



Tax news



Grants & Incentives news

dReport: November 2018

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Research and Development Deduction: the Fundamental Ruling

The Regional Court in Hradec Králové ruled in favour of the plaintiff (ENERGO CHOCEŇ, s.r.o.), revoking the contested ruling and referring the matter back to the Appellate Financial Directorate for further proceedings.

The ruling fundamentally clarified the legal term “commencement of the implementation of a research and development project”, expressed the impossibility of generalising conclusions for individual taxation periods and, last but not least, expressed the necessity of appointing an expert for selected assessments.

In a [dReport article](#) in July, we discussed the upcoming news in respect of the research and development (“R&D”) deduction, which should result in decreasing the tax uncertainty and administrative burden for tax payers. The ruling issued by the Regional Court in Hradec Králové (the “Regional Court”), ref. no. 52 Af 18/2016-181, is further good news for payers utilising, or intending to utilise the R&D deduction. The ruling refers to an additional corporate income tax assessment and the related fine for the 2009 and 2010 taxation periods for failing to bear the burden of proof as a consequence of not submitting all business documentation, failing to meet the formal and material requirements of the R&D project and not substantiating the presence of an appreciable element of novelty and the necessity to clarify technical uncertainty.

Highlights of the ruling:

- The payer is not obliged to utilise all costs incurred in relation to R&D. In contrast, they may only deduct costs in respect of which they are able to bear the burden of proof before the tax administrator, taking into account their demonstrability, recording and administrative requirements.
- The Regional Court stated that *“it may be concluded that the **implementation of the R&D project is commenced** upon the **approval of a written R&D project draft** by the authorised person, in which the processor defines the underlying goals, methods and planned costs of the R&D project and other basic details as stipulated by law.”*
- Following the approval of the R&D project, the payer must maintain separate accounting records about the R&D project.
- It is solely at the discretion of the payer which activities they will perform prior to the date of approving the R&D project; the costs relating to these activities are automatically non-deductible.

- The Regional Court expressed the impossibility of generalising conclusions for individual taxation periods without demonstrating clear links. This was a response to the generalisation of conclusions whereby the tax administrator inferred from the wording of the internal guideline prepared by the payer that it retrospectively gave rise to the R&D project. It also applied this conclusion to the R&D projects that were, however, related to the period subsequent to the preparation of the guideline.
- In its previous rulings, the Regional Court had already confirmed the above stated necessity of appointing an independent expert, who will themselves assess the sufficiency of the documents submitted and the presence of an appreciable element of novelty and the clarification of technical uncertainty. This is owing to the fact that tax authorities do not have sufficient expertise to be able to assess the appreciable element of novelty, if any, and the clarification of technical uncertainty.
- The Regional Court also addressed the amount of evidence that the payer must submit in order for the appointed expert to be able to prepare the expert opinion for tax authorities. Unless the payer has been demonstrably completely inactive during the tax proceedings, it is fully at the discretion of the expert to assess whether the documents submitted are sufficient for formulating the relevant expert opinion.

Besides the “Fortell”, “Abadia” and “Vestra Clinics” rulings, the above stated ruling is the next in line that specifies the not very clear legislative provisions, increases tax certainty for payers and, last but not least, may also be beneficial for assessing contentious issues from the tax administrators’ perspective. The full clarification of the as yet not very specific phrase “commencement of R&D activities” hopefully removes the speculations that, during tax audits, R&D activities could be considered to commence, for example, upon the signing of a contract with a customer, receiving an order, or an internal meeting of management regarding the planned activities.

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VAT Act Amendment

As the discussion of the technical amendment to the VAT Act has been postponed, it may be expected that the relevant changes (eg, in respect of tax base corrections, VAT reduction in the event of irrecoverable receivables, taxation of bonuses to statutory executives and members of statutory bodies, differentiation of financial and operating leases or taxation of vouchers for the purchase of goods/services) will come into effect on 1 April 2019 at the earliest. What is more, our information suggests that some of the proposed articles of the amendment are additionally anticipated to be modified in the second reading (eg, the taxation of bonuses to statutory

executives and members of statutory bodies should be revisited). Therefore, it is difficult to predict to what extent the VAT Act will be amended.

