

Identification number

Country

Code

Tax reduction pursuant to Section 38fa subsection 9 of the Act

Row	Name of the item	Fill in whole Czech crown units	
		taxpayer	tax office
1	Total tax of the taxpayer from worldwide income including income according to Section 38fa subsection 1 or 2 of the Act (row 310 of Part II)		
2	Tax base from row 220 of Part II		
3	Tax paid abroad by the company pursuant to § 38fa subsection 9 letters a), b) and c) of the Act from income from activities and disposal of assets for which § 38fa subsection 1 or 2 of the Act was used		
4	Income from activities and disposal of assets for which § 38fa subsection 1 or 2 of the Act was used		
5	Expenditure connected with income from activities and disposal of assets for which § 38fa subsection 1 or 2 of the Act was used		
6	Income (the difference between income and related expenditure) liable to tax pursuant to § 38fa of the Act (row 4 – row 5)		
7	Amount of tax by which it is possible to decrease the tax of the controlling company pursuant to § 38fa subsection 9 of the Act, but to the maximum of the amount in row 3 $\text{row 1} \times \frac{\text{row 6}}{\text{row 2}}$		

Instructions for completing the Separate attachment to row 319 of Part II

The Separate attachment to row 319 of Part II of the tax return is completed by the taxpayer separately for each of the countries in which the foreign company defined in Section 38fa subsection 4 of the Act controlled by it has the seat. If it has in that country more controlled foreign companies the taxpayer fills in only **one** separate attachment for that country on **aggregate** basis for all controlled foreign companies with a seat in that country.

Country code is filled in 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 row 1 enter the value from row 310 of Part II of the return.

In row 2 enter the value from row 220 of Part II of the return.

In row 3 enter the amount of tax similar to corporate income tax from income from activities and disposal of assets paid abroad (in the country of the seat of the controlled foreign company) that can be credited (set off) against the tax liability of the controlling company. **It is possible to credit (set off) the tax only in the extent in which was this tax on income from activities and disposal of assets allocated to the taxpayer (controlling person).** Income from activities where procedure pursuant to Section 38fa subsection 1 or 2 of the Act is used, is considered to be the income of the controlling company really added, i.e. in the extent defined in 38fa subsection 7 of the Act, i.e. in the aliquot part calculated according to the share of the controlling company in the registered capital of the controlled foreign company.

When recalculating the tax from the included income paid abroad into CZK use the exchange rate of the foreign exchange market published by the Czech National Bank applied by the controlling company in its bookkeeping at the last day of the taxable period of the controlled foreign company.

In row 4 enter the total income included for that country, i.e. the sum of income included for all controlled foreign companies with a seat in that country, with the exception of income included pursuant to Section 38fa subsection 6 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. When recalculating the income included in the tax base of the controlling company into CZK use the exchange rate of the foreign exchange market published by the Czech National Bank applied by the controlling company in its bookkeeping at the last day of the taxable period of the controlled foreign company.

In row 5 enter the total amount of tax deductible expenditure stated in accordance with the local Income Tax Act related to included income given in row 4. When recalculating related foreign expenditure into CZK use the exchange rate of the foreign exchange market published by the Czech National Bank applied by the controlling company in its bookkeeping at the last day of the taxable period of the controlled foreign company.

In row 6 enter the difference between data in row 4 and row 5. In the table it is entered only positive values of the above mentioned difference. The aggregate sum of the values in row 6 of all separate attachments to row 319 of Part II of the tax return is equal to the amount stated in row „In total“ of Table IV of the Attachment no. 3 of Part II.

In row 7 calculate the tax that could be recognized for credit (set off) using the procedure for simple credit (set off) pursuant to Section 38f subsection 2 of the Act. The amount in row 7 is transferred to row 319 of Part II of the tax return. If there are more separate attachments to row 319 of Part II of the tax return, the aggregate value from row 7 of all the attachments is transferred to row 319 of Part II of the tax return, but only to the maximum of the amount in row 310 of Part II of the tax return.

A similar possibility for deduction from the taxpayer's tax liability is governed by Section 38fa subsection 9 letter c) of the Act also for tax paid from this income by a tax non-resident by whose means the Czech tax resident – the corporate income taxpayer – keeps his share in controlled foreign company whose income has already been included in the tax base of the non-resident due to the fact that in the country of his tax residence rules similar to Section 38f are also applied.

The English version relates to the Czech version 25 5404/G MFin 5404/G model no. 5 that is under the laws the only valid tax form.

(valid for the tax periods started in 2023 and for the parts of tax periods started in 2024 for which the deadline for filing tax returns expires by 31st December 2024)