

ACT No. 112/2016 Coll. on REGISTRATION OF SALES

as amended of Act No. 183/2017 Coll., Act No. 8/2018 Coll. and Act No. 256/2019 Coll.

The Parliament has enacted this Act of the Czech Republic

**PART ONE
INTRODUCTORY PROVISIONS**

Section 1

Subject Matter

This Act governs the rights, obligations and procedures applicable to the registration of sales and procedures related thereto.

Section 2

Performance of Authority

(1) The authority pursuant to this Act shall be performed by the bodies of the Financial Authorities of the Czech Republic.

(2) The authority to verify the performance of obligations relating to the registration of sales shall also be performed by the bodies of the Customs Authority of the Czech Republic.

**PART TWO
REGISTRATION OF SALES**

Title I

Subject and Subject-matter of Sales Registration

Section 3

Determination of the Subject and the Subject-matter of Sales Registration

(1) The subject of sales registration is the taxpayer of

- a) personal income tax; and
- b) corporate income tax.

(2) The subject-matter of sales registration are the taxpayer's registered sales realized in the territory of the Czech Republic.

Title II

Registered Sale

Section 4

Definition of Registered Sale

(1) A registered sale is a payment that meets the formal requirements for a registered sale and constitutes a material income.

- (2) A registered sale is also a payment that meets the formal requirements for a registered sale and
- a) is intended to be subsequently drawn or settled to constitute a material income at this subsequent date, or
 - b) represents the subsequent drawing or settlement of such a payment to constitute material income.

Section 5

Formal Requirements for a Registered Sale

The formal requirements for a registered sale are met by a payment to a taxpayer that is made

- a) in cash,
- b) by means, which are intended solely for the payment of goods or services in the premises used by the provider of the means or goods or services to a narrowly defined range of suppliers or to the payment for a narrowly defined range of goods or services,
- c) by cheque,
- d) by promissory note,
- e) in other forms, which are similar in nature to the forms listed in sub-paragraphs a) to d), or
- f) as a credit for a deposit or similar security lodged in any of the forms of payment listed in sub-paragraphs a) to e).

Section 6

Material Income

(1) For the purposes of this Act, material income is deemed

a) in the case of a personal income tax, the income from independent business activities, with the exception of income that

1. is exempt from income tax,
2. is exceptional with respect to sales generally received or
3. is subject to the withholding tax under a special tax rate, or

b) in the case of a corporate income tax, the income from business activities, with the exception of income that

1. is exempt from income tax,
2. is exceptional with respect to sales generally received,
3. is subject to the withholding tax under a special tax rate, or
4. is subject to tax from a separate tax base.

(2) In the case of a taxpayer that is an accounting unit, income pursuant to paragraph 1 is income under the Act on Income Taxes which the taxpayer would be authorised to receive should it not be an accounting unit.

(3) For the purposes of this Act, material income of public companies and limited partnerships also involves the income of public companies and limited partnerships which is subject to income tax of their partner. For the purposes of this Act, such income does not constitute income of the partner.

Section 7

Cancellations and Corrections

If a registered payment is refunded or corrected, the provisions with respect to the registration of sales shall be applied *mutatis mutandis*, with the difference that this sale shall be registered as negative.

Section 8

Indirect Representation

(1) Should a taxpayer act in their own name on behalf of another taxpayer, the party that acts in their own name on behalf of the other taxpayer shall register the sale.

(2) The sale, which is received by a taxpayer acting in their own name on behalf of another taxpayer, can not be registered under the special regime.

(3) The registered sale of taxpayer on whose account the transaction was made is also the payment resulting from him consequently from the taxpayer who acted in their own name on behalf of another taxpayer if a taxpayer meets formal requirements for the registered sale and at the time

of receipt by the taxpayer who acted on their own name on behalf of another taxpayer, established a material income.