The amendment should be debated by the Chamber of Deputies in the first reading in late October at the earliest. A similar schedule also applies to the amended Electronic Sales Records Act, based on which the application of a 10% VAT rate to draught beer is proposed.

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Ruling of the CJEU

In two cases (C-422/17 Scarpa Travel and C-552/17 Alpenchalets Resorts), the Advocate General of the Court of Justice of the European Union (CoJ) defines the taxation of services when the special regime for travel services is applied. The Advocate General infers that advance payments should also be subject to tax (this requirements is not included in the Czech VAT) and, furthermore, substantially extends the definition of travel services (it is debatable how the CoJ will respond to the Advocate General's controversial opinion and how this opinion could affect the interpretation of the Czech VAT Act).

Other interesting interpretations of the Advocate General may be found in case C-502/17 C&D Foods relating to the sale of a share in a subsidiary which was so far only passively held by the parent holding company. The Advocate General indicates that, under specific circumstances, a claim for the VAT deduction may also be considered for received supplied relating to the sale (in particular, advisory services provided to the holding company).

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Announcing the Czech Republic's stance towards the EU's proposals for digital economy taxation

The Ministry of Finance has published on its website a brief summary of the Czech Republic's attitude to the proposals of the European Union concerning the taxation of so-called digital economy (we have discussed this topic in detail [here](#)). The Czech Republic opines that any long-term measures in this area need to be addressed at a global level as part of the

OECD; therefore, it does not consider the short-term taxation of profits within the EU by introducing an interim (indirect) tax to be a conceptual solution.

Some other countries (including Ireland, Finland etc.) have a similar (i.e. negative) attitude to the presented proposals. We will keep you informed of further developments in this area.

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News round up

Luxembourg: Illegal state aid to McDonald's

Following a four-year investigation, the European Commission concluded on 19 September 2018 that Luxembourg did not provide any impermissible state aid in the McDonald's case. The European Commission found that the non-taxation in Luxembourg of certain profits allocated to the US branch was in line with domestic tax law and the Luxembourg-US tax treaty. The commission also found that the Luxembourg tax authorities did not misapply the treaty, and that the tax advantage the Luxembourg entity received—which results from a mismatch between Luxembourg and US tax laws—could not be considered as a distortion of free competition in the single market.

Qualified majority voting for certain tax matters

In January or February 2019, the Commission will propose abandoning the unanimity rule on some tax issues, to improve the efficiency of negotiating tax legislation. The commission is likely to propose QMV on a limited set of tax issues — for example, legislative proposals regarding tax returns. There appear to be two opposing visions for QMV on the commission, the first one is QMV under article 116 of the Treaty on the Functioning of the European Union, which says that when the commission “finds that a difference between the provisions laid down by law, regulation, or administrative action in member states is distorting the conditions of competition in the internal market and that the resultant distortion needs to be eliminated, it shall consult the member states concerned.” While according to the second one QMV shall be based on article 48.7 of the Treaty on the European Union (TEU), which says, “Where the Treaty on the Functioning of the European Union provides for the Council to act by unanimity in a given area or case, the European Council may adopt a decision authorizing the Council to act by a qualified majority in that area or in that case.”

Germany: Restrictions on dividend distribution

The CJEU found that the trade tax provisions at issue are likely to dissuade resident parent companies from investing their capital in subsidiaries established in non-member states because the deductibility of dividends paid by the subsidiaries in non-member states is subject to stricter conditions than those for dividends paid by resident companies. As such, it constitutes a restriction on the movement of capital between member states and non-member states, which is prohibited by article 63 of the Treaty on the Functioning of the European Union, the Court concluded.

OECD: Tax report for 2018

On 5 September 2018, the OECD published “[Tax Policy Reforms 2018: OECD and Selected Partner Economies](#)”, Annual report identify major tax policy trends. The report covers the 35 OECD countries, plus Argentina, Indonesia and South Africa. The report highlights that economic stimulus provided by fiscal policy has become more significant. These include for example: the trend toward reducing the corporate income tax rate, with the average rate across the OECD falling from 32.5% in 2000 to 23.9% in 2018 or cuts of personal income tax mainly for low and middle income earners.

