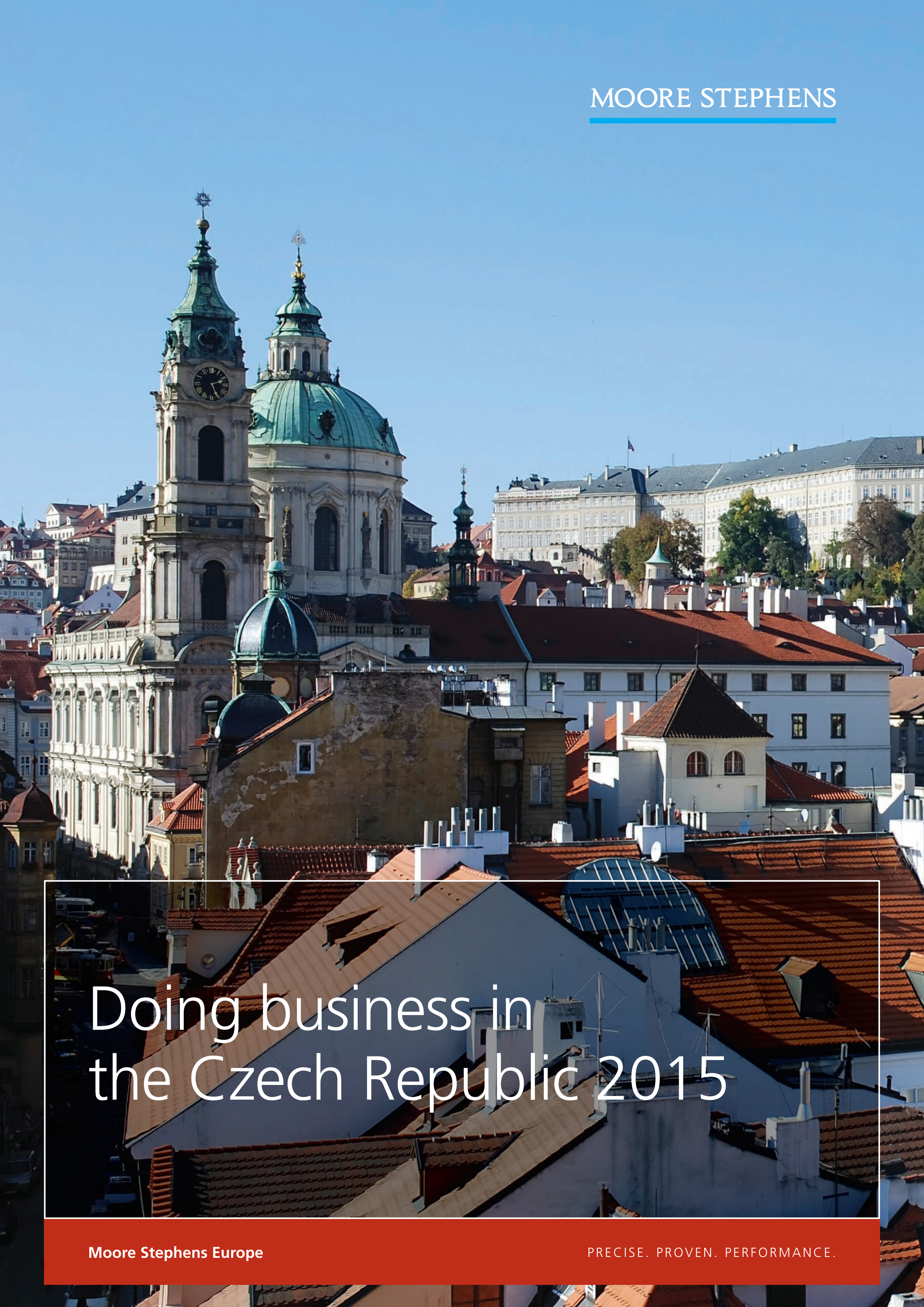

MOORE STEPHENS

Doing business in the Czech Republic 2015

Moore Stephens Europe

PRECISE. PROVEN. PERFORMANCE.

Introduction

The Moore Stephens Europe *Doing Business In* series of guides have been prepared by Moore Stephens member firms in the relevant country in order to provide general information for persons contemplating doing business with or in the country concerned and/or individuals intending to live and work in that country temporarily or permanently.

Doing Business in the Czech Republic 2015 has been written for Moore Stephens Europe Ltd by Moore Stephens s.r.o. In addition to background facts about the Czech Republic, it includes relevant information on business operations and taxation matters. This Guide is intended to assist organisations that are considering establishing a business in the Czech Republic either as a separate entity or as a subsidiary of an existing foreign company. It will also be helpful to anyone planning to come to the Czech Republic to work and live there either on secondment or as a permanent life choice.

Unless otherwise noted, the information contained in this Guide is believed to be accurate as of 1 January 2015. However, general publications of this nature cannot be used and are not intended to be used as a substitute for professional guidance specific to the reader's particular circumstances.

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Our member firms' objective is simple: to be viewed as the first point of contact for all our clients' financial, advisory and compliance needs. They achieve this by providing sensible advice and tailored solutions to help their clients' commercial and personal goals. Moore Stephens member firms across the globe share common values: integrity, personal service, quality, knowledge and a global view.

Brussels, May 2015

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1. The Czech Republic at a glance

Geographical location and population

The Czech Republic has an area of 78 864 km^2. It is located in the geographical heart of Europe, and is bordered by Poland to the north, Slovakia to the east, Austria to the south and Germany to the west.

The population of the Czech Republic is 10.5 million (as of 30 September 2014). Prague, the capital, is the largest city, with a population of 1.25 million. Other major urban centres include Brno, Ostrava, Plzeň, Liberec and Olomouc.

Language, climate

The official language of the Czech Republic is Czech, which is a member of the western Slavic group of languages.

The climate is continental, with mild, sometimes hot summers and frequently cold winters; rainfall is generally moderate

History, politics & government

The modern Czech Republic (*Česká republika*) consists of the historical territories of Bohemia and Moravia, plus a small part of Silesia. Originally a small duchy around Prague, under the Přemyslid dynasty and their successors, Bohemia became a powerful state and was elevated to a kingdom in 1212. Although formally a part of the Holy Roman Empire from 1002, it was only after the battle of Mohács in 1526 that Bohemia became integrated into the Hapsburg monarchy. It was the Bohemian revolt, which commenced with the famous Defenestration of Prague in 1618, that sparked off the Thirty Years' War. During the 19th century, Bohemia, now part of the Austro-Hungarian Empire, became that Empire's most industrially advanced region. Increasing nationalist sentiment culminated in the establishment of the Czechoslovak Republic (consisting of the Czech lands and Slovakia) in 1918, following the collapse of the Empire after its defeat in World War One. After 1934, Czechoslovakia remained the only full democracy in the whole of Central and Eastern Europe, but after the Munich agreement of 1938, was progressively occupied and annexed by Nazi Germany (although a puppet state was established in Slovakia). After the end of the World War Two, the Communist party seized power in a coup d'état in 1948 and imposed Soviet-style Communism on the country. The Prague Spring in 1968, in which a partial liberalisation of the Communist régime began, led to an invasion by Warsaw pact forces in August 1968. In 1989, in the so-called Velvet Revolution, the Communist régime collapsed and democratic rule was restored. On 1 January 1993, Czechoslovakia was peacefully dissolved into the two constituent states – the Czech Republic and Slovakia (the Slovak Republic). The Czech Republic became a member of the European Union in 2004 and of NATO in 1999.