Section 9

Delegation to Register Sales

- (1) A taxpayer who is a recipient of the sale may appoint another taxpayer to register sales on their behalf.
- (2) If a single registered sale provides revenue to more than one taxpayer, these taxpayers may appoint one taxpayer to register this sale on their behalf.
- (3) A taxpayer who is appointed to register sales is obliged to register the sales of the taxpayer that has been appointed to register sales and who is responsible for breach of this obligation. A taxpayer who is appointed to register sales, fulfils other obligations of the taxpayer who entrusted him with the registration of sales, according to this Act and is responsible for their breach; it does not apply in case of an obligation for which it has been agreed between them that it is fulfilled by the taxpayer who entrusted another taxpayer to register sales.
- (4) A taxpayer who entrusted another taxpayer to register sales is not responsible for breach of this obligation that must fulfil by taxpayer who is appointed to register sales with the exception of obligation to register sales.
- (5) The sales, for which the taxpayer is appointed to register, it can not be registered under the special regime.

Title III

Sales Registered under the Simplified Regime, under the Special Regime and Sales Exempted from Registration

Section 10

Sales under the Simplified Regime

- (1) Sales of goods and services on board of a vehicle used for regular public transport of persons pursuant to the Act governing value added tax may be registered under the simplified regime.
- (2) Cancelled

Section 11

Permit to Register Sales under the Simplified Regime

- (1) At the request of the taxpayer, the tax administrator shall issue a permit to register sales under the simplified regime if the registration of the given sales under standard procedures prevents or significantly complicates the smooth and efficient conduct of the taxpayer's business from which these sales originate.
- (2) In the application, the taxpayer shall set out reasons demonstrating compliance with the criteria for the issuance of the permission and the sales to which the permit shall apply.
- (3) The tax authority shall decide on the application within 15 days from the date of its submission. In the permit, the tax authority shall set out the sales to which the permit applies.
- (4) If the application is refused, a new application may be submitted no sooner than 60 days from the refused application coming into force. In this new application the taxpayer shall provide different reasons from those in the original application, otherwise the new application will be rejected. The applicant must be informed of the rejection of the application.
- (5) If the conditions for the permit cease to be fulfilled, the permit holder shall inform the tax administrator thereof within 15 days from the date on which this occurred.
- (6) If the tax administrator finds that the conditions under which the permission was issued no longer apply, it shall revoke the permission.

Section 11a

Permit to Register Sales under the Special Regime

- (1) The tax administrator issues, based on the request of the taxpayer of corporate income tax who is a provider of health services which is paid from public health insurance and receives payments from the health insurance company for their providing, or based on the request of the taxpayer of personal income tax, a permission to register sales under the special regime, if
 - a) the taxpayer is not a payer of value added tax according to the Act on Value Added Tax,
 - b) the taxpayer does not operate on a business activity with more than 2 employees, unless another employee is employed only due to and for the duration of the obstacle to work on the part of the employee or the use of leave by the employee, and
 - c) the amount of the taxpayer's income from registered sales does not exceed CZK 600,000 for the 4 immediately preceding calendar quarters and the expected amount of this income in the 12 immediately following calendar months does not exceed CZK 600,000.
- (2) In the application, the taxpayer shall state
 - a) facts proving compliance with the conditions according to the paragraph 1 (b) and (c) and
 - b) data on business premises in which it receives registered sales which have not been notified to the tax administrator so far in connection with the fulfillment of obligations according to this Act.
- (3) The tax administrator shall make a decision on the application within 30 days from the date of its submission. The decision on the permission for registration of sales under the special regime is effective from the day following the day on which the taxpayer receives the block of receipts, but no later than 15 day from the date of notification of this decision.
- (4) If the conditions are not fulfilled according to paragraph 1 (b) and (c), the taxpayer is obliged to notify the tax administrator this fact within 15 days from the day on which occurred.
- (5) The tax administrator shall revoke the permission for registration of sales under the special regime,
 - a) if the taxpayer applies for,
 - b) if the taxpayer finds that the conditions which the permission was issued no longer apply, or
 - c) if the taxpayer breaches seriously obligation to register sales.
- (6) The decision on revocation of the permission for registration of sales under the special regime shall take effect on the 13 day after the date of entry into force of this decision.
- (7) Permission to registration of sales under the special regime expires at the moment of sending the data on registered sales to the tax administrator by a data message.
- (8) Another application for a permission for registration of sales under the special regime may be submitted no earlier than
 - a) 60 days from the date of entry into force of the decision rejecting the previous application,
 - b) 60 days from the date of entry into force of the decision on revocation of the permission according to paragraph 5 (a) or (b),
 - c) 6 months from the date of entry into force of the decision on revocation of the permission according to paragraph 5 (c),
 - d) 60 days from the date of expiry of the permission for registration of sales under the special regime.

