residence criteria under national law. Only where, under national rules, an individual is regarded as a tax resident of two (or more) states can the relevant double tax treaty be applied. Under no circumstances is it possible to determine tax residence solely on the basis of the rules in a double tax treaty.

The guidance also emphasises that each case must be assessed in the context of all relevant circumstances and in all related respects. It is therefore necessary to evaluate the taxpayer's overall situation.

The guidance therefore provides an important insight into how both the financial administration and taxpayers should assess the tax residence of individuals in practice.

Customs Administration launches new Automated Import System (AIS)

On 18 May, the Customs Administration launched the Automated Import System (AIS), which will gradually replace the existing eDovoz system. During the transitional period, both systems will operate in parallel, meaning that proceedings initiated before the launch of AIS will continue in the original import system.

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Importers and customs representatives will therefore have to work with two environments for a certain period of time and will need to carefully assess which types of submissions still belong in eDovoz and which should already be made through AIS. The Customs Administration has indicated that this modernisation is part of a broader package of changes resulting from EU customs legislation and the EU's digitisation projects.

One of the main objectives of AIS is a higher degree of automation. Standard type "A" customs declarations are intended, in a large proportion of cases that meet the prescribed conditions (for example, an approved place of presentation of the goods or proper provision of security for the customs debt), to be released automatically without any intervention by a customs officer.

The system operates with a 30-minute time limit for the automatic release of error-free customs declarations during the customs office's working hours, which end at 2 p.m. Holders of AEO authorisation (Authorised Economic Operator – a special customs authorisation) are expected to benefit from a more flexible regime that will not take working hours into account. At the same time, the structure of the customs declaration is changing: it will now be divided into individual consignments, making it possible to work more effectively with consolidated import declarations as well as with combinations of different types of goods within a single import.

The changes also affect customs debt security

The method of declaring the customs value, taxes and accompanying data is undergoing a significant transformation. The separate field for customs value in its traditional form is being removed, and the customs value will instead be reported as "additional underlying information". Similarly, information that previously had its own separate box (for example, quota preferences or incidental expenses) is also being moved to this section. The importer's tax identification number and other tax data will be completed in the "Additional tax information" section. The price per item must now be declared in the invoiced currency, stated to two decimal places. All of these requirements increase the demands for consistency between invoicing, customs documentation and accounting records. Poorly aligned data will show very quickly in AIS in the form of inconsistencies and delays in the release process.

Changes relating to security for the customs debt and the delivery/service of decisions on the release of goods are also important in practice. Providing a guarantee will not always be mandatory, even where a customs debt arises. However, if the declarant does not indicate a guarantee, they will receive payment instructions and the goods will be released only once payment has been made. Traditional delivery confirmations are disappearing entirely: receipt of the decision on the release of goods will no longer require confirmation, while the due date of the customs debt will be calculated from the moment the decision is sent by the system. This places greater emphasis on careful monitoring of electronic communication with the Customs Administration.

Companies should therefore review how their internal processes, information systems and communication with customs representatives are set up so that they can adapt to the Automated Import System without unnecessary risks, delays or penalties.

Buy Now - Pay Later (BNPL) services to be treated as regular consumer credit

So far, the regulation of "Buy Now – Pay Later" (BNPL) services has been relatively lenient under Czech law thanks to an exemption in the Consumer Credit Act. This is about to change significantly. With the transposition of the revised Consumer Credit Directive (CCD2), BNPL will now become fully subject to the consumer credit regime.

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The amendment to the Consumer Credit Act, which is due to take effect on 20 November 2026, abolishes the exemption for payment methods where the buyer defers payment until a later date. Under the new rules, all BNPL products in which the credit is provided by a third party (other than the merchant) will fall fully within the scope of the consumer credit legislation. The BNPL providers will be required to assess the creditworthiness of each consumer individually, based on information about their income, expenses and liabilities, as well as data from credit registers. They will also have to provide pre-contractual information, adapt the product to stricter advertising rules, and revise their contractual documentation, including terms on repayment, sanctions, withdrawal from contract and early repayment.

For the BNPL model, which is based on low amounts and near-instant approval within seconds, this represents a fundamental change in the logic of how the product operates.

However, the amendment leaves limited room for merchants to remain outside the scope of the Consumer Credit Act: for a deferred payment not to fall under the consumer credit regulation, the following conditions must be met:

- the merchant, not a third party, acts as the creditor,
- the payment is deferred free of charge (with no interest or fees whatsoever),
- the deferral does not exceed:
    - 50 days for small and medium-sized merchants,
    - 14 days for large merchants selling online.

