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Information for clients

Czech Republic

April, 20th 2020

COVID-19: Guarantees for Prague entrepreneurs (COVID Praha) and VAT exemptions for donations

COVID Praha

The Czech-Moravian Guarantee and Development Bank (Českomoravská záruční a rozvojová banka - ČMZRB) prepared further support together with the Prague municipality, this time for Prague entrepreneurs in the form of the COVID-Prague guarantee program.

600 million crowns are provided for the program.

What is the form of the ČMZRB support?

The program is subject to the **same conditions as the COVID II** program, which was only intended for entrepreneurs outside of Prague. Now entrepreneurs (**small and medium-sized businesses**) operating in Prague have the same chance.

The **guarantee is granted for loans up to an amount of CZK 15 million** resp. up to a maximum of 80% of the loan for a maximum period of 3 years.

A financial contribution to the payment of

interest for the guaranteed loan can be made in the amount from 150 thousand up to 1 million CZK depending on the loan amount.

The credit must be directly related to bridging the economic crisis caused by the spread of the corona virus.

Purpose of the business loan

The loan can only be used to **cover operating costs** such as wages, rents, energy, materials, deliveries, etc. after the contract has been signed.

It is not possible to use the loan to repay another loan or to lease or to buy a machine.

How to apply?

The ČMZRB will accept applications from April 21, 2020.

You can find more information on the website of the ČMZRB (in Czech only)

<https://www.cmzrb.cz/podnikatele/zaruky/zaruka-covid-praha/>

In order to apply, you need a credit confirmation from your cooperating

commercial bank. Therefore, please contact first your commercial bank.

We would be happy to prepare for you the documents required for the COVID Praha application.

Exemption from VAT on donations to healthcare professionals and to the integrated rescue system

VAT payers who support health professionals and the integrated rescue system free of charge during the state of emergency are exempt from VAT on these services.

These include, for example, gifts in the form of medical supplies, refreshments, but also services that are made available to the following organizations free of charge:

- Health care providers in accordance with the Health Act
- Basic units of the integrated rescue system
- Army of the Czech Republic
- Social facilities in accordance with the Social Act

The tax exemption was published in the financial newsletter on April 15, 2020, but applies to **deliveries** made since the emergency notification, i.e. **since March 12, 2020**.

If you have made such donations, please check whether you have included the relevant VAT exemptions in your VAT return for March 2020.

For the AUDITOR-Team

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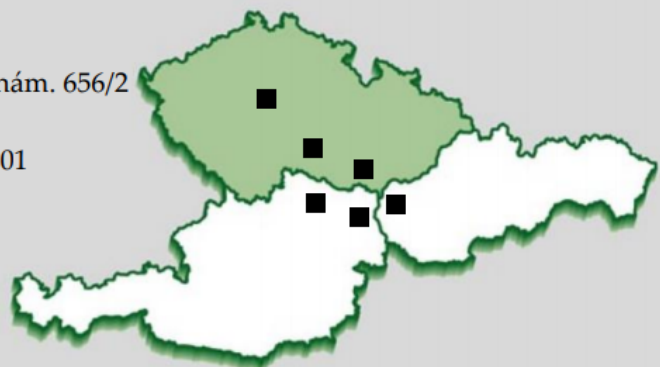
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