Section 12

Sales Exempted from the Registration of Sales

- (1) A registered sale is not a sale achieved by
 - a) the State,
 - b) territorial self-governing authorities,
 - c) state-funded organisations,
 - d) the Czech National Bank,
 - e) a holder of the postal licence.

(2) In addition, a registered sale is not a sale achieved by

- a) a bank, including a foreign bank,
- b) a savings or credit cooperative,
- c) an insurance or reinsurance company,
- d) an investment company or investment fund,
- e) a securities trader,
- f) the central depository,
- g) a pension company,
- h) a pension fund,
- i) a business as a result of its activity in the energy sectors on the basis of a licence granted under the Energy Act,
- j) business based on a licence from a regional authority issued under the Act on Water Supply and Sewerage.
- k) from the activities listed in the NACE classification under the codes 87.10¹⁾ - Residential nursing care activities,
- l) from the activities listed in the NACE classification under the codes 87.20¹⁾ - Residential care activities for mental retardation, mental health and substance abuse,
- m) from the activities listed in the NACE classification under the codes 87.20.1¹⁾ - Residential care activities for mental retardation, mental health,
- n) from the activities listed in the NACE classification under the codes 87.20.2¹⁾ - Residential care activities for alcoholism or drug addiction treatment,
- o) from the activities listed in the NACE classification under the codes 87.30¹⁾ - Residential care activities for the elderly and disabled,
- p) from the activities listed in the NACE classification under the codes 87.30.1¹⁾ - Homes for the aged,
- q) from the activities listed in the NACE classification under the codes 87.30.2¹⁾ - Residential care activities for the elderly with disability,
- r) from the activities listed in the NACE classification under the codes 87.90¹⁾ - Other residential care activities,
- s) from the activities listed in the NACE classification under the codes 88.10¹⁾ - Social work activities without accommodation for the elderly and disabled,
- t) from the activities listed in the NACE classification under the codes 88.10.1¹⁾ - Social Welfare Services,
- u) from the activities listed in the NACE classification under the codes 88.10.2¹⁾ - Service for the Care and Rehabilitation of Displaced Persons,
- v) from the activities listed in the NACE classification under the codes 88.91¹⁾ - Child day-care activities,
- w) from the activities listed in the NACE classification under the codes 88.99¹⁾ - Other social work activities without accommodation n.e.c.,
- x) from the activities listed in the NACE classification under the codes 88.99.1¹⁾ - Charity and welfare societies,
- y) from the activities listed in the NACE classification under the codes 88.99.2¹⁾ - Societies for the protection of the elderly, handicapped, etc.,
- z) from the activities listed in the NACE classification under the codes 88.99.3¹⁾ - Social rehabilitation,
- za) from the activities listed in the NACE classification under the codes 88.99.9¹⁾ - Other social work activities without accommodation n.e.c.

¹⁾ Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well certain EC Regulations on specific statistical domains.