For large e-shops, this regime is rather difficult to use in practice. If they wish to continue offering BNPL on a broader scale, they will either need to obtain a consumer credit licence or choose to cooperate with a licensed provider who will assume the full regulatory burden.

For merchants' management, this primarily means the need to review contractual documentation and the entire business model, reset the payment process and user environment (especially as regards obtaining consents and the moment when the credit agreement is concluded), establish and thoroughly document the process for assessing creditworthiness, check that marketing and advertising comply with the new rules, and evaluate licensing and registration obligations vis-à-vis the Czech National Bank.

In addition to the risk of non-payment itself, a BNPL provider must therefore primarily address who the creditor is in the given model, how long the payment deferral is, and what costs the consumer bears – that is, whether the terms of the arrangement comply with the consumer credit regime under the amendment to the Consumer Credit Act and CCD2 (Directive (EU) 2023/2225 of the European Parliament and of the Council).

If you are considering modifying your existing BNPL model or introducing a new deferred payment structure and need help with setting up the product, documentation or licensing requirements, please do not hesitate to contact us.

Research and innovation subsidies for defence industry

In cooperation with the Ministry of Defence, the Technology Agency of the Czech Republic has published the preliminary parameters of the second public call under the PRODEF programme focused on applied research and innovation in the defence industry, sub-programme 2 – National Calls for Proposals in Defence Research.

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The call will support applied research and innovation projects in modern emerging and disruptive technologies that can be used for the needs of the Armed Forces of the Czech Republic, as well as projects that are aligned with the state's security interests.

The project proposal must focus on at least one of the following priority research areas of the Ministry of Defence:

- digital command, control and data-driven decision-making,
- unmanned platforms and autonomous systems,
- armed forces protection against unmanned systems,
- energy management and alternative mobility for military systems,
- information resilience of the armed forces,
- effective cooperation between the soldier and technological systems, and technologically enhanced perception and decision-making by the soldier.

The call is planned to be announced on 3 June 2026. Project proposals may be submitted from 4 June to 22 July 2026; large enterprises may also participate. The expected funds for allocation are CZK 900 million, with the maximum subsidy amount per project set at CZK 50 million. The maximum aid intensity may reach up to 70% of eligible expenses.

The project output must be, for instance: a prototype, functional sample, proven technology, pilot plant, software, utility model or industrial design. At the same time, the project should be aimed at future participation in international activities – in this connection, it is necessary to meet the mandatory result category "Other results – Participation in international activities".

Projects must be completed no later than February 2030.

Case law

SAC on taxation of travel allowances for foreign employees

In a recent judgment, the Supreme Administrative Court (SAC) addressed the question of which travel allowances paid to foreign employees on business trips to the Czech Republic may fall outside the scope of income tax.

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The dispute concerned a situation in which a Polish company sent its employees on business trips to the Czech Republic and paid them meal allowances. The tax authority assessed personal income tax on the portion of the meal allowance exceeding the maximum amount set by the Czech Labour Code for domestic business trips. The company argued that the application of Czech rules to foreign employees was discriminatory and contrary to both EU law and the Czech-Polish double tax treaty.

The regional court accepted the tax authority's argument that the Income Tax Act refers to the Czech Labour Code and that it was irrelevant that the employment contracts had been concluded under Polish law. It further stated that the Czech Labour Code does not expressly regulate travel allowances for foreign employees on business trips within the Czech Republic and that it was therefore necessary to apply an analogy, while respecting the prohibition of discrimination laid down in the double tax treaty. For the purpose of such analogy, it considered as an appropriate benchmark the meal allowance that would be granted to an employee travelling on business from the Czech Republic abroad.

The tax authority lodged a cassation complaint with the Supreme Administrative Court (3 Afs 112/2025-34) against that judgment. It argued that the regional court had erred and that its decision was internally inconsistent. At the same time, it maintained that the maximum meal allowance under the Czech Labour Code is the same for both tax residents and non-residents, disagreed with the use of foreign meal allowance rates (rather than Czech ones) and described the regional court's proposed approach as discriminatory.

The SAC confirmed that Czech legislation does not directly regulate the situation of foreign employees on business trips in the Czech Republic and that an analogy may therefore be used. At the same time, however, it criticised the regional court for failing to explain sufficiently why it had chosen foreign meal allowance rates and why it had considered the tax authority's approach discriminatory. The regional court should have explained in greater detail how it understood the prohibition of discrimination under the double tax treaty and should also have taken into account the Commentary to the OECD Model Tax Convention.