Latvia: CFC rules

Currently, there are no CFC rules under the Law. The draft amendments introduce CFC rules, imposing an obligation on taxpayers to pay corporate income tax in Latvia on income shares in a foreign company in which the Latvian taxpayer has significant participation and where the income is derived from non-genuine arrangements that have been put in place for the essential purpose of obtaining a tax advantage. If adopted by the parliament, the amendments will enter into force on 1 January 2019.



Netherlands: Tax package for 2018

The Dutch government's tax plans for 2019 and thereafter, published on 18 September 2018, include implementation of the EU Anti-Tax Avoidance Directive (ATAD 1) – most notably interest deduction limitation and CFC rules, and proposals to gradually reduce the corporate income tax rate and abolish the current dividend withholding tax (WHT) and introduce a WHT on intercompany dividend distributions to low tax jurisdictions and in abusive situations.

Australia: Taxation of digital economy

On 2 October 2018, the Australian government released a Discussion Paper seeking views on options to move towards a "fairer and more sustainable tax system for the digitalised economy." the critical points for discussion in the paper are: whether existing nexus rules for determining which countries have the right to tax foreign residence should be changed, whether the potential tax changes driven by the digitalise economy should be ring fenced to the digitalised economy or apply more widely.

EU: Non-cooperative jurisdictions list

The Council of the European Union announced on 2 October 2018 that Liechtenstein and Peru have been removed from the "grey" list of non-cooperative jurisdictions and Palau from the "black" list. The grey list consists of jurisdictions that do not meet the EU requirements for tax cooperation, but have undertaken to revise their rules. Six jurisdictions remain on the black list: American Samoa, Guam, Namibia, Samoa, Trinidad and Tobago and the US Virgin Islands. These are included on the black list because they either lack transparency or fair taxation or have not agreed to implement the BEPS minimum standards.

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Breakthrough in the Existing Practice? a Company's Management may be Liable for Additionally Assessed Tax

As our experience suggests, the Financial Administration has been exerting significant pressure on tax collection, which is reflected not only in an actual increase in tax proceeds, but also, for example, in the number of tax seizures ordered. However, the Financial Administration sometimes seeks to collect tax in highly unorthodox ways. One such procedure has been reviewed by the Regional Court in Hradec Králové – Pardubice Office (the “Regional Court”).

In the case in hand, tax (including accrued interest and fees) was additionally assessed in respect of an entity following a tax audit on the grounds of its failure to prove the VAT deduction entitlement due to not having submitted sufficient evidence demonstrating the performance of construction work. As the company did not pay the additionally assessed tax, it was subsequently unsuccessfully enforced in distraint proceedings. In most cases, the tax administrator would stop short at this point. However, in this case, the tax administrator proceeded to issue a guarantor's call in which it required that the company's statutory executive pay the tax arrears on its behalf. The tax administrator inferred the statutory executive's liability from the following facts.

Consequences of a Failure to Act with Due Managerial Care

According to the tax administrator, the statutory executive erred in that it assumed that it would not be necessary to prove the performance of the construction work in the future. In the tax administrator's view, this error must be necessarily interpreted as a failure to act with due managerial care as the statutory executive was obliged to keep both a copy of the construction log and of the actual documents. As the tax administrator states, this error resulted in the company incurring detriment for which, if it is not settled, the statutory executive is liable and, as a result, he or she may be required to pay the additionally assessed tax.

A Positively Negative Regional Court Ruling

The Regional Court revoked the ruling of the Appellate Financial Directorate; however, this was not on account of the incorrectness of the whole structure of the statutory executive's liability. Instead, the Regional Court directly addressed the conditions under which the above stated liability obligation may originate.

Firstly, the Regional Court stated that additionally assessed

tax **cannot** be automatically considered to constitute detriment incurred on account of a failure, if any, to act with due managerial care, the reason being that the amount of tax is determined by law and its payment is mandatory. Nevertheless, according to the Regional Court, interest and fees accrued in respect of the tax – ie, default interest or fees, whose amount is, in some cases, as high as the tax itself – could be considered to constitute such detriment. The Regional Court subsequently reviewed whether the statutory executive failed to act with due managerial care in not having stored the documents. The Regional Court arrived at the conclusion that no legislation stipulates such an obligation and, if the Financial Administration wished to infer a failure to act with due managerial care from this “negligence”, it would have to provide a thorough justification thereof. Therefore, the ruling has been revoked for unverifiability.