(3) A registered sale is not a sale

a) realised prior to the assignment of a tax identification number and within 10 days following the assignment thereof,

b) from postal services, including goods and services provided in direct connection therewith,

c) from a relationship related to a labour-law or a similar relationship,

d) from catering and accommodation provided to pupils and students provided by a school, university or school facilities,

e) from a fare or related payment made in vehicles used for regular public transport of persons,

f) on board an aircraft,

g) from passenger railway transportation,

h) from minor secondary business activities by taxpayers that are public benefit entities,

i) from goods or services provided by way of a vending machine,

j) from the operation of public toilets,

k) in the form of payment for the providing of telecommunication services or other services realized through the public mobile telephone network, which are the subsequent drawing or accounting of other payments,

l) from gambling,

m) from the commercial air transport and from services provided in direct connection with it,

n) of the taxpayer of personal income tax,

1. who is granted to claim to ZTP/P card (severe health disability requiring special care / needing special assistance) due to the complete or practical blindness or heavy deafblindness,

2. who carry on the business activity without cooperating persons according to the Act regulating income taxes and without staff, unless those persons fulfill the condition set out in point 1,

3. who is not partner of the company from whose activities the sales flow, unless all partners of the company fulfill the condition set out in point 1, and

4. who receives such sales himself or through an employee, cooperating persons or partner of the company who fulfill the condition set out in point 1.

o) from the sales of freshwater fish and related services carried out in the period from 18 to 24 December in the premises where these sales are realised during that period.

(4) In case of a citizen of another Member State of the European Union who is registered to the residence in the territory of the Czech Republic for a maximum period of 3 months, the condition defined in the paragraph 3 (n) (1) shall be considered to be fulfilled if that person proves complete or practical blindness or heavy deafblindness.

Title IV

Obligations of the Taxpayer

Part 1

Authentication Data and Certificate for the Registration of Sales and the Block of Receipts

Section 13

Request for Authentication Data

(1) Before receiving the first sale registered under the standard regime or under the simplified regime, the taxpayer shall submit a request for authentication data.

(2) Authentication data are used to access the tax administrator's common technical equipment, enabling the taxpayer to administer the certificate for the registration of sales and data for the administration of the registration of sales.

(3) The taxpayer, or its representative authorised to receive authentication data, may only submit the request

- a) through the tax administrator's common technical equipment by data message with the individual's identity verified in a manner enabling the login to their data box, using the format and structure published by the tax administrator, or
- b) verbally, confirmed by a written protocol, at any of the competent tax administrator.

Section 14

Assignment and Use of Authentication Data

- (1) If the taxpayer requested the authentication data in a manner enabling the login to their data box, the tax administrator would assign these to the taxpayer through this data box without any undue delay.
- (2) If the taxpayer submitted a request for authentication data in a verbal form, confirmed by a written protocol, the tax administrator would assign these to the taxpayer as part of this acting.
- (3) The tax authority shall publish, in a manner allowing remote access, the conditions and procedure to access the tax administrator's common technical equipment, enabling the taxpayer to administer the certificate for the registration of sales and data for the administration of the registration of sales.

Section 15

Certificate for the Registration of Sales

By way of the common technical equipment and on the basis of the authentication data, the tax administrator shall allow the taxpayer to obtain one or more certificates for the registration of sales, which serve for the authentication of data messages.

Section 15a

Block of Receipts

- (1) The tax administrator shall hand over to the taxpayer blocks of receipts once a year in numbers according to the nature and scope of his activity. In justified cases, the tax administrator shall hand over the additional blocks of receipts to the taxpayer even before the end of 1 year.
- (2) The taxpayer may take over the block of receipts from the tax administrator at the earliest after the notification of the decision on the permission for the registration of sales under the special regime.
- (3) The taxpayer shall return to the tax administrator a block of receipts within 15 days from the revocation or termination of the permission for registration of sales under the special regime.
- (4) The tax administrator shall publish in a manner allowing remote access for conditions and procedure for taking over the block receipt, handling and reimbursement.
- (5) The Ministry of Finance shall issue blocks of receipts and ensures their distribution to individual tax administrators.

Section 16

Protection of Authentication Data and the Certificate for the Registration of Sales and Block of Receipts

The taxpayer shall handle authentication data and the certificate for the registration of sales and block of receipts in a manner that prevents the misuse thereof. A part of the taxpayer's obligation to treat the block of receipts in a manner that prevents the misuse thereof, is the obligation to return the block of receipts under the conditions stipulated by this Act.