The SAC therefore overturned the regional court's judgment on the grounds of insufficient reasoning and remitted the case for further proceedings. The regional court must reassess which legal framework is the most appropriate for use by analogy and explain consistently how it applies the prohibition of discrimination in the context of the international treaty, taking into account the Commentary to the OECD Model Tax Convention.

Case law

CJEU gives precedence to national legislation over concept of principal and ancillary supplies

A recent judgment of the Court of Justice of the European Union (CJEU), arising from disputes in Germany, shows that an "all-inclusive" package may be split into a part subject to the reduced rate and a part subject to the standard rate, without this being contrary to the VAT Directive.

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German providers of accommodation offered stays in hotels or guesthouses together with ancillary services (typically breakfast, parking, wellness, Wi-Fi) for a single price, or for an additional charge. They regarded the entire package as a composite supply, with the ancillary services taking on the VAT rate of the principal supply, i.e. the reduced VAT rate applicable to accommodation.

German law, however, provides for a reduced rate only for the accommodation itself, while the other services are subject to the standard rate. The tax authority therefore carved out from the package price the part corresponding to the ancillary services and taxed it at the standard rate. Owing to the opposition by accommodation providers, the case eventually reached the CJEU.

The CJEU joined several similar cases in judgment C-409/24 to C-411/24 J-GmbH and rejected the argument claiming a composite supply. It confirmed that the VAT Directive allows member states to apply a reduced rate only to certain categories of services, in this case accommodation itself, and to leave the other components of the package subject to the standard rate.

A clear definition in national law is essential in this respect. According to the CJEU, the concept of a single supply, under which an ancillary supply takes on the tax treatment of the principal supply, does not serve to impose a single rate on all components. Rather, it serves to determine what the supply consists of and how the taxable amount should be established.

The principle of tax neutrality plays a key role

Comparable supplies that compete with one another must be taxed in the same way – for example, breakfast in a hotel and breakfast in a standalone restaurant should be subject to the same rate. If breakfasts in restaurants are taxed at the standard rate, then, under the principle of neutrality (so that equal market conditions are maintained), a hotel must also tax breakfast at the standard rate even if it forms part of an accommodation package that is otherwise subject to the reduced rate. The same applies to parking, wellness and other ancillary services.

In practice, this means two things: tax authorities now have a firm basis for splitting package prices into components subject to the reduced rate and the standard rate, provided that such an approach is consistent with local law. And businesses in the accommodation sector operating in states with legislation similar to that in Germany should respond by allocating the price transparently between accommodation and other services. Before doing so, however, they should consider allocation keys that will stand in a tax inspection.

Case law

CJEU on VAT treatment of transfer pricing adjustments

The Court of Justice of the European Union (CJEU) has ruled on a case concerning transfer pricing in relation to vehicle repairs. According to its judgment, a transfer pricing adjustment does not constitute consideration for a supply of services because there was no legal relationship between the manufacturer and the distributor and no direct link between the vehicle repair and the consideration.

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As we described in our previous article on this topic, the case concerned a situation in which Stellantis Portugal, S.A., acting as a distributor, purchased vehicles and spare parts from affiliated manufacturing companies. It then resold them to independent dealers who in turn sold them to end customers. In the event of manufacturing defects, customers turned to the dealers who subsequently invoiced the distributor for the repair of the vehicles, meaning that the distributor ultimately bore the costs of the warranty repair.

Based on the reported costs of distributing the vehicles and spare parts, and of repairing the vehicles (including operating costs), the manufacturers subsequently adjusted the prices at which they sold the vehicles to the distributor. These adjustments were made under an agreed-upon transfer pricing mechanism ensuring that the distributor achieved the planned operating profit. As part of the adjustment to the sale price of the vehicles, the manufacturers issued the distributor with a credit note or a debit note. The Portuguese tax authority regarded the transfer pricing adjustment as a consideration for a supply of services by the distributor to the manufacturer, which should have been subject to VAT in Portugal.

Although the Advocate General proposed reformulating the question referred for a preliminary ruling, the CJEU did not follow that approach. In its judgment (C-603/24), it only considered whether the transfer pricing adjustment in the case at hand constituted a supply of services for consideration. It emphasised that a service is subject to VAT only where there is a direct link between the provision of the service and the consideration received. Such a direct link exists where there is a legal relationship between the supplier and the recipient under which the parties provide reciprocal performance, and the remuneration constitutes the actual consideration for the supply in question.

According to the CJEU, in the case under review there was no legal relationship between the manufacturer and the distributor that would oblige the distributor to arrange, for consideration, repairs of vehicles purchased from the manufacturer. Nor was there any other fact suggesting that the manufacturer and the distributor provided reciprocal performance to one another, with one consisting of repair services supplied by the distributor to the manufacturer and the other of remuneration for those services. The only legal relationship arose from the agreement concluded between them and solely related to the setting of the transfer prices of the vehicles.