Tax Audit Implications

The Appellate Financial Directorate has not filed a cassation complaint against the Regional Court's ruling. However, sooner or later, the Supreme Administrative Court is bound to address the issue of whether it is at all possible to infer management's liability for additionally assessed tax. Therefore, as the Regional Court has so far confirmed the theoretical possibility of recovering tax arrears from persons who have violated their obligation to act with due managerial care (ie, namely from all members of statutory bodies), it is possible that, in performing tax audits, the whole Financial Administration will, besides proving the facts resulting in the additional tax assessment, also focus on proving the violation of obligations by the entity's management. Entities, or, to be precise, their elected bodies, should, therefore, consider what obligations may be expected of them by tax administrators in relation to their activities. The statutory body of an entity which, in relation to its activities, is at heightened risk of involvement (albeit unintentional) in VAT carousel fraud should focus on setting effective and efficient control measures in respect of its business partners.

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The India Project: Simplifying the Procedure for Highly-Qualified Indian Citizens Entering the Czech Market

On 19 September 2018, the Coordination Authority for Border Protection and Migration ruled with immediate effect on expanding the Ukraine Project by India.

The project entitled “Special Procedure Focusing on Highly-Qualified Employees from Ukraine and India” **will simplify the steps for up to 500 highly-qualified Indian citizens entering the Czech Republic’s market.** So far, the project focus

has only been on professionals from Ukraine. The annual quota for applications to be made by Ukrainian employees has also been 500. The date on which applications for blue cards or employee cards can be filed by applicants who are Indian citizens participating in the Project is **1 October 2018.** The filings can be made with the Czech Republic’s Embassy in New Delhi.

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Conceptual changes in provisions regarding vacation time and minimum wage and more than 80 additional proposed changes effective already from 1 July 2019...

...are brought by the draft amendment to the Labour Code presented by the Ministry of Labour and Social Affairs. It is a more modest act compared to the very ambitious but unsuccessful draft from 2016, but it is still worth our attention.

Changes in the regulation of vacation time

The current regulation of vacation time in the Labour Code has been considered unsuitable for a relatively long time. The newly proposed concept should include the right to vacation time expressed in hours; its calculation will depend on the employee’s working hours per week. In line with requirements arising from practice, it should be allowed to transfer vacation time exceeding the legally required four weeks to the next year. Changes will also affect the use of vacation time, its reduction in the event of unexcused absence etc.

Flexibility?

Unfortunately, the amendment does not include an explicit regulation of working from home (home office). The Ministry of Labour and Social Affairs responds to the voices calling for the introduction of more modern principles that would bring greater flexibility to our labour market by introducing “job sharing”. This would refer to a set-up where two or even more employees share one job position and divide their working time themselves so that they cover the required working hours based on a written agreement between the employer and all the employees sharing the job position.

Delivery

Another problem often encountered in practice has been the discrepancy in the deadlines related to the delivery of labour-law documents. The Labour Code should now be made compliant with the delivery conditions of the Czech Post, i.e. The period for picking up a letter stored at the post office (due to failure to deliver it personally to the employee) will now amount to 15 calendar days (instead of the current 10 business days). Employees will also be required to notify their employer in writing about any change of address where their employer can send documents to them.

Minimum and guaranteed wage

Another proposal concerns the introduction of a fixed mechanism for the valorisation of minimum wage (as well as the lowest levels of guaranteed wage). The objective of the proposal is to set up a valorisation mechanism so that the minimum wage is increased regularly and its amount can be estimated easily and in good time. According to the proposed amendment, minimum wage should amount to 0.548 times the average gross monthly salary in national economy for the calendar year before last (rounded up to the nearest hundred).

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Approaching deadline for an entry of beneficial owners information in the Beneficial Owners Register

An amendment to Act No. 304/2013 Coll., on Public Registers of Legal Entities and Individuals, effective since 1 January 2018, has introduced the Beneficial Owners Register (the "Register") in which all legal entities recorded in the Commercial Register need to record their beneficial owners by no later than on 1 January 2019. Other legal entities recorded in other public registers (including trusts) have to do so by 1 January 2021. What does this duty entail in practice, how complicated is it and what issues may arise?

Who is the beneficial owner?

