

Identification number

Name of the controlled foreign company



Identification number of the controlled foreign company

Country

Code

**Decrease in the trading result (net profit) or the difference between income and expenditure pursuant to Section 38fa subsection 7 of the Act**

Row	Taxable period or period for which is the tax return being filed, in which the entitlement to future decrease in the trading result (net profit) commenced from – to		Total amount of the entitlement to decrease the trading result (net profit) that arose in the period given in column 1	Part of the entitlement from column 2		
				by which the trading result (net profit) was decreased in the preceding taxable periods	by which the trading result (net profit) was decreased in the taxable period considered	by which the trading result (net profit) may be decreased in the successive taxable periods
0	1		2	3	4	5
1	<input type="text"/>	<input type="text"/>				
2	<input type="text"/>	<input type="text"/>				
3	<input type="text"/>	<input type="text"/>				
4	<input type="text"/>	<input type="text"/>				
5	<input type="text"/>	<input type="text"/>				
6	<input type="text"/>	<input type="text"/>				
7	<input type="text"/>	<input type="text"/>				
8	In total					

**Instructions for completing the Separate attachment to table V. Decrease in the trading result (net profit) or the difference between income and expenditure pursuant to Section 38fa subsection 7 of the Act**

The Separate attachment is completed separately for each controlled foreign company (Section 38fa subsection 3 of the Act). It is completed by a taxpayer to whom in the considered tax period or within some of three preceding tax periods or periods for which the tax return is filed arose entitlement to decrease the trading result (net profit) or the difference between income and expenditure pursuant to Section 38fa subsection 7 of the Act.

**Name of the controlled foreign company** – give the business name of the legal entity as recorded in public registers, including appendix indicating its legal form, if appropriate also the phrase „in liquidation“. Legal entities not entered in public registers give names under which they were established or founded; other entities give the name they use for acting with third persons.

If the row range is not sufficient for entering the full name of the company or the taxpayer, give the abbreviated form and give the full name of the company or the taxpayer in a special attachment.

**Identification number of the controlled foreign company** – give the identification number (the identifier for tax purposes) of the controlled foreign company if the number has been assigned.

**Country (code)** – the country code is entered according to the Czech Statistical Office Communication of 18 December 2003 No. 489/2003 Coll. on country codes publication (CZEM) as amended (see also the List of country codes on the web page <http://www.financnisprava.cz>, only the 2-letter code is used with capital alphabet letters).

In column 1 enter in the prescribed form in descending order the taxable periods or the periods for which the tax return is filed in which pursuant to Section 38fa subsection 7 of the Act no adjustment to the trading result (net profit) or the difference between income and expenditure was made as it would have lead to its decrease.

In column 2 enter the total amount of the entitlement to decrease the trading result (net profit) or the difference between income and expenditure that arose in the taxable period or the period for which is the tax return filed given in column 1. By the amount of the entitlement is considered the amount of included income (the difference between income and related expenditure) from the activities of the controlled foreign company attributed to the taxpayer – controlling company pursuant to Section 38fa subsection 1 and 7 of the Act provided the amount would lead to decrease in trading result (net profit) or the difference between income and expenditure (Section 38fa subsection 7 of the Act) with the exception of income included pursuant to Section 38fa subsection 5 letter c) of the Act, that is for the controlling company liable to tax at a separate tax base pursuant to Section 20b of the Act provided the income is not tax exempt.

*(valid for the tax periods started in 2020 and for the parts of tax periods started in 2021 for which the deadline for filing tax returns expires by 31st December 2021)*

The English version relates to the Czech version 25 5404/H MFin 5404/H model no. 2 that is under the laws the only valid tax form.

In column 3 and 5 give in accordance with the established procedure the process of application of decrease in the trading result (net profit) or the difference between income and expenditure pursuant to Section 38fa subsection 7 of the Act. In cases in which in the successive taxable period or period for which the tax return will be filed it will not be possible – due to the expiry of the statutory period – to apply the arisen and unexercised entitlement to decrease the trading result, give zero (0) in the corresponding row in column 5.

In column 4 in row 8 give the total amount of the applied decrease in the trading result (net profit) or the difference between income and expenditure that is not allowed to exceed the value of arisen and so far not applied entitlement for the preceding three taxable periods or periods for which the tax return is filed, and at the same time it cannot exceed the amount of the increase in the trading result (net profit) or the difference between income and expenditure as a result of taxation of the same controlled foreign company pursuant to Section 38fa subsection 1 of the Act for considered taxable period or the period for which the tax return is filed stated in table IV of Attachment no. 3 of Part II, included in row 5 of Table A of Attachment no. 3 of Part II.

In column 5 in row 8 give the total amount of the unused entitlement for the decrease in the trading result (net profit) or the difference between income and expenditure which may be under conditions stipulated in Section 38fa subsection 7 of the Act applied in the successive taxable periods or periods for which the tax return is filed.

The application of decrease in the trading result (net profit) or the difference between income and expenditure is restricted by termination of three taxable periods defined in Subsection 21a of the Act. Therefore, the entitlement to decrease the trading result (net profit) or the difference between income and expenditure declared in the taxable period started in 2020 may be used at latest in the taxable period started in 2023.

The parts of the periods for which the tax returns are filed in the laid down cases if they are found in between the three taxable periods following the period in which the entitlement to decrease the trading result (net profit) or the difference between income and expenditure arose are in the frame of application of the time restriction of transferrability of the increase not taken into account. However, in these tax returns it is also possible to apply the decrease in trading result (net profit) or the difference between income and expenditure without affecting the total amount of taxable periods for which it is possible to apply the decrease in the trading result (net profit) or the difference between income and expenditure.

The amount from column 5 in row 8 from all separate attachments has to equal to the value in row 2 of Table V of Attachment no. 3 of Part II. The amount from column 4 in row 8 from all separate attachments has to equal to the value in row 1 of Table V. of Attachment no. 3 of Part II.