Although the transfer pricing adjustment was calculated taking into account the costs of repairs carried out by independent dealers as well as the distributor's operating costs, these were considered solely to ensure the pre-set profit margin. The distributor therefore had no certainty that, once the target margin had been achieved, the manufacturer would reimburse all of the costs, in particular the costs of repairing the vehicles. The CJEU therefore concluded that, in this case, the link between the repair services and the transfer pricing adjustment was only indirect.

The CJEU also emphasised that, if the transfer pricing adjustment were to constitute a subsequent adjustment to the price paid by the distributor upon the acquisition of the vehicles, it would be for the national authorities to assess the impact of such a change on the determination of the taxable amount.

In its judgment, the CJEU thus stated that a transfer pricing adjustment relating to vehicles which is (i) determined with the aim of guaranteeing that the distributor achieves a predetermined profit margin, (ii) evidenced by a credit note or debit note, and (iii) calculated with regard to costs incurred by the distributor in connection with vehicle repairs does not constitute a supply of services for consideration.

In brief

News in Brief, June 2026

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

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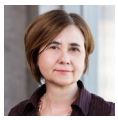

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DOMESTIC NEWS

- The Chamber of Deputies overrode the Senate's veto and confirmed a reduction in the minimum social security advances for the self-employed for this year. The act is now awaiting the President's signature. Once the act takes effect, the minimum monthly assessment base for the self-employed will immediately decrease from 40% to 35% of the average wage, i.e. back to last year's level. Any overpayment arising since the beginning of the year will be refunded to the self-employed, or they may use it to reduce future advance payments.

- Decree No. 68/2026 Coll. on submissions via prescribed forms relating to top-up taxes for the purposes of ensuring a minimum level of taxation for large multinational groups and large domestic groups has been published in the Collection of Laws. The form for filing the top-up tax information return will be available on the MOJE daně portal. An integral part of the form is an annex in XML format following the OECD structure for the GloBE Information Return (GIR), which will have to be prepared by the payer liable to top-up tax. The form should also be usable for notifying fulfilment of the conditions for the exemption from filing the information return for the purposes of the allocated and domestic top-up tax. The top-up tax return will have to be filed electronically using the prescribed form with the required structure and mandatory data. Unlike the information return, the tax return should also be capable of being filed via a data box.

- The government has approved an amendment to the Value Added Tax Act containing the first part of the transposition of Council Directive (EU) 2025/516 of 11 March 2025 on VAT rules for the digital age (ViDA).

- 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. 10/2026.

- The financial administration is launching another phase of its modern tax administration tool – Tax Echo V. This project informally alerts taxpayers to identified discrepancies in the fulfilment of their tax obligations. It gives taxpayers an opportunity to remedy the situation without additional inspections or penalties. Tax Echo V focuses on the incorrect claiming of the spouse-related tax credit in tax returns for 2023.

- The Ministry of Industry and Trade is launching auctions to support biomethane production, with support amounting to up to CZK 90 billion. The Czech support scheme for this domestic, stable and renewable gas was created mainly thanks to close cooperation between the Ministry and the Energy Regulatory Office. According to the ministry, this represents a major milestone for the development of domestic biomethane production and for strengthening the Czech Republic's energy security and self-sufficiency.

FOREIGN NEWS

- On 29 May 2026, the OECD list of jurisdictions that have signed the Multilateral Competent Authority Agreement on the Exchange of GloBE Information (GIR MCAA, Pillar 2) comprises 36 jurisdictions, now including the Czech Republic. As the relevant domestic legislation has not yet been approved in the Czech Republic (the amendment to the Act on International Cooperation in Tax Matters), the signature has no immediate effect. The agreement provides for the filing of a single information return and its subsequent exchange, including with jurisdictions outside the EU. By the end of this year, the Czech Republic will very likely be ready to exchange information from the 2024 information returns, which is a condition for applying the simplification under the OECD agreement.

- The OECD has updated the consolidated Commentary to the GloBE Model Rules. It includes additional approved administrative guidance issued after the previous consolidated version of 9 May 2025, in particular the Side-by-Side Package (published in January 2026).

- The European Commission has published an updated CBAM Q&A document containing several important clarifications for the final phase of CBAM implementation in areas such as the authorisation of declarants and access to the registry, the purchase and pricing of CBAM certificates, the methodology for calculating emissions, customs procedures, rules of origin, and sector-specific rules.

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