The Czech Republic is a parliamentary republic, in which the President as Head of State has certain reserved powers. The President may serve no more than two consecutive terms. Until 2013, the President was elected by a joint session of the two houses of Parliament, but 2013 saw the first direct election, in which Miloš Zeman,of the centre-left Party of Civic Rights (SPOZ), was the victor. The head of government is the Prime Minister. This post is currently held by Bohuslav Sobotka, of the Czech Social Democratic Party. The next general election is scheduled for 2017.

The Czech Parliament is bicameral. The lower house, the Chamber of Deputies, consists of 200 members elected every four years from 14 constituencies under the party-list system of proportional representation. The upper house, the Senate, is also directly elected and comprises 81 members, elected for six-year terms, in thirds every two years, in single-member constituencies in a two-round majority system.

Currency, time zone, weights & measures

The currency of the Czech Republic is the Czech crown, the koruna, ISO symbol (CZK). At the time of going to press (late April 2015), the koruna was quoted at 1 EUR = CZK 27.4548 and at 1 USD = CZK 24.5469. The Czech Republic uses Central European Time (UTC+1) and in 'summer', UTC+2=CEST (Central European Summer Time). The metric system and the Celsius temperature scale are in use.

General economic outlook

The Czech Republic has been a member of the European Union (EU) since 1 May 2004. Since that day the Czech market has been entirely open for both existing and new EU Member States. The Czech Republic does not apply any restrictions to entrepreneurs based in the EU area.

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Foreign investors especially appreciate the unique location of the Czech Republic in Central Europe, its infrastructure, economic stability, expert knowledge and labour flexibility.

2. Doing business

Main forms of business organisation

The basic provisions governing business obligations and other specific aspects of doing business in the Czech Republic are set out in the Companies Act (*Zákon o obchodních korporacích*) and in the Civil Code (*Občanský zákoník*).

The main types of business entity are as follows.

The limited-liability company

This form of company, known in Czech as the *společnost s ručením omezeným*, abbreviated to *s.r.o.*, is broadly equivalent to the German GmbH or the English private limited company (Ltd). It has a minimum share capital of CZK 1and may be incorporated by one or more persons, whether legal or natural. As its name implies, its members are liable for the company's debts only to the extent of any unpaid share capital. There is no restriction on foreign members or foreign directors. The company may have one or more directors, who together make up the executive board, and may at its discretion also appoint a supervisory board. Each shareholder may transfer his share to another shareholder unless the company's articles make such a transfer conditional upon consent of the company board.

The joint-stock company

This form of company, known in Czech as the *akciová společnost*, abbreviated to *a.s.*, is broadly equivalent to the German AG or the English public limited company (plc). The a.s. is the only type of company that may offer its shares to the public. It has a minimum share capital of CZK 2 million or EUR 80 000, at least 30% of which must be paid up. Banks and insurance companies have a minimum capital requirement of CZK 500 million. The company's internal organisation can be dualistic (board of directors plus supervisory board) or monistic, where the management board acts as the company's supervisory body and the statutory director as the company's statutory body. The board, consisting of at least one director, and a supervisory board, also comprising at least one member. There is no requirement that members or directors be resident in the Czech Republic or be Czech nationals. The minimum number of shareholders is one and there is no maximum number of shareholders. As from 1 January 2014, it is no longer mandatory for employees to be represented on the supervisory board.

The general partnership

Known as the *veřejná obchodní společnost*, abbreviated to *v.o.s.* in Czech, this is formed by two or more persons carrying on business under a common name. Partners may be legal persons or natural persons. The partners have unlimited joint and several liability for the partnership's debts.

The limited partnership

This type of partnership (*komanditní společnost, k.s.*) is formed by two or more natural or legal persons. At least one of the partners must be a general partner, with unlimited liability for the debts of the partnership. At least one partner must be a limited partner, liable for the partnership's debts only to the extent of his unpaid contributions to the partnership capital, as recorded in the Commercial Register.

Other entities

Mention should also be made of the cooperative (*družstvo*),which may be formed by a minimum of three members to undertake business activities for the economic or social benefit of their members. Members are not liable for the obligations of the cooperative. A cooperative has no minimum capital requirement.

Since January 2014, the revised Czech Civil Code allows for the creation of trusts.

European Economic Interest Groupings and European Companies (SEs) may also be established in the Czech Republic. The Czech Republic currently has the greatest number of SEs in the whole of the European Union.

Foreign companies may establish a branch in the Czech Republic. A branch is not a separate legal person but must be registered in the Commercial Register.

Labour relations & working conditions

The Czech Republic has a skilled and educated labour force. Labour relations and working conditions are set in the Labour Code (*Zákoník práce*) and government decrees. The maximum working week is 40 hours. The standard working week is Monday to Friday.

The statutory minimum wage is CZK 55 per hour (2015 rate). The average annual salary in the third quarter of 2014 was CZK 25 219. An employee is entitled to holiday pay and to a minimum of 20 days' paid annual leave a year (if working full-time). The Czech Republic has 12 public holidays a year.

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Employees are free to join or not to join a trade union. According to the ICTWSS database of union membership, about 17.3% of eligible employees were members of a trade union in 2009. There is no single nationwide trade-union confederation, but the largest is the ČMKOS (*Českomoravská konfederace odborových svazů*).

As of December 2014, the average unemployment rate was 7.5%.

Employees and employers make social security contributions (see Chapter 9).

Work permits, residence permits, visas etc

Foreigners from outside the European Union wishing to work in the Czech Republic need to have a valid work permit issued by the Labour Office (*Úřad práce*) and a residence permit to live in the Czech Republic.

3. Finance and investment

Business regulation
Intellectual property, trademarks and copyrights are protected in the Czech Republic under the Copyright Act (*Autorský zákon*).

Banking & finance
The Czech National Bank (*Česká národní banka* – CNB) is the central bank of the Czech Republic. The CNB regulates monetary policy, banking supervision and the financial markets.

Share trading is carried out on the Prague Stock Exchange (*Burza cenných papírů Praha*), which was founded in 1861 but reopened in its present form in 1993. It operates two markets – SPAD for large and medium investors, and module auctions for smaller investors. The Exchange is owned by CEESEG Aktiengesellschaft - Wiener Börse AG.

Exchange controls
The Czech Republic does not operate exchange control, so funds may flow freely into and out of the country. Certain statistical reporting is, however, necessary.

Incentives to investment
The Czech Republic offers a variety of investment incentives under various conditions. Investment incentives include:
- Income tax relief (see Chapter 6)
- Employment subsidies for job creation
- Purchase of land at advantageous prices
- Training and retraining of employees
- Purchase of construction sites

For some projects, subsidies from EU Structural Funds may also be available.

4. The accounting and audit environment

Accounting regulations

Czech accounting legislation is harmonised to a great extent with EU law. Nevertheless, the tax and accounting legislation differ considerably.

The contents of financial statements are prescribed by law and must be drawn up according to Czech generally accepted accounting standards. Czech accounting differs slightly from International Financial Reporting Standards (IFRS). For instance, a leased asset is to be shown in the lessor's balance sheet.

