



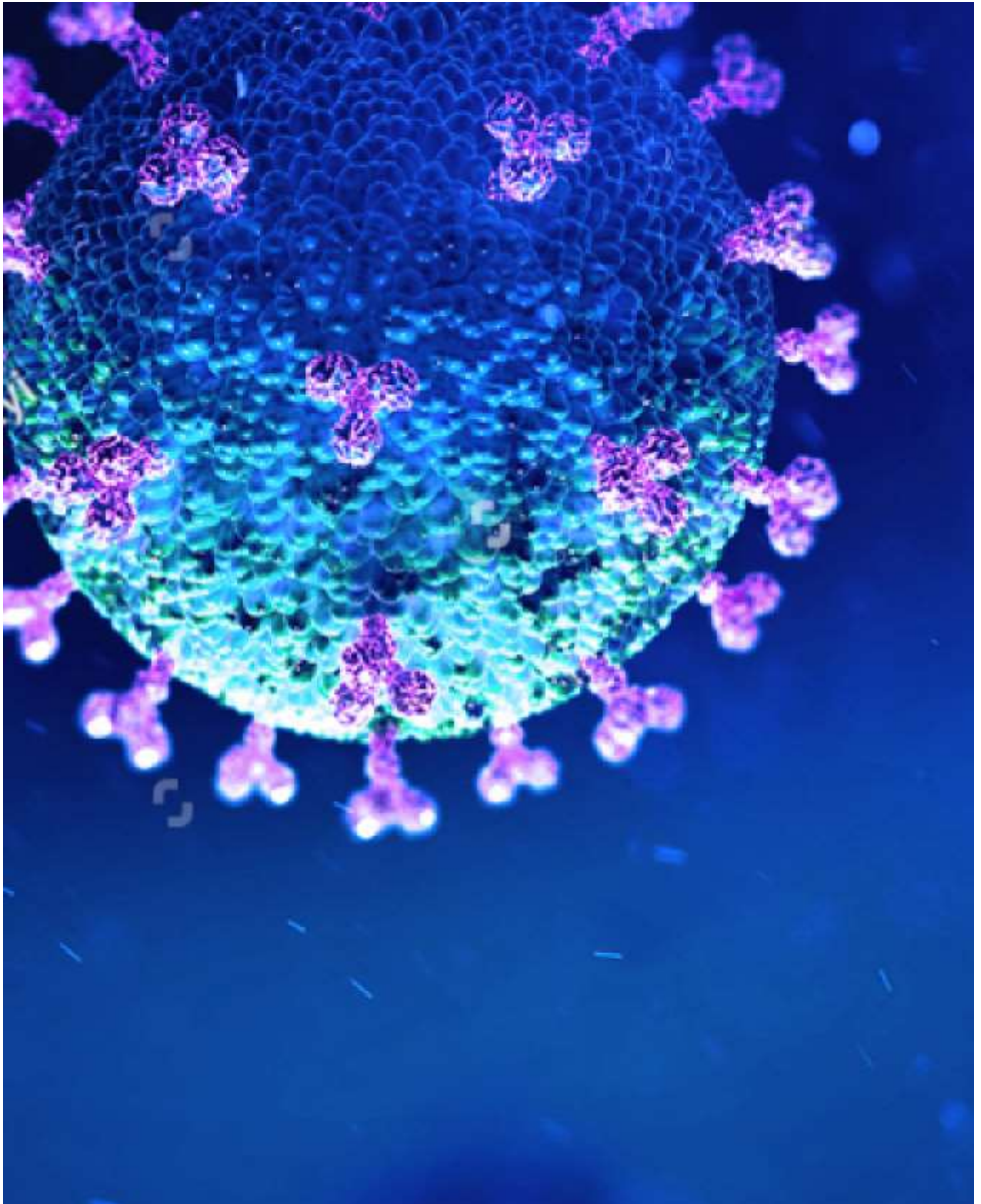
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An instinct for growth™

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NEWSLETTER

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COMPENSATION BONUS FOR SMALL LIMITED LIABILITY COMPANIES

Another amendment no. 159/2020 Coll., on the compensation bonus in relation to emergency measures related to the occurrence of the SARS CoV-2 coronavirus (hereinafter the “Act” and “Amendment”) extends the bonus to partners of small limited liability companies, because their activity does not differ much from a self-employed activity.

Partners from small limited liability companies are newly entitled to the compensation bonus (hereinafter the “**Bonus**”). The conditions are partly bound to the person of the partner and partly to the company, the subject of the Bonus being always the partner as a natural person.

The amendment is in effect from 3 June 2020.

Conditions for obtaining the bonus in case of a partner of a limited liability company

- The subject of the Bonus **is a natural person, who is a partner in a limited liability company** established for the purpose of achieving profit;
- The limited liability company has **a maximum of 2 partners**, who are **natural persons**, or it **only has partners**, who are **members of one family** (a relative in the direct line, sibling and spouse or partner according to the act on registered partnership);
- **Stakes** of the partners **must not** be represented by **ordinary share certificates**;
- A partner must not perform an activity, as a result of which he participates in sickness insurance as an employee, with the exception of employment at the limited liability company, of which he is a partner;
- The partner needs to have been **tax resident in CR** as of 12 March 2020 or non-resident in CR, who expects that he will meet all conditions for applying a lowering of tax for the taxable period of the year 2020 according to article 35ba paragraph 2 of the income tax act;
- If the **limited liability company was not a tax resident in CR as of 12 March 2020**, but was a tax resident in another EU or EEA country, it must have achieved most of

its income for the previously ended taxable period on the territory of CR;

- The limited liability company must not be bankrupt, in liquidation, or be an unreliable payer / person according to the VAT act in the bonus period;
- For the previous taxable period, the limited liability company needs to have posted **turnover higher than CZK 180,000**;
- If the natural person is a partner in several limited liability companies, fulfilment of these conditions is assessed separately in relation to each limited liability company;
- **The limited liability company was fully or partly unable to perform gainful activity as a result of health risk related to the occurrence of the coronavirus or as a result of emergency measures of the government**;
- Entitlement to the compensation bonus **does not arise for the calendar days**, in which the **limited liability company received** due to employment of the partner **support provided to employers** in connection to health risk or the emergency measures (Antivirus);
- Entitlement to the Bonus may arise for a partner **only once** for a calendar day in case he is a partner in several limited liability companies;
- A partner may not be using the compensation bonus as a self-employed person at the same time.



Basic information

- The daily bonus reaches CZK 500 for every day that the conditions for the Bonus are met.
- The maximum sum for the first compensation period from **12 March 2020 – 30 April 2020** reaches CZK **25,000**.

- The maximum sum for the second compensation period from **1 May 2020 - 8 June 2020** reaches **CZK 19,500**.
- A partner may thus obtain a bonus totalling **CZK 44,500**.
- The law allows the government to establish a third bonus period from 9 June 2020 to 31 August 2020, for the days, during which the emergency measures that partly or fully limit gainful activity continue to apply.



How and where to request the Bonus?

- A request for the Bonus can be submitted on an interactive form available here: <https://ouc.financnisprava.cz/kompenzace/form/bonus>
- The request for the Bonus for the first compensation period can be submitted by 29 June 2020 at the latest, for the second compensation period **by 7 August 2020**, after which **entitlement** to the Bonus **lapses!**

In case you are interested, we will be happy to help you with the above-mentioned areas and with potential requests. We will continue to monitor this area for you.

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