Part 2
Notification Obligation

Section 17
Data on Business Premises

(1) Before receiving the certificate for the registration of sales, the taxpayer shall use the tax administrator's common technical equipment to disclose data on the business premises in which it receives the registered sales. Data on business premises also include data on websites on which goods or services are offered.

(2) Should there be any change to the data on business premises, the taxpayer shall notify the tax authority of such a change within 15 days from the date on which the change occurred, and no later than before the realization of the first registered sale in the business premises affected by the change. The taxpayer who does not register sales under the special regime may this notification report only by using the tax administrator's common technical equipment.

Part 3
Obligation to Register Sales

Item 1
Registration of Sales under the Standard Regime

Section 18
Scope of the Obligation to Register Sales

(1) At the latest upon the realization of the registered sale, the taxpayer shall

a) send a data message to the tax authority containing information concerning this registered sale and

b) issue a receipt to the entity from which the registered sales originate.

(2) The realization of registered sale is

a) a receipt of the registered sale, or

b) an issue of instruction to its realization if this instruction was issued earlier.

(3) Sending information concerning a registered sale is not considered to be the submission.

(4) Information concerning a registered sale may only be sent on the tax administrator's common technical equipment using the format and structure published by the tax administrator in a manner allowing remote access.

Section 19
Scope of the Data Transmitted

(1) Information concerning a registered sale sent by data message consists of

a) the tax identification number of the taxpayer,

b) the identification of the business premises in which the sale is carried out,

c) the identification of the POS terminal in which the sale is registered,

d) the serial number of the receipt,

e) the date and time the sale was received, or the receipt was issued, if it was issued earlier,

f) the total amount of the sale stated in Czech currency,

g) the taxpayer's security code,

h) the taxpayer's signature code,

i) information on whether the sale was registered under the standard or the simplified regime.

(2) Information concerning a registered sale sent by a data message also includes

a) the total amount of payments intended for subsequent drawing or settlement stated in Czech currency,

- b) the total amount of payments, which are payments subsequently drawn or settled, stated in Czech currency,
 - c) the tax identification number of the taxpayer who entrusted the registration of this sale to the taxpayer who registered the sale,
 - d) the tax base for value added tax and the tax based on the value added tax rate stated in Czech currency,
 - e) the total amount under the value added tax scheme for travel service stated in Czech currency,
 - f) the total amount under the value added tax scheme for the sale of used goods stated in Czech currency,
- (3) The Ministry of Finance shall lay down the method for creating the taxpayer signature code and the taxpayer security code in a Decree.

Section 20

Receipt Contents

- (1) The taxpayer is required to include the following in the receipt
- a) the fiscal identification code,
 - b) his tax identification number, unless its permanent part consists of general identifier which is a birth number,
 - c) the identification of the business premises in which the sale is carried out,
 - d) the identification of the POS terminal in which the sale is registered,
 - e) the serial number of the receipt,
 - f) the date and time the sale was received, or the receipt was issued, if it was issued earlier,
 - g) the total amount of the sale in Czech currency,
 - h) the taxpayer's security code,
 - i) information on whether the sale was registered under the standard or the simplified regime.
- (2) Information on the registered sale stated in the receipt also includes the tax identification number of the taxpayer who entrusted the registration of this sale to the taxpayer who registered the sale unless its permanent part of this tax identification number consists of general identifier which is a birth number.
- (3) If the taxpayer is not obliged to include its fiscal identification code in the receipt, he is obliged to include its signature code in the receipt.

Section 21

Response Time

- (1) The response time is the time between the attempt to send information on the registered sale from the taxpayer's POS terminal and the receipt of the fiscal identification code on the taxpayer's POS terminal.
- (2) The taxpayer shall set the response time limit for the POS terminal for more than 2 seconds, depending on the type and manner of the activity carried out, ensuring that this setting does not inhibit the sales registration process, having regard to the type and quality of the connection to the public data network.