Annual financial statements must consist of a balance sheet, income statement, a statement of cash flows and notes to the financial statements. Annual financial statements are published in the Commercial Register, and must be filed together with the company tax return at the relevant local tax office.

Companies traded on the stock exchange have to use IFRS, as modified by EU law.

Accounting Directives and the Accounting Act (*Zákon o účetnictví*) regulate double-entry bookkeeping only. Individual enterprises with a turnover below the registration threshold for the Commercial Register (i.e CZK 25 million) may keep single-entry accounts in accordance with the Income Tax Act (see Chapter 7).

Accounting records must be kept in the Czech language and in Czech crowns.

Audit requirements

The financial statements, consolidated financial statements and annual reports must be audited by an independent auditor where prepared by:

- all banks and mutual funds
- joint-stock companies that in the current and the previous accounting period meet at least one of the following criteria, and other entities that meet two of those criteria:
  - net turnover exceeding CZK 80 million per annum
  - total assets exceeding CZK 40 million
  - average number of employees exceeding 50

Audits of financial statements are conducted under International Auditing Standards.

5. Overview of the tax system

Main taxes

- Corporate income tax (*daň z příjmů právnickych osob*)
- Personal income tax (*daň z příjmů fyzických osob*)
- Value added tax (VAT) (*daň z přidané hodnoty*)
- Customs duties (*cla*)
- Excise duties (*spotřební daně*)
- Immovable property tax (*daň z nemovitých věcí*)
- Real estate acquisition tax (*daň z nabytí nemovitých věcí*)
- Road tax (*silniční daň*)

The Czech Income Tax Act (*Zákon o daních z příjmů*) regulates both the taxation of corporate bodies and individuals.

An extensive reorganisation of the Czech Tax Administration came into effect on 1 January 2013. In addition to the existing General Financial Directorate and Specialised Financial Office, an Appellate Financial Directorate, located in Brno, as well as 14 new tax offices were created.

A specialised Tax Office (STO) has nationwide jurisdiction for large taxpayers making a significant contribution to tax revenue.
The purpose of establishing the Appellate Financial Directorate with nationwide jurisdiction is to ensure a unified approach to the taxpayer in the appeals procedure.

The fourteen regional tax offices located in each of the regions (plus one in Prague) replace the previous local tax offices and are responsible along with STO for tax collection.

A similar reorganisation, resulting in the establishment of 14 new regional customs offices and Prague Ruzyně customs office was also carried out in the area of customs administration.

The frequency of tax audits depends on the place of a taxpayer's residence – commonly, tax audits take place more often in smaller towns and municipalities.

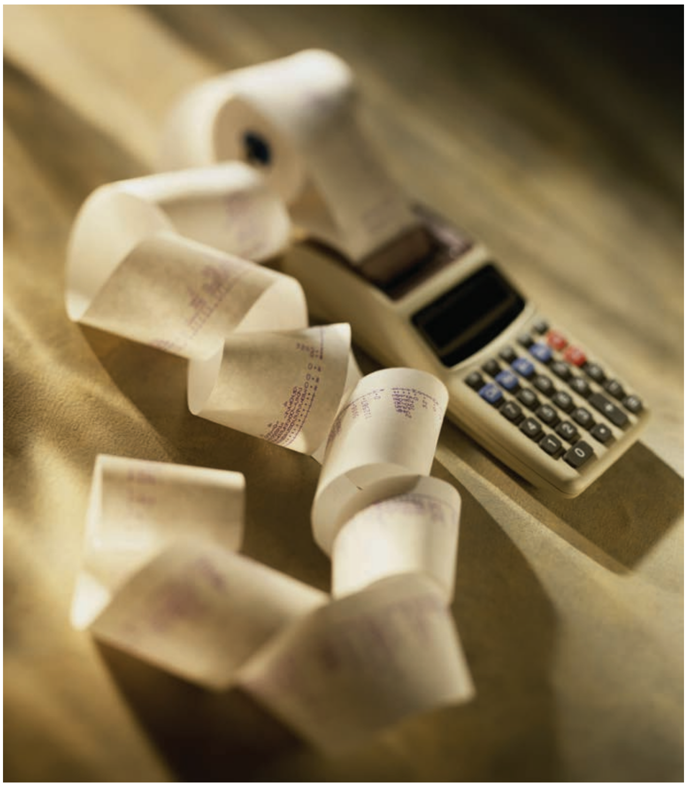
Prospective changes

No additional changes are currently expected in tax legislation applicable to 2015. It is likely that there will be some changes in tax legislation in 2016.

Appeals

Taxpayers have the right to appeal against decisions of the tax authorities arising from tax audits and leading to an increase in their tax liability. Appeals must be made in writing to the authorities within the period relevant to the decision (this is usually 30 days). Taxpayers who remain dissatisfied with the appeal decision may then appeal to the courts.

6. Taxes on business



Corporate income tax

Nature and scope

Corporate bodies are subject to corporate income tax, which is governed by the Income Tax Act (*Zákon o daních z příjmů*) and related legislation.

Resident companies are taxed on their worldwide income and non-resident companies only in respect of their Czech-source income.

Definition of residence

A company is considered to be resident in the Czech Republic if it has its legal 'seat' (registered office) or its place of effective management there.

Taxable persons

Companies and other corporate bodies (including mutual funds) are subject to corporate income tax. The treatment of partnerships is mixed. In a general partnership, only income subject to a final withholding tax is taxed at the partnership level; other income is taxed in the hands of the individual partners. In a limited partnership, the limited partner's or partners' shares are subject to corporate income tax whereas the general partners' shares are taxed at the level of those partners.

Taxable period

The taxable period corresponds to the accounting period, which is the calendar year by default. Companies wishing to adopt an accounting period other than the calendar year must first notify the tax authorities and do so at least three months before the intended commencement date of the new period.

Taxable income

The taxable profit is based on the pre-tax profit as recorded in the income statement, and is adjusted for exempt income and disallowable deductions.

Exempt income

Exempt income most notably includes certain dividends and capital gains.

Capital gains

Capital gains are generally taxable as income. However, gains derived from the disposal of shares qualifying for the participation exemption (see under 'Dividends' below) are exempt in turn.

Deductions

All expenditure incurred in generating and maintaining taxable income is normally deductible for tax purposes.

Depreciation

According to Czech GAAP, asset depreciation must correspond to the expected useful life of the asset. Under the Income Tax Act, fixed assets are divided into six depreciation groups, each with its own depreciation period, and tax depreciation is independent of the date of acquisition and of the age of the asset. Companies may also choose not to take depreciation in any accounting period. Tax depreciation can thus considerably diverge from accounting depreciation, especially if accelerated depreciation is available for tax purposes.

Generally speaking, the rate of depreciation does not simply correspond to the inverse of the depreciable period, since the rate applied in the year of acquisition is generally lower and the rate in subsequent years generally higher than the rate that would apply if depreciation were taken uniformly.

Table 1 shows the six categories of asset and the corresponding (straight-line) rates of depreciation under the default method.

