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**VAT IN THE EUROPEAN COMMUNITY**

**VADEMECUM FOR THE ELECTRONIC  
REFUND PROCEDURE TO TAXABLE  
PERSONS NOT ESTABLISHED IN THE  
MEMBER STATE OF REFUND BUT  
ESTABLISHED IN ANOTHER MEMBER  
STATE (COUNCIL DIRECTIVE 2008/9/EC)**

**NOTE**

**THIS DOCUMENT COLLATES A RANGE OF  
BASIC INFORMATION ON THE  
APPLICATION OF THE REFUND  
ARRANGEMENTS IN THE MEMBER  
STATES WHICH HAS BEEN OBTAINED  
FROM THE TAX AUTHORITIES  
CONCERNED.**

**THIS DOES NOT REFLECT THE VIEWS OF  
THE COMMISSION OF THE EUROPEAN  
UNION, NOR DOES IT SIGNIFY APPROVAL  
OF THE LEGISLATION.**

## CZECH REPUBLIC

### VADEMECUM FOR THE ELECTRONIC REFUND PROCEDURE TO TAXABLE PERSONS NOT ESTABLISHED IN THE MEMBER STATE OF REFUND BUT ESTABLISHED IN ANOTHER MEMBER STATE

#### General

#### **1. Where could a non-established taxable person (NETP) find information on your laws and guidelines?**

<http://www.financnisprava.cz/en/internation-tax-affairs/cooperation-and-vat/vat-refunds/the-czech-republic-as-a-member-state-3872>

<http://www.financnisprava.cz/en/internation-tax-affairs/cooperation-and-vat/vat-refunds/the-czech-republic-as-a-member-state-3871>

#### **2. Eligibility for a refund**

To be eligible for a refund the applicant must be a taxable person established in the EU making taxable supplies in his own Member State (the Member State of Establishment). He must have incurred VAT on expenses in a Member State in which he has no establishment (the Member State of Refund), and he must have made no supplies within that Member State other than reverse charge supplies, or certain exempt transport services, during the refund period.

#### **3. What can be refunded**

VAT relating to business activities carried out outside the Member State of Refund if those activities would be subject to tax or exempt with a right to deduct in the Member State of Refund if they had been made there, and VAT relating to supplies on which the reverse charge is applicable in the Member State of Refund.

#### **4. What cannot be refunded**

VAT incurred which relates directly to activities which are exempt without the right to deduct.

VAT incurred on expenses on which there are restrictions on the right to deduct in the Member State of Refund.

*The entitlement to a refund of VAT may be claimed under conditions similar to those under which a VAT payer may claim the entitlement to VAT deduction. This means that VAT will not be generally refunded in case of expenses on representation and entertainment (there are some specific cases, in which the VAT refund may be provided, for more details please see Act no. 235/2004 Coll, on VAT § 72 (4). VAT can not be recovered on goods and services for personal consumption.*

#### **5. Proportional deduction**

Where the taxable person is only able to deduct a proportion of his input tax because he makes taxable and exempt supplies, that person can only have the amount refunded according to the rules on proportional deduction in his Member State.

### **Procedures in the Member State of Establishment**

## **6. What is the application procedure?**

*In conditions of the Czech Republic (i.e. in case of VAT refund application of Czech VATpayer), VAT refund applications or Pro-rata rate Adjustment must be filed through Tax Portal of the Czech Tax Administration, in web application: „Vracení DPH v rámci EU“ (hereinafter referred as „web application“).*

### **Access to web application:**

*For gaining access to web application the „Request for access to web application“ („Elektronická podání“ (Aplikace EPO) - DPH - Žádost o přidělení přístupu do Aplikace pro vracení daně z přidané hodnoty plátcům v jiných členských státech) must be submitted electronically and furnished with:*

- 1) the guaranteed electronic signature according to the Act no. 227/2000 Coll., on electronic signature as amended. List of the accredited providers of certification services is mentioned on website of the Ministry of Interior CZ: <http://www.mvcr.cz/>.*
- 2) the authentication used to access a data box, more information o data box: <https://www.datoveschranky.info/>*

