



## Client Information

Czech Republic  
September, 1th 2020

### Changes in VAT – Quick fixes

On August 14, 2020 the amendment to the law 325/ 2020 Coll. Was published in the Collection of Laws. Among other things, changes in the area of VAT will be introduced with **effect from September 1, 2020**, which are known as "quick fixes".

We already informed you about these changes in our client information in autumn 2019:

<https://auditor.eu/cr-en/publications/newsletters/10.2019-changes-in-vat-in-2020-quick-fixes.html>

#### Chain Transactions

A chain transaction is understood to mean the following:

- Several entrepreneurs conclude sales transactions on the same subject
- The item is transported or dispatched directly from the first company to the last customer

In a chain transaction, the item is actually only moved once. This is why only one transaction in the series is referred to as a so-called "**moving delivery**", which is **exempt from VAT as an intra-community delivery** with the remaining

deliveries either in the country of the first seller in the series or in the country of the last buyer (destination country) are taxed.

According to the amendment to the law, it is decisive who commissioned the transport. The VAT law refers to this person in the series as the "Intermediary".

As a rule, the **delivery to this intermediary is considered to be a moving shipment** and the intermediary will receive an invoice excluding VAT.

However, if the Intermediary has a VAT number in the country of the first seller and provides this to his supplier for the purpose of this delivery, only the delivery from the Intermediary to his customer is tax-exempt.

#### Obligations on delivery to another Member State

The law newly stipulates that in the case of an exempted delivery of goods to another Member State, the acquirer must inform the supplier of his VAT number and the supplier must declare the delivery in a summary report.

## Call-off stocks

It will now be possible, if the legal conditions are met, to report the exempt delivery of goods to the customer only **at the moment of taking the goods by the customer from the consignment warehouse.**

The law also newly addresses cases like:

- delivery to a person other than the originally planned buyer
- if the goods are returned without delivery
- if any of the legal conditions cease to be met

For the AUDITOR team

**Ing. Martin Stoniš**  
Tax advisor  
T.+ 420 224 800 433  
[martin.stonis@auditor.eu](mailto:martin.stonis@auditor.eu)

Data presented in this publication is informative in character and does not replace legal, economic or tax consultancy. Consultancy requires knowledge of the particular cases and assessment of all relevant facts. We claim no responsibility for decisions that the user makes based on this material.



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

### Contacts

Mag. Georg Stöger  
**International Tax Law**

Marie Haasová  
**Czech Accounting  
Legislation**

Ing. Jan Šimerka  
**Statutory Audit, IFRS**

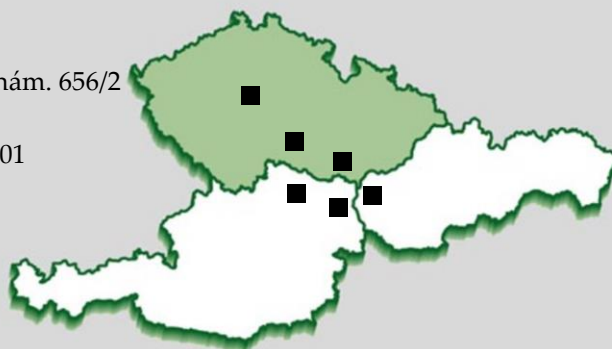
Ing. Marta Prachařová  
**Czech Tax Law**

Iva Tolde  
**Personnel and Payroll  
Agenda**

**Office Prague**  
Haštalská 6  
110 00 Praha 1  
T: +420 224 800 411

**Office Brno**  
Palác JALTA  
Dominikánské nám. 656/2  
602 00 Brno  
T: +420 542 422 601

**Office Pelhřimov**  
Masarykovo nám. 30  
393 01 Pelhřimov  
T: +420 565 502 502



More information on [www.auditor.eu](http://www.auditor.eu)

[www.auditor.eu](http://www.auditor.eu)

An independent member of UHY International, an association of independent accounting and consulting firms