Table 1

Depreciation category	Description of asset	Depreciation period (years)	First-year rate (%)	Rate in subsequent years (%)
1	IT and office equipment, some horticultural and agricultural machinery	3	20	40
2	Motor vehicles, aircraft, some machinery	5	11	22.25
3	Heavy machinery	10	5.5	10.5
4	Pipelines, power lines, light buildings	20	2.15	5.15
5	Other buildings, bridges	30	1.4	3.4
6	Office buildings, hotels, shopping centres	50	1.02	2.02

Companies that predominantly derive agricultural or silvicultural income and are the first owners of machinery used in those activities may apply a different set of rates for assets in Classes 1 to 3. Similarly, companies that are the first owners of water-purification equipment may apply a different set of rates to assets in those categories. Furthermore, yet another set of rates (increasing the first-year rate at the expense of subsequent-year rates, but not in the case of motor vehicles) may be adopted for Classes 1 to 3 by companies that are the first owners of those assets.

A special depreciation régime applies for tangible fixed assets used for the production of electricity from solar power.
Finally, companies may opt for accelerated depreciation, which is calculated according to a formula, the result of which is to produce a modified version of reducing-balance depreciation.

Intangible assets may be amortised at a uniform straight-line rate over their estimated useful life if they cost over CZK 60 000 to acquire. Purchased goodwill (the difference between the purchase price of a going concern and the aggregate book values of its assets) may also be depreciated at an uniform rate of 6.67% (equivalent to 15 years).

Bad and doubtful debts

Provisions against bad and doubtful debts are deductible in one of three ways.

In the case of debts arising before 1 January 2014, a provision of up to 20% of the debt may be made if the debt is more than six months overdue. Where the debt exceeds CZK 200 000, prescribed steps must have been taken towards recovering the debt. A greater percentage is progressively deductible as the overdue period increases, increasing to 100% once the debt is three years or more overdue.

In the case of debts arising in the year 2014, if the debt is more than 18 months overdue, a provision of 50% of the debt may be made; if the debt is more than 36 months overdue, a provision of 100% of the debt may be made.

Finally, for debts arising from 1 January 2015, if the debt is more than 18 months overdue, a provision of 50% of the debt may be made, but if the debt is more than 30 months overdue, a provision of 100% may be made against it. This regulation can be retroactively used for debts having their due date in 2014 also.

Non-deductible expenses

Expenditure not deductible for tax purposes includes:

- Corporate income tax itself; however, immovable property tax and immovable property transfer tax are deductible (if these were paid)
- Expenditure incurred in generating non-taxable income
- Entertaining expenses (including meals with customers)
- Certain non-contractual benefits-in-kind

Dividends

Dividends received from other resident companies are generally taxable, but subject to a final withholding tax (see under 'Withholding taxes' below) and thus not included in taxable profits.

For substantial corporate shareholdings, however, there is a participation exemption. In the case of dividends from other Czech-resident companies, the exemption applies where:

- The recipient company has held at least 10% of the distributing company's share capital for an uninterrupted period of at least 12 months immediately before the distribution and
- The distributing company is resident in the Czech Republic and subject to Czech corporate income tax

The holding-period requirement may also be satisfied post facto provided that the minimum-holding requirement is satisfied at the date of the distribution.

With regard to foreign dividends, the participation exemption applies where:

- The recipient company takes one of the forms listed in the EU Parent-Subsidiary Directive (2011/96/EU) and has held at least 10% of the distributing company's share capital for an uninterrupted period of at least 12 months immediately before the distribution
- The distributing company is resident in the European Union, takes one of the forms listed in the EU Parent-Subsidiary Directive (2011/96/EU) and is subject to a corporate income tax as listed in the Directive and is unable to opt for exemption from that tax

Where the distributing company is resident outside the European Union, the participation exemption applies where:

- The recipient company has held at least 10% of the distributing company's share capital for an uninterrupted period of at least 12 months immediately before the distribution and
- The distributing company must have a legal form comparable to a Czech a.s., s.r.o. or cooperative, is resident in a jurisdiction with which the Czech Republic has concluded a double tax treaty (for which see Appendix 1) and is subject to a corporate income tax at an effective rate of at least 12%

Interest and royalties

Interest and royalties received from domestic or foreign sources are taxable at the ordinary rate of corporate income tax. Where the payer is resident in the Czech Republic, there is no withholding tax. The exemption applies on conditions similar to those for dividends, however the recipient of interest or royalties has to file an application with the tax office.

Group taxation

Czech law does not provide for any special régime for groups of companies. Thus there is no facility for transferring losses or for consolidated filing.

Losses

Losses may be carried forward for a maximum of five years and may be set off against capital gains as well as ordinary income. There is no carry-back of losses. A change of ownership affecting more than 25% of the registered share capital or voting rights will result in a forfeiture of unrelieved losses unless the company derives at least 80% of its income in the relevant period from activities identical to those performed in the period in which the loss was incurred.

Capital losses, however, are generally not deductible, except for losses arising from the sale of shares not representing a controlling or significant holding.

Thin capitalisation

Interest payable is generally deductible if the rate is no greater than arm's length and is incurred with respect to taxable income. However, financing costs (interest and related expenses) of loans from related parties are not deductible to the extent that the debt-equity ratio exceeds 4:1 (6:1 in the case of banks and insurance companies). Any excess interest may, subject to a relevant double tax treaty, be recharacterised as a dividend.

Transfer pricing

Transfer-pricing rules require prices between related parties (wherever the other party is resident) to be at arm's length. Where they are not, and the taxpayer cannot adduce valid economic reasons, the appropriate adjustments will be made.

Where a Czech company pays an above arm's length price to a related party resident outside the European Economic Area, the excess is reclassified as a dividend, subject to the appropriate rate of withholding tax.

Czech law does not prescribe what methods must or may be used to arrive at arm's length prices, but the tax authorities generally follow OECD guidelines.

There are no mandatory requirements for transfer-pricing documentation, but Decree D-334 sets out recommendations, broadly in line with the EU Code of Conduct on Transfer Pricing Documentation.

Taxpayers may apply to the tax authorities for binding rulings on the appropriateness of the methods they use to derive arm's length prices. A new annex for corporate income tax returns has been introduced for 2014 to cover an overview of transactions with related parties. The annex has to be completed by a company meeting at least one of the following criteria:

- Assets in excess of CZK 40 million or
- Net turnover exceeding CZK 80 million or
- An average number of employees exceeding 50

and where the company:

- Has carried out a transaction with a related party located abroad or
- Shown a loss in its tax return and, at the same time, carried out a transaction with a related party (in the Czech Republic or abroad) or
- Benefits from investment incentives in the form of tax relief and, at the same time, has carried out a transaction with a related party

If the company records a loss in its tax return or benefits from investment incentives, it must fill in this annex for all related parties involved in these transactions. In other cases the company will only need to report on foreign transactions.

Controlled foreign company (CFC) rules

The Czech Republic has no CFC legislation.

Withholding taxes on outbound payments

Dividends

Dividends paid to resident companies and individuals are subject to a final 15% withholding tax.

Dividends paid to non-resident persons are subject to withholding tax of either 15% or 35%. The 35% rate applies where the recipient is resident outside the European Economic Area or in a jurisdiction that has neither a double tax treaty nor a bilateral agreement for tax information exchange with the Czech Republic.

For dividend payments to companies within the European Economic Area (excluding Liechtenstein) and Switzerland, there is no withholding tax where the recipient company has held at least 10% of the share capital of the Czech distributing company for an uninterrupted period of at least 12 months immediately preceding the distribution. It is possible for the holding-period requirement to be satisfied post facto. Dividend payments in this connection extend to excess interest and transfer prices recharacterised as dividends.