Section 22

Procedure when the Response Time Limit is Exceeded

If the response time limit is exceeded during the registration of a sale, the taxpayer

- a) shall send a data message containing information on the registered sale to the tax authority immediately after the event which caused the response time limit to be exceeded terminates, but at the latest within 48 hours of completion of the registered sale and
- b) is not obliged to enter the fiscal identification code in the receipt.

Item 2

Registration of Sales under the Simplified Regime

Section 23

Obligation to Register Sales under the Simplified Regime

Performance of the obligation to register sales under the simplified regime follows the same procedure as performance of the obligation to register sales under the standard regime, apart from the fact that the taxpayer

- a) is obliged to send information concerning the registered sale by a data message to the tax authority in no longer than 5 days of completion of the registered sale and
- b) is not obliged to enter the fiscal identification code in the receipt.

Item 3

Registration of Sales under the Special Regime

Section 23a

Scope of the Obligation to Register Sales

(1) The taxpayer is obliged

- a) to issue a receipt with the lowest serial number from the block of receipts at the latest when the registered sale is realized to the person from who registered sale comes,
- b) to record a copy of issued receipt and this obligation is fulfilled by keeping it until the expiration of the period for determination of the income tax to which it relates, and
- c) to submit to the tax authority for each calendar quarter in which the taxpayer realized or refunded the registered sale or realized its correction, notification of the sales registered under the special regime within 20 days from the end of this calendar quarter.

(2) The notification of the sales registered under the special regime can be only submitted

- a) on a form issued by the Ministry of Finance,
- b) on a printout from computer printer which has data, content and layout the same as the form issued by the Ministry of Finance, or
- c) by the data message using remote access in format and structure published by tax authority
 1. signed in the manner in which another legal act combines the effects of a handwritten signature,
 2. with the verified identity of applicant by which it is possible to log in to his data message, or
 3. additionally confirmed under the condition mentioned in Tax Code.

Section 23b

Receipt Contents issued under the Special Regime

The taxpayer is obliged to declare on receipt

- a) his tax identification number, unless its permanent part consists of general identifier which is a birth number,
- b) the identification of the business premises in which the sale is carried out if he has more than one business premises,
- c) the date and time the sale was received, or the receipt was issued, if it was issued earlier, and
- d) the total amount of the sale in Czech currency.

Section 23c

Data in the notification of the Sales registered under the Special Regime

(1) In the notification of the sales registered under the special regime, the taxpayer is obliged in addition to the general necessities of submission provide

- a) his identification and contact details,

- b) the identification of the business premises in which the sale is carried out if he has more than one business premises,
 - c) data of receipts and block of receipts and
 - d) data of registered sales.
- (2) The taxpayer declared data under the paragraph 1 (c) and (d) separately for each business premises in which registered sales are realized.

Title V

Competence of the Authority Responsible for Verifying Compliance with the Obligations

Section 24

Verification of Compliance with the Obligations relating to the Registration of Sales

- (1) For the purpose of ensuring compliance with the obligations imposed under this Act, the authority responsible for verifying compliance with the obligations relating to the registration of sales may carry out a test purchase.
- (2) For sales registration purpose, the negotiations between the taxpayer and the authority responsible for verifying compliance with the obligations relating to the registration of sales during the test purchase shall be viewed as the conclusion of a contract.
- (3) Provided it is not contrary to the nature of the subject-matter of the test purchase and does not cause the taxpayer to incur a loss, it is possible to withdraw from the contract concluded by the negotiations during the test purchase.

