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## Instruction D-343 of the Ministry of Finance

### Extension of the deadline for submission of applications for VAT refund paid in 2009 in another EU Member State

In the beginning of this month, the Ministry of Finance of the Czech Republic published instruction D-343. It was published in connection with the approval of the EU Directive related to the extension of the deadline for submitting applications for refund of VAT which taxpayers paid in 2009 in an EU Member State other than his home state. The instruction regulates mainly the practical implications of the Directive.

#### 1. The effectiveness of the EU - directive

The EU Directive was approved with retrospective effect from 1 October 2010 and extended the deadline for submitting applications for the refund of VAT paid in another EU Member State. Taxpayers can benefit from this Directive even if the relevant provisions of national tax law remain unchanged for now. For this reason, until the amendment to the VAT Act, which will bring our legislation into compliance with European one, submission of applications for refund of VAT will be governed directly by European rules, regardless of the wording of Czech law.

#### 2. Requests for refunds of VAT, submitted in the Czech Republic

As regards applications submitted in the Czech Republic, i.e. when a Czech VAT payer applies for refund of VAT paid in another EU Member State (this is called the "State of return" in 2009) they can be newly submitted to 31 March 2011. Other rules for the submission of the application remain unchanged.

#### 3. Requests for refunds submitted in other EU Member States

If the Czech tax administrator obtains a request for the refund of VAT which the taxpayer established and registered for VAT in another EU Member State paid in the Czech Republic, he will follow the rules stated in the Directive during the deciding process. This means that if an application for refund of VAT paid in 2009 is filed within 31 March 2011, tax administrator will not take into account the currently applicable Czech law on VAT, which states that the deadline for submission of applications was 30 September 2010.

**This extension, however, applies only to applications for which the refund period dates back to 2009!**

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