*Request for access is then transmitted to the local Tax Authority competent to applicant. Request is assessed and decision is issued by the Tax Authority within the frame of 15 working days.*

*An applicant/his representative/ is noticed about the result via mobile telephone (the Czech operators). In case of negative result also the official decision will be sent to the applicant.*

*Access to web application is opened to a person, who submitted the request for access.*

### **Web application:**

*Persons, whom the access has been assigned to by the local tax authority, have equivalent access in the web application after login. It means that all activities which an applicant can do here, can be performed also by his representative and for all member states without restriction.*

*After login to the web application an applicant/his representative can use the given menu and do the following activities:*

- fill in and submit a new VAT refund application*
- fill in and submit a corrective VAT refund application*
- fill in and submit a Pro-rata rate Adjustment*
- review VAT refund applications, which have been already submitted and their status*
- review Pro-rata rate Adjustments, which have been already submitted and their status*

- visit a link „[Všeobecné informace](#)“, where the applicant/representative can find the detailed information concerning the individual parts of the application, rules for filling in and activities regarding submission, links to the relevant legislation and basic preferences of member states of refund.

- upload the VAT refund application, get the confirmation about submission.

*In the VAT refund application the following sections need to be filled in:*

- *Heading —Information about the member state of refund, refund period, type of VAT refund application, business activity of claimant, etc.*
- *Information about the claimant*
- *Information about the representative*

*Registration data of an applicant/his representative is filled in automatically without possibility to correct it in the application. If this registration data is not in accordance with actual state, an applicant/his representative must contact local Tax Office and ensure correction*

- *Contact details – email addresses, bank account details for the refund*
- *Information about the purchases*
- *Information about the imports*
- *Attachments - is possible to enclose an attachment up to 5 MB including „zip“. and only in formats: .pdf, .jpg, .tif.*
- *Pro-rata rate adjustment*

*When the VAT refund application is completed and filed, the taxpayer receives a confirmation from the portal.*

## **7. Are there any particular requirements for an agent to be able to submit a claim on behalf of the applicant?**

*The procedure necessary for gaining the access to the application described above must be performed by an agent on behalf of an applicant. Information that the agent is acting on behalf of the applicant must be indicated in the electronic request for access and also confirmed by original of power of attorney delivered to the competent tax authority. There is no specific web application or module for agents.*

## **8. Content of the application:**

The application should contain the following information:

- the applicant's name
- the applicant's VAT identification number or tax reference number

- the applicant's full address including country code (the address which is on record in Member State of Establishment)
- e-mail address
- a description of the applicant's business activity for which the goods and services are acquired via NACE v.2 codes – *[All Member States have indicated that they would use NACE codes]*
- the refund period covered by the application
- declaration by the applicant that he has supplied no goods and services deemed to have been supplied in Member State of Refund during the refund period, with the exception of the supply of specific transport services and services ancillary thereto or supplies to which the reverse charge mechanism is applicable in Member State of Refund
- bank account details including IBAN and BIC codes

In addition, the following details of each invoice or importation document

- name and full address of the supplier;
- the VAT identification number or tax reference number of the supplier except in the case of importation
- the prefix of the Member State of Refund (except in the case of importation)
- date and number of the invoice or importation document
- taxable amount and amount of VAT expressed in the currency of Member State of Refund
- the amount of deductible VAT calculated expressed in the currency of Member State of Refund
- where applicable, the deductible proportion expressed as a percentage
- nature of the goods and services acquired according to the codes 1 to 10
- Where requested, further information on the nature of the goods and services acquired according to the sub-codes of 1 to 10.

**9. The circumstances under which a Member State of Establishment will not send an application to the Member State of refund.**

- If the details in point 8 above are not filled in.
- The applicant is not a taxable person during the refund period.
- The applicant only carries out exempt supplies in the Member State of establishment during the refund period.

- The applicant is covered by the exemption for small businesses.
- The applicant is covered by the flat rate scheme for farmers.

#### **10. Minimum refund limits**

- 400 EUR or the equivalent in national currency if the refund period is between 3 months and less than a calendar year
- 50 EUR or the equivalent in national currency if the refund period is of a calendar year, or the remainder of a calendar year.