PART THREE INFORMATION OBLIGATIONS

Section 25

Information Obligation of the Taxpayer

- (1) The taxpayer shall place an information notice, which is sufficiently visible and legible, provided this is not made impossible due to the nature of the goods, at the place where sales are usually registered. The taxpayer shall put a notice with information on the website on which goods or services are offered.
- (2) The notice shall contain
 - a) the text reading "Pursuant to the Act on Registration of Sales, the salesperson is obliged to issue a receipt to the buyer. Sales must be registered to the tax authority online; in case of a technical failure this must be done within 48 hours.", if the taxpayer registers sales in that given POS terminal under the standard regime, or
 - b) the text reading "Pursuant to the Act on Registration of Sales, the salesperson is obliged to issue a receipt to the buyer. The recipient of the sale registers this under the simplified regime, i.e. is required to report a received sale to the tax authority by no later than within 5 days." if the taxpayer registers sales in that given POS terminal under the simplified regime, or
 - c) the text reading " Pursuant to the Act on Registration of Sales, the seller registers sales under the special regime is obliged to issue a receipt to the buyer from a block of receipts." if the taxpayer registers sales in that given POS terminal under the special regime.

Section 26

Information Obligation of the Tax Authority

- (1) The tax authority shall provide the taxpayer, who registers sales under the standard or simplified regime, with information collected on the tax authority's common technical equipment in a manner allowing remote access.
- (2) The tax authority shall publish, in a manner allowing remote access

- a) the scope and breakdown of information provided pursuant to paragraph 1 and
- b) the conditions and procedure for providing information pursuant to paragraph 1.

Section 27

Verification of the Receipts at the Tax Authority

- (1) The tax authority shall enable everyone to verify whether the information on a sale registered under the standard or simplified regime was sent to the tax authority, in a manner allowing remote access.
- (2) The tax authority shall publish the conditions and procedure for providing information pursuant to paragraph 1 in a manner allowing remote access.

PART FOUR
MISDEMEANOURS

Section 28

Misdemeanour against registration of sales

- (1) A natural person commits a misdemeanour if he intentionally causes a serious obstruction to or frustrates the registration of sales.
- (2) A legal entity or natural person engaged in business commits a misdemeanour if he intentionally causes a serious obstruction to or frustrates the registration of sales.
- (3) A misdemeanour under paragraph 1 or 2 may be subject to a fine of up to CZK 500,000.

Section 29

Misdemeanours in registration of sales

- (1) A legal entity or natural person engaged in business commits a misdemeanour if he, as the person who registers sales, violates the obligation
 - a) to send a data message containing information concerning a registered sale to the tax authority,
 - b) to issue a receipt to the entity from which the registered sales originate,
 - c) to place an information notice, or
 - d) to handle authentication data and the certificate for the registration of sales or block of receipts in a manner that prevents their misuse.
- (2) A misdemeanour is subject to a fine of
 - a) up to CZK 50,000 in the case of a misdemeanour under paragraph 1 (c) or (d),
 - b) up to CZK 500,000 in the case of a misdemeanour under paragraph 1 (a) or (b),

Section 30

Competence

- (1) Under this Act, the misdemeanours proceedings shall be dealt with by the competent
 - a) tax authority, and
 - b) the customs authority.
- (2) The body responsible for carrying out the proceedings is the competent authority that verifies or has verified compliance with the obligations under this Act.

PART FIVE
MEASURES TO ENFORCE REMEDY

Section 31

Closure of Business Premises and Suspension of Operations

(1) Should the authority competent to verify compliance with the obligations relating to the registration of sales become aware of a particularly serious breach of the obligation to send information concerning the registered sale, to submit a notification of the sales registered under the special regime or to issue a receipt, it shall immediately order

a) the closure of the business premises, or

b) the suspension of the business operations involving the registration of sales.

(2) The authority competent to verify compliance with the obligations relating to the registration of sales shall cancel the decision to impose the measure pursuant to paragraph 1 without undue delay after the taxpayer has proven that the reason for imposing this measure has ceased to exist. The decision to cancel the imposition of the measure under paragraph 1 cannot be appealed.

(3) The execution of the order to close business premises or suspend operations shall be carried out by the authority which ordered the measure, by posting the decision to impose such a measure at the access point to the premises in a suitable location, visible from outside of the premises. If there are more than one access points to the premises, the decision shall be posted at all of these access points.

(4) The exercise of public authority must not be prevented by the measure pursuant to paragraph 1.