Under Section 4 (4) of Act No. 253/2008 Coll., on Selected Measures against Money Laundering and Terrorism Financing (the "AML Act"), a beneficial owner means an individual who has a factual or legal possibility to exercise a direct or indirect controlling influence in a legal person, trust or other legal arrangement without legal personality status. The beneficial owner always refers to a specific individual (or a group of individuals). The AML Act further specifies the facts that may indicate a beneficial owner. Nevertheless, the existence of such facts does not need to necessarily mean that the given individual is a beneficial owner. It is always necessary to assess whether the individual has the possibility to exercise a controlling influence.

Companies are obliged to identify the beneficial owner and keep up-to-date data for customer due diligence, including the facts constituting the beneficial owner status or other substantiation as to why the individual is considered a beneficial owner.

Beneficial Owners Register

The Register was established on a basis of a requirement of the 4th AML directive for the retention of data on beneficial ownership in a central register ensuring the availability of up-to-date and accurate information on ultimate beneficial owners to state bodies, Financial Intelligence Units (FIUs) and obliged entities when taking customer due diligence measures. As a matter of fact, it may be easy to disguise beneficial owners in complex corporate relations.

The Register is a non-public register. Information on beneficial owners is not provided along with a copy of an entry in a public register, nor is it published. The Register may be accessed by a limited yet relatively large scope of people including, apart from state authorities, representatives of obligated persons which have a duty to identify and verify beneficial owners as defined in the AML Act (this principally involves banks and other financial institutions).

The entire process is certainly not completed with the first entry of beneficial owners in the Register. The data need to be up-to-date and accurate.

What does a failure to enter the beneficial owner in the Register result in?

Sanctions have not yet been defined for a legal entity that does not disclose and enter the information on its beneficial owners in the Register by 1 January 2019. Nevertheless, this may pose an issue when the entity applies for providing financial services as pursuant to the AML Act, financial institutions shall conduct customer due diligence including the beneficial owner identification and verification. When the Register is used for the verification and a discrepancy is identified (or no information is found), this may complicate the provision of a banking product or service.

However, legal entities may encounter other issues in tendering for a public contract or applying for a grant from the EU funds.

Pursuant to Act 134/2016 Coll., on Public Procurement, the public contracting authority should obtain data on the beneficial owner from the Register. Therefore, if this information is missing in the Register or is contrary to other declared data on the beneficial owner, the chances of the legal entity's success in the tender procedure will decrease.

Based on an announcement published on the website of the Ministry of the Industry and Trade, the managing body of the Enterprise and Innovations for Competitiveness Operational Programme included a condition in calls published since June 2018, stating that entities without beneficial owners recorded in the Register as of the date of the grant application will not qualify for the grant under the programme.

Is it complicated to make an entry in the Register?

For some legal entities with a simple ownership structure, the identification of their beneficial owner and its entering in the Register will not be a major issue. Nevertheless, in our practice we have encountered companies (not only large ones) with such ownership structures, voting rights arrangements etc. that make it complicated to identify beneficial owners. A seemingly unambiguous term "beneficial owner" has a statutory definition entailing many difficulties. A classic example relates to companies co-owned by foreign legal entities.

Increased attention shall also be paid by companies operating in multiple countries (especially within the EU) in which similar registers and duties may also be in place but the definition of beneficial owners may differ and, consequently, other individuals may be entered in local registers. For example, a beneficial owner in the U.S. refers to a person holding 10% of voting rights, as opposed to 25% in most EU member states.



Tax liabilities – November 2018

November

Friday, 9	Consumption tax	Tax maturity for September 2018 (except the consumption tax on alcohol)
Wednesday, 14	Intrastat	Submission of statements for intrastat for October 2018, paper form
Friday, 16	Intrastat	Submission of statements for intrastat for October 2018, electronic form
Monday, 20	Income tax	Monthly payment of deducted advance payments on personal income tax from employment
Monday, 26	Value added tax	Tax return and tax for October 2018
		EC Sales List for October 2018
		VAT control statement for October 2018
	Energy taxes	Tax return and tax maturity on gas, solid fuels and electricity for October 2018
	Consumption tax	Tax maturity for September 2018 (only the consumption tax on alcohol)
Tax return for October 2018		
Tax return for claiming of refund of consumption tax, for example on fuel oil, other petrol (benzine) for October 2018 (if applicable)		
Friday, 30	Real estate tax	Tax maturity of 2nd tax payment (all tax payers with tax duty above CZK 5,000)
	Income tax	Payment of special-rate withholding tax for October 2018