These rates may be reduced under a double tax treaty.

Interest

As with dividends, interest paid to a resident natural person is subject to a final withholding tax of 15%, whereas where paid to a resident legal person, it is free of withholding tax.

Similarly, interest payable to non-resident persons is subject to withholding tax of 15% or 35%. The 35% rate applies where the recipient is resident outside the European Economic Area and in a jurisdiction that has neither a double tax treaty nor a bilateral agreement for tax information exchange with the Czech Republic.

For interest payments to companies resident within the European Economic Area (excluding Liechtenstein) or in Switzerland, there is no withholding tax where the beneficial owner of the interest is an associated company. A company is associated with the paying company where one of them has had a direct holding of at least 25% in the share capital of the other or a third person has had a direct holding of at least 25% in both for an uninterrupted period of at least two years immediately preceding the payment. It is possible for the holding-period requirement to be satisfied post facto.

Royalties

Exactly the same rules apply to royalties as apply to interest.

Other income

Payments for rents payable to foreign persons are subject to withholding tax at either 15% or 35%. The same rules apply in respect of the 35% rate as apply in respect of dividends, interest and royalties, namely that the 35% rate applies where the recipient is resident outside the European Economic Area and in a jurisdiction that has neither a double tax treaty nor a bilateral agreement for tax information exchange with the Czech Republic. There is no exemption corresponding to the Parent-Subsidiary or Interest and Royalties Directives, but tax treaties may reduce the applicable rate, down to zero in certain cases.

Double taxation relief

Foreign taxes paid abroad are generally deductible as expenses in the year following the year in which they were paid, unless a tax treaty provides otherwise or unless the tax relates to income that is exempt from corporate profit tax in the Czech Republic.

Tax incentives

Major investment

A number of tax incentives exist under varying conditions for companies making large-scale investments in the Czech Republic. The criterion for a qualifying investment may be its value in monetary terms or the number of new jobs that it creates. Incentives are available for investment in manufacturing industry, technological centres or strategic service centres.

Manufacturing industry: minimum investment in long-term tangible and intangible assets in the amount of CZK 50 million in regions with high unemployment, of which at least CZK 25 million must be invested in new machinery; in other regions, a minimum investment of CZK 100 million is required, of which at least CZK 50 million must be invested in machinery. At least half of the minimum investment amount must be financed with the investor's own capital.

Technological centres: a minimum of CZK 10 million must be invested and at least 40 new jobs created. At least CZK 5 million must be invested in machinery and at least the same amount must be funded from equity.

Strategic services: at least 40 new jobs must be created in the case of software development centres or at least a 100 new jobs in the case of shared service centres.

Where these criteria are satisfied, the company receives full relief from any resulting additional liability to corporate income tax, by comparison with the higher liability of the two years preceding the investment. If the investing company is new, it qualifies for full exemption from corporate income tax for its first 10 years.

The maximum aid amount is 25% of total eligible costs. In the case of manufacturing industry with investments in 'other' regions and concurrently with low-tech sectors, aid is reduced to 75% of the maximum state-aid intensity in individual regions. The territory of the city of Prague is excluded from the possibility of receiving investment incentives.

It is likely that there will be some significant changes in related tax legislation during 2015.

Research and development

Expenditure on approved research and development projects qualifies for a 200% deduction.

Vocational education of students

A deduction may be made of expenses incurred in support of the student or pupil: This deduction will be made in multiples of CZK 200 and the number of hours spent in the workplace.

Companies may claim an additional deduction of 50% or 110% on the cost of a property (of which the company is the first owner) acquired and at least partially used for the training of students.

Disability credit

Companies may receive a tax credit of CZK 18 000 or CZK 60 000 for each disabled employee, depending on the degree of disability.

Rate of corporate income tax

The rate of corporation income tax in 2015 is 19% (unless a final withholding tax applies).

Returns, assessment and payment

A corporate tax return must normally be filed (together with the annual financial statements) no later than the final day of the third month following the year-end (hence by 31 March in most cases). If the company concerned is subject to statutory audit or a tax adviser is involved, the deadline is extended to the last day of the sixth month (hence by 30 June in most cases).

A self-assessment system operates in the Czech Republic.

Payment of tax

Unless their final tax liability in the previous year did not exceed CZK 30 000, companies need not make advance payments of their current year's liability in instalments.

Companies whose tax liability in the previous year exceeded CZK 30 000 but did not exceed CZK 150 000 make two advance payments, each of 40% of the previous year's liability. These instalments are due by the 15th day of the sixth and twelfth months of the company's accounting period, hence normally by 15 June and 15 December. Companies whose liability exceeded CZK 150 000 must pay four equal instalments, each of 25% of the previous year's liability, no later than the 15th day of the third, sixth, ninth and twelfth months of the accounting period, hence normally by 15 March, 15 June, 15 September and 15 December.

Any balance of tax payable must be remitted together with the tax return.

Overpayments of tax will be refunded with 30 days of the taxpayer company's application.

Should the tax return be filed more than five working days late, the tax authorities charge a penalty at the rate of 0.05% of the assessed tax (0.01% of the assessed tax loss) for each day of the delay, but limited to 5% of the assessed tax (tax loss) or CZK 300 000.

In the event of delayed payment, there is a penalty for each day of the delay, starting with the fifth working day following the due date, in the amount of the annual repo rate stated by the Czech National Bank valid for the first day of the relevant calendar half-year enhanced by 14% (for the first half of 2015, this is 14.05%).

Value added tax

Value Added Tax (VAT) as regulated by the European Union is generally charged on the supply of goods or services where the place of supply is in the Czech Republic, no matter whether the customer is a private person or a business. It is thus a multi-stage tax charged at each stage of the product cycle but is ultimately borne by the end-user (final consumer). It is also levied on imports of goods from outside the European Union. The overall framework of the tax is the competence of the European Union, as legislated in the VAT Directive (2006/112/EC) and associated Directives and Regulations. These allow Member States several options in application of the tax, not the least of which is the power to set rates (within certain broad parameters).

As elsewhere in the European Union, supplies may be taxable, exempt (with or without the right to deduct) or outside the scope. Exempt supplies with the right to deduct are sometimes referred to as 'zero-rated'. Businesses making exclusively taxable or zero-rated supplies generally qualify for full deduction of input VAT (the VAT they have incurred making supplies). Businesses making exclusively exempt supplies without the right to deduct do not qualify for deduction of input VAT. Businesses making a mixture of exempt supplies without the right to deduct and taxable or zero-rated supplies may fully deduct only the input VAT directly incurred on making the taxable or zero-rated supplies. Partial deduction will be available for overheads and other indirect costs.

VAT in the Czech Republic is governed by the Value Added Tax Act (*Zákon o dani z přidané hodnoty*), which is in conformity with the EU VAT Directive (2006/112/EC).

Taxable entities

Businesses ('taxable persons') charging VAT to their customers are liable to report and pay this VAT to the Czech tax authorities. Any VAT incurred in the course of the taxable person's taxable activity (e.g. charged by the taxable person's suppliers), can in principle be deducted or set off against the VAT due. Only the net amount must be paid to the tax authorities. If there is a balance of deductible VAT, the amount is in principle recoverable from the tax authorities (but see below). Consequently, the real burden of VAT falls on the final consumer, with the intervening business effectively acting as a collecting agent for the tax authorities.