#### **11. Time limit**

The application must be submitted to the Member State of Establishment by 30 September of the calendar year following the refund period. The application is only considered as submitted if the applicant has filled in all the required information.

#### **12. Is an applicant able to correct an error on an application which has been forwarded to a Member State of Refund?**

*The error can be corrected on the VAT Refund portal through submission of a corrective application.*

### **Procedures in the Member State of Refund**

#### **13. Are copies of invoices required?**

*Pursuant to articles 10 and 20 of Directive 2008/9/EC:*

##### *Article 10*

*Without prejudice to requests for information under Article 20, the Member State of refund may require the applicant to submit by electronic means a copy of the invoice or importation document with the refund application where the taxable amount on an invoice or importation document is EUR 1 000 or more or the equivalent in national currency. Where the invoice concerns fuel, the threshold is EUR 250 or the equivalent in national currency.*

##### *Article 20*

*1. Where the Member State of refund considers that it does not have all the relevant information on which to make a decision in respect of the whole or part of the refund application, it may request, by electronic means, additional information, in particular from the applicant or from the competent authorities of the Member State of establishment, within the four-month period referred to in Article 19(2). Where the additional information is requested from someone other than the applicant or a competent authority of a Member State, the request shall be made by electronic means only if such means are available to the recipient of the request.*

*If necessary, the Member State of refund may request further additional information.*

*The information requested in accordance with this paragraph may include the submission of the original or a copy of the relevant invoice or import document where the Member State of refund has reasonable doubts regarding the validity or accuracy of a particular claim. In that case, the thresholds mentioned in Article 10 shall not apply.*

*2. The Member State of refund shall be provided with the information requested under paragraph 1 within one month of the date on which the request reaches the person to whom it is addressed.*

**14. The maximum size limit for an attachment has been agreed at 5 mb. What is the applicant to do if they exceed this limit?**

*Attachments within the 5MB limit must be submitted along with the application, the attachments exceeding the above mentioned limit must be sent by ordinary mail, where applicant can gain a proof of delivery.*

**15. As a Member State of refund, do you require additional documentation for claims submitted by an agent?**

*Power of attorney is not required in common process of application submission. However for further correspondence – appeal procedure, provision of additional information in official letters via ordinary mail – a copy of power of attorney is required.*

**16. Can payments be made to agents?**

*Yes.*

**17. How will the Member State of Refund communicate with the applicant?**

*Directly via e-mail.*

**18. Time limits for the processing of an application**

The Member State of refund has four months from the date of receipt of an application to notify the applicant of its decision to approve or refuse the application, or to ask for further additional information. Where additional information is required, it has a further two months from receiving that information. Where it has asked for further information, it shall, in any case, notify the applicant of its decision within 8 months of the receipt of the application.

Where the refund application is approved, payment should be made within 10 working days.

**19. Procedure for sending additional information to the Member State of Refund**

Member States can ask for additional information from persons other than the applicant. In all cases, the information should be provided to the Member State of Refund within one month of the date on which the request is received by the addressee.

*Additional information may be provided in form of a corrective application submitted on VAT Refund portal of the Member State of Establishment, if possible. Or it must be delivered in form of an official letter sent via ordinary mail, where proof of delivery can be gained by the applicant.*

**20. The refund period**

*Pursuant to article 16 of Directive 2008/9/EC.*

The refund period shall not be more than one calendar year or less than three calendar months. Refund applications may, however, relate to a period of less than three months where the period represents the remainder of a calendar year.

*Minimum of three calendar months must be respected. Applications for shorter period will not be accepted, except for those for period of November and December.*

**21. Number of applications accepted per year.**

*Maximum 5 – 4 quarterly, 1 per a year. Plus unlimited number of corrective applications.*

**22. What is the procedure for appealing against a decision? Are there any time limits for appeals?**

*Official letter must be sent via ordinary mail (the applicant can gain proof of delivery) to the authority that issued the decision, or if possible a corrective application may be submitted. The time limit is given by law no. 280/2009 Coll., Tax procedure code (§ 109/4) – appeal may be submitted within 30 day from the date of decision delivery.*

**23. Incorrect applications**

If an amount has been recovered in a fraudulent or incorrect way, Member States may recover those amounts.