Tax liabilities – December 2018

December

Monday, 10	Consumption tax	Tax maturity for October 2018 (except the consumption tax on alcohol)
Friday, 14	Intrastat	Submission of statements for intrastat for November 2018, paper form
Monday, 17	Road tax	Advance payment on tax for October and November 2018, possibly the maturity of one advance payment of tax (minimally in amount of 70 % of the annual tax obligation) - in a case of taxpayer, who is an operator of trucks, trailers and semitrailers with maximum allowed weight of 12 tonnes and more, to whom the tax is decreased by 48 % according to § 6 paragraph 10 based on Act on Road Tax
	Income tax	Quarter or half-year tax advance payment
Tuesday, 18	Intrastat	Submission of statements for intrastat for November 2018, electronic form
Thursday, 20	Income tax	Monthly payment of deducted advance payments on personal income tax from employment
Thursday, 27	Value added tax	Tax return and tax for November 2018 EC Sales List for November 2018 VAT control statement for November 2018
	Energy taxes	Tax return and tax maturity on gas, solid fuels and electricity for November 2018
	Consumption tax	Tax maturity for October 2018 (only the consumption tax on alcohol) Tax return for November 2018 Tax return for claiming of refund of consumption tax, for example on fuel oil, other petrol (benzine) for November 2018 (if applicable)
Monday, 31	Income tax	Payment of special-rate withholding tax for November 2018

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The Current Schedule of Calls under the Operational Programme Enterprise and Innovations for Competitiveness 2014 - 2020

The table below outlines the current schedule of calls already issued under the Operational Programme “Enterprise and Innovations for Competitiveness 2014 - 2020”, including the submission deadlines when applying for support under individual sub-programmes.

Programme name	Programme focus	Call type	Subsidised territory	Recipient type*	Planned period to submit applications for support
Fifth Call under the <i>Potential</i> programme	Subsidies for establishing and/or expanding centres for industrial research, development and innovation	In rounds	Czech Republic, outside the capital city of Prague	SME, LE whose business relates to the environment or who cooperate with SME	From 1 Oct 2018 to 3 Jan 2019
Fifth Call under the <i>Innovation</i> programme	Subsidies for the purchase of production technology to implement new or innovated products in the production and place them on the market	Ongoing	Czech Republic, outside the capital city of Prague	SME, LE whose business relates to the environment	From 26 Sep 2018 to 27 Nov 2018
Sixth Call under the <i>Application</i> programme (both for projects for which the effective cooperation has and has not been established)	Subsidies for industrial research and experimental development	In rounds	Czech Republic, outside the capital city of Prague	SME, LE whose business relates to the environment or who cooperate with SME	From 28 Aug 2018 to 17 Dec 2018
Third Call under the <i>Property</i> programme	Subsidies for the modernisation of production premises and renovation of the existing obsolete business infrastructure and premises (such as brownfields)	Ongoing	Czech Republic, outside the capital city of Prague	SME	From 22 Oct 2018 to 22 May 2019
Third Call under the <i>Energy Savings in Heat Supply Systems</i> programme	Subsidies for the renovation and expansion of heat supply systems and increasing the CHP (combined heat and power) efficiency	Ongoing	Czech Republic, outside the capital city of Prague	SME, LE	From 11 Jun 2018 to 31 Mar 2019
Fourth Call under the <i>Energy Savings</i> programme	Subsidies and activities related to savings in final energy consumption	Ongoing	Czech Republic, outside the capital city of Prague	SME, LE	From 2 Jul 2018 to 29 Apr 2019
Fourth Call under the <i>Renewable Energy Sources</i> programme	Subsidies for projects of producing and distributing energy from renewable sources	Ongoing	Czech Republic, outside the capital city of Prague	SME, LE	From 3 Aug 2018 to 29 Mar 2019