Although most taxable persons are businesses and most businesses are taxable persons, a taxable person is any person independently carrying on an economic activity. The definition of 'economic activity' is quite wide, so that on occasion, even persons not carrying on a business in the generally understood sense of the word may have to charge and pay over VAT.

VAT rates and exemptions

The standard rate of VAT in the Czech Republic is 21%. There is also a first reduced rate of 15% and a second reduced rate of 10%, introduced in 2015.

The first reduced rate applies, inter alia, to:
- Most foodstuffs
- Certain passenger transport
- Most books, newspapers and magazines
- Admission to cultural events
- Hotel accommodation and
- Medical and dental care (where not exempt)

The second reduced rate applies, inter alia, to:
- Initial and continuing baby food
- Selected pharmaceutical products
- Printed books, books for children, sheet-music

When the place of supply of goods or services is deemed to be outside the Czech Republic, no Czech VAT should be charged. This is, for example, the case for most types of services supplied to foreign businesses and intra-EU supplies. This is also the case with exports of goods from the European Union to third countries.

In the case of so-called 'zero-rated' transactions, although no VAT is charged, a taxable person who is fully established in the Czech Republic can in principle still normally deduct VAT incurred for the purpose of these activities ('exemption with the right to deduct'). There are also other exempt transactions, such as supplies of land, insurance, certain legal services as well as postal, financial, educational and health services, which do not carry the right to deduct. In other words, the taxable person making these exempt supplies cannot deduct or recover the VAT he has incurred on his purchases and expenses related to this activity ('exemption without the right to deduct').

Registration

Anyone who is liable to pay VAT to the Czech tax authorities and any taxable person 'established' in the Czech Republic (whether based in the Czech Republic or having a fixed establishment there from which taxable transactions are carried out) must in principle register for VAT purposes and obtain a VAT identification number. The Czech identification number consists of the letters CZ followed by a nine or twelve-digit number.

Foreign taxable persons with a fixed establishment for VAT purposes in the Czech Republic must register in the same way as a Czech taxable person.

Foreign taxable persons without a fixed establishment in the Czech Republic from which taxable transactions are carried out should only register for Czech VAT purposes if they carry out taxable activities in the Czech Republic for which they are liable to pay Czech VAT (i.e. where there is no application of the reverse charge, which makes the customer liable for payment of the tax due). This can, for example, be the case where the taxable person:

- Imports goods from outside the European Union
- Makes intra-EU acquisitions of goods from other Member States
- Makes local supplies of goods or services to non-taxable persons or
- Carries on a property business (selling or letting immovable property) in the Czech Republic

Registration thresholds

The small-business registration threshold in the Czech Republic is CZK 1 million (by reference to the VAT-exclusive turnover in the previous 12 months). This threshold applies only in the case of Czech taxable persons. Taxable persons not established in the Czech Republic who make taxable supplies there must register no matter what the value of their transaction(s).

The distance-selling threshold (for taxable persons selling into the Czech Republic) is CZK 1 140 000. The registration threshold for non-taxable persons making intra-EU acquisitions in the Czech Republic is CZK 326 000.

VAT returns

The standard return period is one calendar month. Businesses whose turnover in the previous calendar year did not exceed CZK 10 million (or is unlikely to exceed that amount in the current year) can apply for a quarterly return period.

Returns must be filed no later than the 25th day of the month following the end of the return period, which is when payment is also due. VAT returns must be filed electronically.

If there is an excess of input tax over output tax for a period, the excess is normally refunded.

VAT grouping

Related parties may form a VAT group. Parties are related if one directly or indirectly holds at least 40% of the share capital or voting rights in the other or the same party directly or indirectly holds 40% of the share capital or voting rights in both. Parties may also be related if they share the same management.

Blacklist of VAT payers

The VAT Act contains measures in the fight against tax evasion, including the introduction of an unreliable taxpayers register. If a supplier is identified as an unreliable payer and does not pay tax on his outputs, the tax administrator may enforce a claim for tax on his customers. It can be anticipated that customers will endeavour not to deal with VAT payers on the blacklist, which will reduce the risk of tax evasion. According to information from the General Financial Directorate, the following situations are considered as from January 2013 to be serious breaches of VAT obligations, triggering a possible entry in the register:

- Where tax exceeding CZK 500 000 had to be assessed or additionally assessed by other means (i.e. substitute means not drawing on the taxpayer's documents)
- Where the taxpayer has not paid the amount demanded under a 'securement' order within the specified time
- Where the tax authorities record VAT arrears of at least CZK 10 million (as from 1 October 2014, this amount was decreased to CZK 500 000 for arrears arising after this date) for a period of at least three consecutive calendar months.

7. Personal taxation

Personal income tax

Territoriality and residence

Individuals are subject to personal income tax. If they are resident for tax purposes in the Czech Republic, they are liable in respect of their worldwide income, whereas non-residents are liable in respect of their Czech-source income only.

An individual is considered to be resident in the Czech Republic if the individual has his or her permanent home or habitual abode there. Physical presence for 183 days or more in a calendar year is sufficient to establish a habitual abode.

The family unit

There is no joint taxation of married couples or other types of household. Each taxpayer forms a separate taxable person.

Taxable income

Personal income tax is charged on:

- Employment income
- Business income
- Investment income
- Rental income and
- ‘Other’ income

Taxable income is computed separately for each type of income and the result aggregated together. Certain types of investment income may, however, be subject to a final withholding tax and thus not be aggregated in the total taxable base.

Taxable period

The normal taxable period is the calendar year.

Exempt income

Exempt income includes alimony payable under law and prizes not exceeding CZK 10 000. For exempt capital gains, see below..

Income from employment

Income from employment includes all forms of remuneration in cash and in kind from an employment relationship, past, present or future. Fees paid to managers and directors of limited-liability companies are classed as employment income, as well as the income of a limited partner in a limited partnership.

It is a feature of Czech law that not only are an employee’s social security contributions not deductible in computing taxable income but also that the employer’s contributions are included in the employee’s taxable income.

Benefits-in-kind

Although all benefits-in-kind are in principle taxable, a wide range of benefits is exempt. Exempt benefits include:

- Reimbursement of business travel (if within the stipulated limits)
- Employer’s contributions to an employee’s supplementary pension funds and private life insurance not exceeding CZK 30 000 per year
- Vocational training fees
- Free works canteens and catering
- The value of temporary accommodation not exceeding CZK 3500 per month

A further range of benefits is exempt if provided out of a special fund for employee welfare financed by the employer from post-tax income. These include recreational and healthcare facilities, workplace nurseries and loans at favourable rates of interest for housing or in case of financial difficulties.

Where benefits are taxable, they are normally valued at market value. The value of a company car is the greater of 1% of the acquisition cost of the vehicle and CZK 1000 per month, plus the cost of employer-provided fuel for private use.
There are no deductions for expenses in employment.

Salary tax
Employers are required to deduct income tax and social security contributions from salary payments.

Business and professional income

This category of income includes income from farming, trade or business and the liberal professions, as well as the profit shares of partners in a general partnership and of general partners in a limited partnership.

Taxable income is computed in one of two ways. For businesses registered in the Commercial Register or having an annual turnover exceeding CZK 25 million, double-entry bookkeeping on the accruals method is compulsory. Such individuals compute their income and deductible expenses under the same rules that apply to companies (see Chapter 6). In other cases, income and expenditure are computed on a cash basis.

