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In the coming days, the Ministry of Finance will present the exact parameters of the liberalization package for entrepreneurs and individuals, aimed at mitigating the effects of the current situation caused by the spread of coronavirus and minimizing the need to visit the tax authorities.

At the moment there is an operational comment with representatives of entrepreneurs and professional chambers. The main measures of the Liberation Package will be:

- **General waiver of the fine for late submission of personal income tax return and default interest until 1 July 2020 at the latest.** In fact, all individuals will be able to file a tax return and pay the tax without penalty no later than 3 months later without having to prove the reasons related to coronavirus. This measure could affect up to 2.8 million natural persons who filed a tax return in 2019. The main objective is to prevent the tax authorities, respectively, in post offices the concentration of natural persons who are not obliged to submit tax returns electronically.
- **Waiver of late payment of the tax claim and penalty for failure to submit a control report** in all cases where the taxpayer individually requests the waiver of interest for late payment and **proves the reasons related to coronavirus**. Typically, this may be a disease or quarantine of accountants or other key employees whose absence has demonstrably prevented tax compliance. This measure will affect all taxes administered by bodies subordinate to the Ministry of Finance and all tax entities (individuals and entrepreneurs).
- **General waiver of the second penalty for failure to submit a control report of CZK 1,000** in 2020 without having to prove the reasons related to coronavirus. Today, the first fine of CZK 1,000 is automatically waived by law.
- The Directorate General of the Financial Directorate will make an adjustment to allow **individual waivers of non-control penalties for an indefinite period of time** if coronavirus is established.
- **Flat 75% waiver of the administrative fee** for filing an application for the delay or payment of tax due to coronavirus-related reasons. The fee will be reduced from CZK 400 to CZK 100.
- It is not legally possible to postpone the start of the third and fourth wave of electronic sales records effective from 1 May. However, if the situation around coronavirus prevents some entrepreneurs from properly preparing themselves for registration, the **Financial and Customs Administration will proceed sensitively and with tolerance to any identified deficiencies**. For example, businesses affected by coronavirus do not have to worry about sanctions if they are unable to handle everything needed in time due to the quarantine ordered.

IMPORTANT: Above measures need to be confirmed yet by the Ministry of Finance – it says in the title: ‘will present in the coming days’. Therefore, the final version may differ.

Alexio.cz Expat Accountant will monitor the situation, and once there is an official guideline we will publish it on www.Alexio.cz and inform the clients that have already ordered a Tax Return for 2019.

In case of questions: send them please to taxreturn@alexio.cz