Programme name	Programme focus	Call type	Subsidised territory	Recipient type*	Planned period to submit applications for support
Fourth Call under the <i>ICT and Shared Services – Establishing and Operation of Shared Services Centres</i> programme	Subsidies for establishing and operating shared services centres	Ongoing	Czech Republic, outside the capital city of Prague	SME, LE	From 28 Aug 2018 to 28 May 2019
Fourth Call under the <i>ICT and Shared Services – Construction and Modernisation of Data Centres</i> programme	Subsidies for the modernisation and establishment of data centres	Ongoing	Czech Republic, outside the capital city of Prague	SME, LE	From 31 Aug 2018 to 31 May 2019

In early October, the schedule of calls under the operational programme “Enterprise and Innovations for Competitiveness 2014 - 2020” was updated. Also, the deadline of issuing the call *ICT and Shared Services - Creation of New IS/ICT Solutions* was specified, including the deadline by which the relevant applications shall be submitted. The anticipated time during which the call will be issued is December 2018.

Programme name	Programme focus	Call type	Subsidised territory	Recipient type*	Planned deadline to submit applications for support
Fourth Call under the <i>ICT and Shared Services - Creation of New IS/ICT solutions</i> programme	Subsidies for the creation of new IS/ICT solutions	Ongoing	Territory of the Czech Republic, except for the capital city of Prague	SME, LE	From Feb 2019 to Nov 2019

* SME – small to medium-sized enterprises; LE – large enterprises

Updated Timeline of Calls under the Operational Programme Environment for 2019

In September, the timeline of calls under the *Operational Programme Environment* was updated. As such, next year, support can be drawn under 16 new calls totalling CZK 11.9 billion of obtainable funding. The calls are divided into five priority axes:

- Improving water quality and reducing flood risks
- Improving air quality in human settlements
- Waste management and material flows, environmental burden and risks
- Protection and care for nature and landscape
- Energy savings

In addition to the planned calls, next year also the existing 11 open calls will be in progress. Given this, applicants will be able to submit their applications for support under a total of 27 calls. The applications will be accepted by the State Environmental Fund of the Czech Republic and the Nature Conservation Agency of the Czech Republic.



Announcement of the National Tender “CHIST-ERA III”

On Wednesday, 3 October 2018, the Technology Agency of the Czech Republic announced the public tender entitled CHIST-ERA III. The tender is intended for candidates that succeeded in the joint international call entitled CHIST-ERA III issued in 2017. The tender forms part of the “EPSILON” programme for the support of applied research and experimental development.

Support will be provided to projects that aim to attain at least one of the outputs/goals supported by the EPSILON programme. This includes, for example, industrial designs and utility models, prototypes, software or certified technology.

The candidates that may apply under this tender may be enterprises and research organisations that were evaluated as successful under the joint international call CHIST-ERA III from 2017, whose projects were recommended to receive support and who have received the Decision Letter issued by the CHIST-ERA III syndicate.

The maximum amount of support per project under this public tender is 60% of total eligible costs.

The deadline by which the project drafts can be submitted is 15 November 2018.

Planned Issuance of Call “EuroNanoMed 3”

In accordance with the defined schedule, in November the Technology Agency of the Czech Republic will issue the joint call entitled “EuroNanoMed 3” for 2019 under the “EPSILON” programme that enables support of applied research and experimental development.

The call will be composed of the following three topics:

- Regenerative medicine
- Diagnostics
- Targeted delivery systems

Support will be provided to projects in the area of nanomedicine, specifically in the field of diagnostics and targeted delivery systems.

The anticipated deadline by which the project drafts can be submitted is January 2019.

Open Call Issued by the European Space Agency

The call of the European Space Agency (ESA) for Czech enterprises and organisations entitled “Support of Space-related Activities in the Czech republic” is still open.

The call is designed for Czech companies (including SMEs) and academic and research organizations. Both individual entities and project syndicates may join the programme.

Support will be provided to projects that focus on establishing capacities and enhancing the technology level in technological fields that are relevant for space research. At the same time,

the Czech candidates have to be integrated within ESA's supplier structures.

Obtainable support amounts to 90 % of eligible operating costs. The draft projects will be assessed and evaluated both by ESA and the relevant department of the Czech Ministry of Transport.

The current deadline to submit project drafts is 12 December 2018. Please contact us for more details on the call and the relevant technological areas.



Contacts

If these issues relate to your company, we would be happy to provide you with more detailed information. Feel free to contact us at any time

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