In principle, all expenditure incurred in deriving taxable income is deductible. For depreciation, see Chapter 6.

Taxpayers operating on the cash basis may choose between deducting actual allowable expenditure or claiming a standard, lump-sum deduction, as follows:

Table 2

Type of business	Deduction as % of turnover
Agriculture or industry	80 (max. CZK 1 600 000)
Other activities requiring a licence	60 (max. CZK 1 200 000)
Non-licensable business or profession	40 (max. CZK 800 000)
Hire or leasing of business assets	30 (max. CZK 600 000)

A loss may be deducted from rental income or other income. Any excess may be carried forward for up to five years.

Where members of the taxpayer's household (and from 2015, other family members) play a part in the activities of the taxpayer's unincorporated business (other than a general partnership), they may allocate the income and expenses of the business among themselves, and each such individual must then treat his or her allocated share as his or her taxable income.

Investment income

Dividends
Dividends from Czech companies are normally paid under deduction of 15% withholding tax (see Chapter 6), which is final.

Interest
Interest from securities and savings accounts is also subject to a final 15% withholding tax.

Royalties
Royalties are normally taxable as business and professional income.

Rental income
Taxable income from the rental of movable or immovable property may be reduced by actual expenses incurred or by a lump-sum 30% deduction (max. CZK 600 000). A loss may be deducted from business and professional income or other income. Any excess may be carried forward for up to five years.

Other income
Other taxable income includes non-exempt capital gains, but is exempt to the extent that it does not exceed CZK 30 000.

Capital gains
Capital gains are in principle taxable as income, but there are some important exceptions.

Gains on the sale of immovable property are exempt if the taxpayer has held the property for at least five years. In the case of the taxpayer's main residence, the gain is exempt if it has been such for at least two years preceding the sale.

Capital gains from the disposal of any securities are exempt provided that they do not exceed CZK 100 000 per year. Where gains exceed that amount, gains from the sale of portfolio shareholdings are exempt after a holding period of three years.

Deductions and allowances
Several types of private expenditure qualify for a deduction against taxable income.

Mortgage interest
The first CZK 300 000 per year of interest payable on a loan to purchase the taxpayer's main residence is deductible.

Pension contributions
Contributions paid to the state supplementary pension fund or to private pension funds are deductible up to a maximum of CZK 12 000. The same holds for life premiums.

Social security contributions (see Chapter 9) are not deductible, it will be recalled.

Charitable etc donations
Donations to charitable, cultural, educational and scientific bodies are deductible provided that the total value of deductions is the greater of CZK 1000 and 2% of taxable income before donations. The maximum deduction that may be claimed is 15% of taxable income.

Personal allowances
The taxpayer's personal circumstances are recognised through a system of tax credits rather than allowances. The main allowances are shown in Table 3.

Table 3

Type of credit	Amount (CZK)
Personal	24 840[1]
Spouse	24 840[2]
Partial disability	2 520
Full disability	5 040
Severe disability	16 140
Education and further education	4 020[3]
Child (per child)	13 404

(1) Not available against pension income

(2) Provided that the spouse's taxable income does not exceed CZK 68 000 (CZK 136 000 if the spouse is severely disabled)

(3) The student must be no older than 26 (28 in the case of a doctorate)

From the tax year 2015, an additional childcare tax credit may be claimed against the costs of pre-school child care. The amount of the credit may not exceed the minimum monthly wage (CZK 9200 in 2015 and CZK 8500 in 2014) and may be claimed retroactively in respect of 2014.

Taxpayers receiving pension income but still working are also eligible for the personal credit. Pensions themselves are exempt up to an amount of CZK 331 200 provided that the taxpayer's aggregate employment, business and rental income does not exceed CZK 840 000.

Rate of tax

There is a single, flat rate of tax of 15%. However, for the years 2013-2015, there is a surtax of 7% on that part of taxable income from employment or a business or profession exceeding four times the annual average salary. This amount is CZK 1 277 328 in 2015.

Returns and administration

Returns

Taxpayers receiving employment income and no more than CZK 6000 from all other sources are not obliged to file a tax return. Other taxpayers must do so if their aggregate income exceeds CZK 15 000. Tax returns must normally be filed by 31 March. Where a tax adviser is involved or the taxpayer has a business that is subject to statutory audit, the deadline is extended to 30 June.

Assessment and payment

The taxpayer makes a self-assessment and pays the balance of any tax due at the same time as filing the return. Where there has been an overpayment, the tax authorities must make a refund within 30 days of the taxpayer's application.

The tax authorities have three years in which to challenge the taxpayer's self-assessment.

Inheritance and gift taxes

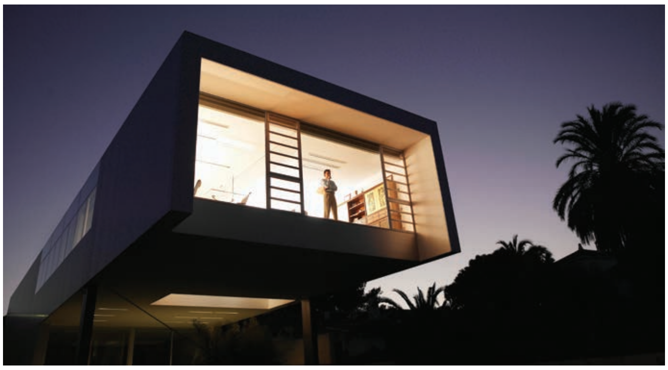
As of 1 January 2014, the inheritance and gift tax was abolished and the relevant increases in the taxpayer's wealth are instead in principle subject to income tax. Inheritances are generally tax-exempt, however; gifts are also exempt if made between certain family members and between persons living in the same household for a period of at least one year before the gift was made.

Moreover, gifts up to the annual value of CZK 15 000 are generally exempt from income tax. Gifts made to a non-resident are generally subject to 15% withholding tax unless the relevant double tax treaty provides otherwise.

Wealth tax

There is no wealth tax in the Czech Republic.

8. Other taxes



Immovable property tax

Owners of land and buildings are liable to an annual immovable property tax. Except for agricultural and forestry land, which is valued at its acquisition cost, the tax is based on the area, potential for development and location of the land (more precisely, the local authority in whose territory it is located), or in the case of buildings, floor space and local-authority area. The rate may be set as a percentage of the acquisition price or at a set amount per square metre. Local authorities may increase these rates by a coefficient of between 2 and 5. There is a broad range of exemptions, to which local authorities may add to a certain extent.

Real-property acquisition tax

The transfer of immovable property for a consideration is charged at a rate of 4% of the higher of:

- The sale price of the property and
- 75% of the comparative tax value (usual market price determined by a statutory expert or calculated based on guidelines, taking into account the location, size and type of the property).

The tax is generally payable by the transferor or vendor (the transferee or purchaser is the guarantor). However, upon the sale or exchange of immovable property, the contracting parties may contractually agree that the purchaser is to pay the tax. Certain transactions (e.g. company restructuring) are not subject to this tax. There is no deemed transfer of the underlying land when the shares of a company owning immovable property are transferred, however.

Road tax

Road tax is charged on motor vehicles and their trailers registered and operated in the Czech Republic (vehicles), if used for business purposes.