PART SIX BINDING RULING

Section 32

Binding Ruling on the Determination of Registered Sales

(1) At the request of the taxpayer, the tax authority shall issue a decision on a binding ruling to determine registered sales.

(2) The subject-matter of the binding ruling involves determining whether the payment is a registered sale or whether the payment may be registered under the simplified regime.

(3) In the request to issue a decision on the binding ruling, the taxpayer shall include

a) a description of the payment to be assessed, and

b) a proposed statement for the decision on the binding ruling.

PART SEVEN COMMON AND FINAL PROVISIONS

Section 33

Relation to the Tax Code

Unless specified otherwise in this Act, proceedings and other procedures relating to the registration of sales shall proceed in accordance with the Tax Code, with the exception of administrative offences.

Section 34

Cooperation with the Public Authorities

Should a public authority, in the performance of its authority, identify any violations of this Act, it shall notify the authority competent to verify compliance with obligations.

Section 35

Receipt Lottery

(1) The Czech Republic may hold a receipt lottery with material or cash prizes, which can only be entered by sending in receipts or the mandatory data entered in the receipt.

- (2) The government agency competent to hold a receipt lottery is the Ministry of Finance.
- (3) The cost of holding the receipt lottery, cash prizes and material prizes shall be covered from the state budget.
- (4) The Act regulating lotteries and other similar games shall not apply to the receipt lottery.

Section 36

Relationship to Foreign Legislation

A registered sale also does not represent a sale by a taxpayer who is obliged to register this sale in a similar way under the laws of a state with which the Czech Republic has concluded a valid and effective international agreement on the exchange of information, on the basis of which similar information on registered sales may be obtained.

Section 37

Cancelled

PART EIGHT

ENTRY INTO EFFECT

Section 38

This Act shall enter into force on the first day of the eighth calendar month following the date of its publication, with the exception of the provisions of Sections 10 to 17 and Section 32, which shall enter into force on the first date of the fifth calendar month following the date of their publication.

Transitional provisions introduced by Act No. 256/2019 Coll. Article II

- (1) For the registration of sales realized before the date of entry into force of this Act, as well as for the rights and obligations related to them, Act No. 112/2016 Coll., shall apply as amended before the date of entry into force of this Act.
- (2) The sale realized before the date of entry into force of this Act is the registered sales for the purposes of section 11a paragraph 1 (c) of Act No. 112/2016 Coll., as amended from the first day of the fourth calendar month following after the date of publication of this Act, if it was a registered sale according to Act No. 112/2016 Coll., as amended with effect from the date of entry into force of this Act.
- (3) Application for a permission for the registration of sales under the special regime according to section 11a of Act No. 112/2016 Coll., as amended, effective from the first day of the fourth calendar month following after the date of publication of this Act, may be filed from the date of entry into force of this Act. This application submitted before the first day of the fourth calendar month following after the date of publication of this Act shall be deemed to be filed on the first day of the fourth calendar month following after the date publication of this Act.
- (4) Decision on the permission for registration of sales under the special regime according to Section 11a of Act No. 112/2016 Coll., as amended from the first day of the fourth calendar month following the date of publication of this Act, issued before the first day of the seventh calendar month following after the date of publication of this Act is effective no earlier than the first day of the seventh calendar month following the day of publication of this Act.
- (5) Decision on the permission for registration of sales under the special regime according to Section 11a paragraph 5 of Act No. 112/2016 Coll., as amended from the first day of the fourth

calendar month following the date of publication of this Act, issued before the first day of the seventh calendar month following after the date of publication of this Act is effective no earlier than the first day of the seventh calendar month following the day of publication of this Act.

(6) Provision of Section 11a, Paragraph 7 of Act No. 112/2016 Coll., as amended, effective from the first day of the fourth calendar month following the date of publication of this Act, shall not apply before the first day of the seventh calendar month following the date of publication of this Act.

p.p. Jermanová m. p.

Zeman m. p.

Sobotka m. p.