



## Information for clients

Czech Republic  
October, 20<sup>th</sup> 2020

### COVID-19: COVID-rent II and tax measures

*Due to the current situation, the government of the Czech Republic has decided to take further measures to contain the consequences of the pandemic for particularly affected companies.*

*The new measures concern state subsidies for (certain) commercial tenants (COVID - Rent II) as well as tax deferrals.*

#### COVID – rent II

COVID - rent II is aimed at entrepreneurs who had to temporarily close operating facilities due to immediate measures to contain the COVID pandemic.

#### *Which companies can apply for support?*

- Restaurants, cafes, bars, pubs, tea houses and the like
- Music, dance, game clubs and similar social clubs and discos
- Cinemas
- Congresses and other educational events, exhibitions and trade fairs
- Indoor sports fields (e.g. gyms, playgrounds, ice rinks, tennis courts, bowling or

billiard rooms, exercise facilities), fitness studios and fitness centers

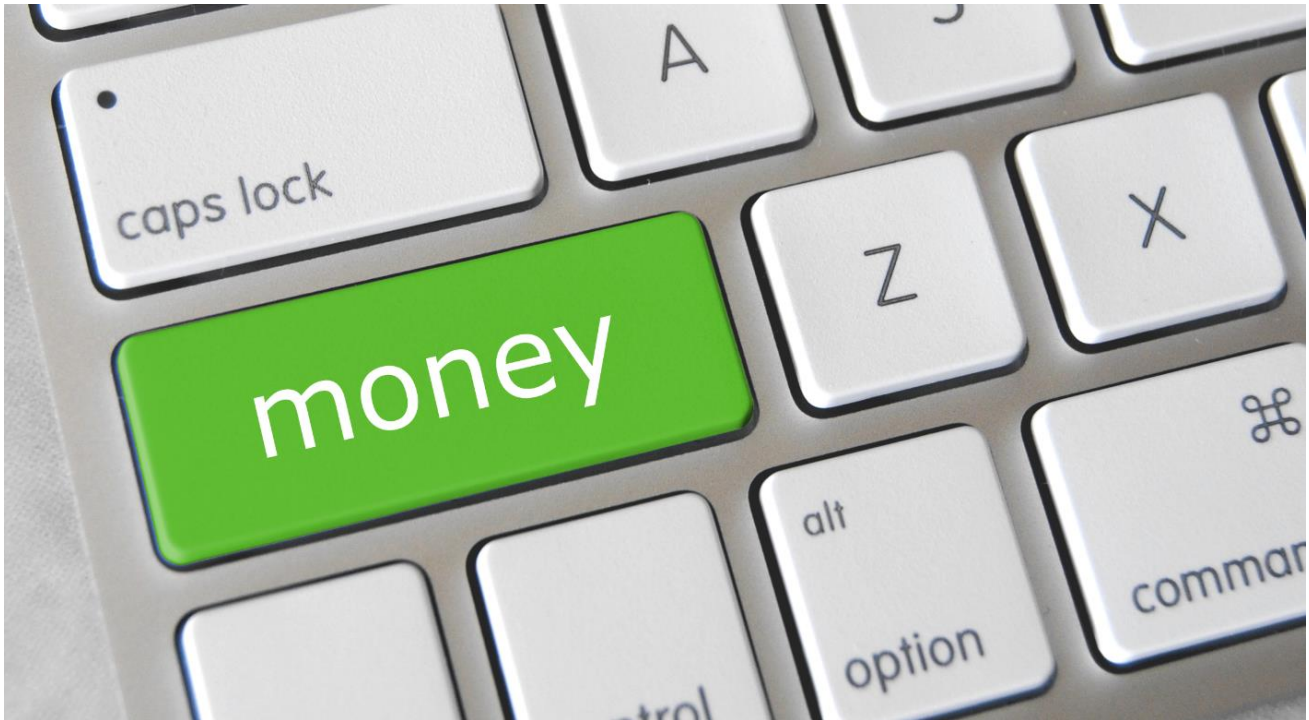
- Swimming pools, wellness facilities including saunas, solariums
- Zoos
- Museums, galleries, exhibition rooms, castles, palaces, observatories, planetariums and similar historical or cultural objects (except theaters)
- Facilities that offer hobby, educational, leisure or educational activities for children and young people

At the same time the programs **COVID - Culture** and **COVID - Sport** were announced, which will cover a further part of the affected entrepreneurs.

#### *Amount of support*

The state grant is **50% of the total rent** for the third quarter of 2020. The **maximum amount is CZK 10 million per tenant.**

In contrast to previous measures, with COVID-rent II it is not necessary for the landlord to grant a discount. The prerequisite is that the applicant has already paid the full rental amount to the landlord.



### *How to apply?*

Applications can be submitted **online from October 21, 2020**, 9 a.m. to January 21, 2021 via the portal of the Ministry of Industry at [Portal AIS MPO](#) (in Czech only)

Further information about COVID - Rent II can be found on the website of the Ministry of Industry under the following link [COVID - rent](#) (in Czech only)

### Deferring tax payments

The support is aimed at **operators of restaurants, bars, discos, theaters, cinemas, concerts, trade fairs or fitness studios, etc.** For entrepreneurs who are active in several areas, the ratio of the income from the individual activities is used.

These companies are **automatically waived interest on arrears for late payment of VAT** for September, October and November 2020 (or for the 3rd quarter of 2020 for quarterly payers) if the VAT is paid by **December 31, 2020** at the latest.

In addition, it is **not necessary to pay the advance income tax payment due by**

**December 15, 2020** and the advance payment for road tax. Please note that you may therefore have to pay a higher tax amount when you submit your income tax return or road tax return for 2020.

In order for an entrepreneur to be able to use the subsidy, he must first **inform the tax office** in writing that he meets the conditions.

**Other entrepreneurs** can apply to the tax office for a deferred payment based on a description of their individual situation.

### Donations related to COVID-19 - VAT exemption

As in the spring, donations in the form of goods or services used in connection with the fight against the COVID-19 epidemic are exempt from VAT.

In particular, it concerns donations of masks, respirators and other protective equipment or medical aids.

Gifts in the form of goods or services to medical institutions, operators of social services, organizations of the integrated rescue system and the Czech army are also exempt from VAT.

We will be happy to assist you with submitting a COVID rental application and asserting the deferral of tax payments.

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*For more than 25 years on the  
Czech market.*

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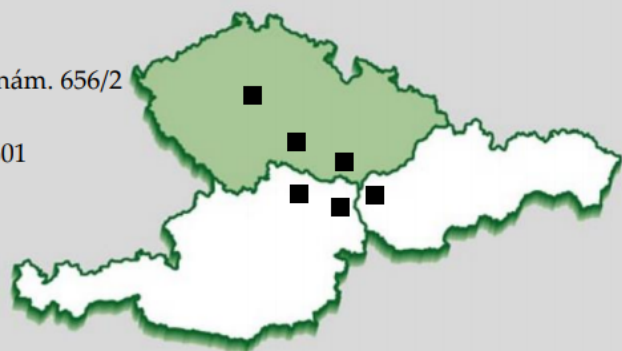
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