The annual tax rate is based on the engine size of a passenger car and the number of axles and the overall load of a lorry. The tax ranges from CZK 1200 to 4200 for a passenger car and from CZK 1800 to 50 400 for a lorry. The tax base may be reduced by up to 48% depending on the age of a car. Further, tax reliefs apply for lorries in some circumstances.

The tax period is the calendar year. Tax returns for road tax must be filed by 31 January of the calendar year following the tax year.

Customs duties

The Czech Republic is a member of the European Union, and hence customs duty under the Common Customs Code (Regulation (EC) No 450/2008) are imposed on the importation into the Czech Republic of goods from outside the European Union. There are no customs duties on the movement of goods within the European Union.

Excise duties

The Czech Republic levies excise duties on alcoholic beverages, tobacco and tobacco products and energy products (hydrocarbon oils, natural gas, coal and coke, and electricity).

9. Social security contributions

Employers and employees

Social security contributions are payable to four distinct funds, as follows:

- The pension fund
- The sickness fund
- The unemployment fund
- The health insurance fund

The contributions are charged on the employee's gross income. The ceiling for contributions for all funds except health insurance is four times the average annual salary (CZK 1 277 328 in 2015). There is no ceiling on health contributions.

As noted in Chapter 7, employees' contributions are not deductible from their taxable income and the employer's contributions are added to taxable income as equivalent to a benefit-in-kind. Employer contributions are, however, deductible for corporate tax purposes.

Rates are as shown in Table 4.

Table 4

Fund	Employer (%)	Employee (%)	Total (%)
Pension insurance fund	21.5	6.5	28.0
Sickness insurance fund	2.3	0	2.3
Unemployment insurance fund	1.2	0	1.2
Health insurance	9.0	4.5	13.5
Total	**34.0**	**11.0**	**45.0**

Self-employed contributors

The self-employed pay the combined rate of employer and employee contributions, but on a tax base of their own choosing. This may, however, not be less than the higher of:

- 50% of their taxable professional or business income and
- 50% of the average annual salary (CZK 159 666 in 2015) for health contributions and 25% of the average annual salary (CZK 79 833 in 2014) for the other contributions

The 2.3% contributions to the sickness insurance fund are not compulsory for the self-employed.

The ceiling for social security contributions by the self-employed is CZK 1 277 328 in 2015.

10. Moore Stephens in the Czech Republic

Moore Stephens is represented in the Czech Republic by:

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Moore Stephens s.r.o. also has offices in Domažlice and Plzeň.

Appendix 1: double tax treaties

Comprehensive double tax treaties

The Czech Republic has comprehensive double tax treaties with the following countries:

Albania	India	Poland
Armenia	Indonesia	Portugal
Australia	Ireland	Romania
Austria	Israel	Russia
Azerbaijan	Italy	Saudi Arabia
Bahrain	Japan	Serbia[1]
Barbados	Jordan	Singapore
Belarus	Kazakhstan	Slovakia
Belgium	Kuwait	Slovenia
Bosnia Herzegovina	Latvia	South Africa
Brazil	Lebanon	South Korea
Bulgaria	Lithuania	Spain
Canada	Luxembourg	Sri Lanka
China	Macedonia	Sweden
Croatia	Malaysia	Switzerland
Cyprus	Malta	Syria
Denmark	Mexico	Tajikistan
Egypt	Moldova	Thailand
Estonia	Mongolia	Tunisia
Ethiopia	Montenegro[1]	Turkey
Finland	Morocco	Ukraine
France	Netherlands	United Arab Emirates
Georgia	New Zealand	United Kingdom
The Czech Republic	Nigeria	United States
Greece	North Korea	Uzbekistan
Hong Kong	Norway	Venezuela
Hungary	Panama	Vietnam
Iceland	Philippines	

1 The treaty concluded with the former Republic of Yugoslavia (Serbia and Montenegro) applies.

The Czech Republic has also concluded a treaty with Colombia but this has yet to come into force.

Double tax treaties: air transport and shipping

The Czech Republic has double tax treaties with the following jurisdictions covering profits from air transport only.

Iraq

Double tax treaties: estates, gifts and inheritances

The Czech Republic has agreements covering taxes on estates, gifts and inheritances with the following countries.

Austria	Slovakia

Agreements on mutual administrative assistance

The Czech Republic has separate agreements on mutual administrative assistance in tax matters with the jurisdictions outside the European Union shown in the following table. Within the European Union, administrative assistance (except in relation to VAT) is guaranteed under EU Directive 2010/24/EU and in respect of VAT under Council Regulation 904/2010/EU. Several of the Czech Republic's double tax treaties also contain provisions for mutual administrative assistance.

Andorra	Cayman Islands	Jersey
Bermudas	Guernsey	San Marino
British Virgin Islands	Isle of Man	

Social security agreements

The interaction of national social security systems within the European Economic Area is governed by EU Regulations which also extend, by agreement (and with some differences), to Switzerland. The Czech Republic has pre-existing bilateral agreements with some of these states. These have largely been superseded by the EU Regulations, but may be applied where, occasionally, they give a more beneficial result. The following non-EEA countries have social security agreements with The Czech Republic, the terms of which differ from case to case.

Australia	Japan	Serbia[1]
Bosnia Herzegovina[1]	Macedonia	South Korea
Canada	Moldova	Turkey
Chile	Montenegro	Ukraine
India	Québec	United States
Israel	Russia	

1 The agreement concluded with the former Socialist Federal Republic of Yugoslavia applies

The Czech Republic has also concluded an agreement with Syria, but this has yet to come into force.

Appendix 2: Moore Stephens around the world

Moore Stephens member firms may be found in 103 countries and territories around the world, with correspondent firms in another seven.

Albania	Czech Republic	Kuwait	Romania
Algeria	Denmark	Latvia	Russia
Argentina	Dominican Republic	Lebanon	Saudi Arabia
Australia	Ecuador	Liechtenstein*	Senegal
Austria	Egypt	Lithuania	Serbia
Azerbaijan	El Salvador*	Luxembourg	Seychelles
Bahamas	Estonia*	Macedonia	Singapore
Bahrain	Finland	Malaysia	Slovakia
Bangladesh	France	Malta	South Africa
Belgium	Gibraltar	Mauritius	South Korea
Belize	Greece	Mexico	Spain
Bermuda	Guatemala	Monaco	Sri Lanka*
Bolivia	Guernsey	Morocco	Sweden
Botswana*	Honduras	Netherlands	Switzerland
Brazil	Hong Kong	New Zealand	Taiwan
British Virgin Islands	Hungary	Nicaragua	Thailand
Bulgaria	India	Norway	Tunisia
Burundi	Indonesia	Oman	Turkey
Canada	Iran	Pakistan	Ukraine
Cayman Islands	Iraq	Panama	United Arab Emirates
Chile	Ireland	Papua New Guinea	United Kingdom
China	Isle of Man	Paraguay	United States
Colombia	Israel	Peru	Uruguay
DR Congo	Italy	Philippines	Venezuela
Costa Rica	Japan	Poland	Vietnam
Croatia	Jersey	Portugal	Zambia
Curaçao	Jordan	Qatar	Zimbabwe*
Cyprus	Kazakhstan	Romania	

* denotes a correspondent firm only.

For more detail, see **www.moorestephens.com** under 'Locations'.

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