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Company formation in the Czech Republic

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Company formation in the Czech Republic



Flag



Coat of arms

Common form	s.r.o. (společnost s ručením omezeným) [1]
Registry	Commercial Register (obchodní rejstřík) [1]
Minimum capital	CZK 1 per shareholder [1]
Directors	1 executive director (jednatel) [1]
Local director	Not required [1]
Corporate tax	21% [2]
VAT / sales tax	21% [2]
Typical timeline	Often a few days when a notary files directly [1]
Tax treaties	Domestic rates and treaty list [7]
Currency	Czech koruna (CZK)

In short: To set up a company in the Czech Republic, most founders form an s.r.o., registered with the Commercial Register (obchodní rejstřík). [1] Minimum capital: CZK 1 per shareholder. Corporate tax: 21%. Registration: often a few days when a notary files directly (as of November 2026).

The **s.r.o.** is the Czech Republic's standard limited liability company. Its founding deed is notarised, and a notary can enter it in the **Commercial Register** directly, often within days. Minimum capital is CZK 1.

Business structures

Most founders in the Czech Republic form an s.r.o., registered with the Commercial Register (obchodní rejstřík). [1] **Other forms are listed below.**

- **s.r.o.** – limited liability company, the usual choice
- **a.s.** – joint-stock company
- **Živnost** – trade licence for individuals

Requirements

Minimum share capital in the Czech Republic (2026): CZK 1 per shareholder. Directors required: 1 executive director (jednatel). Local resident director: not required. [1]

- A company name that is available, checked with the registry.
- Share capital: CZK 1 per shareholder.
- Directors: 1 executive director (jednatel).
- Local residency: not required.
- A registered office address in the Czech Republic.
- Articles of association signed before a notary.
- Beneficial owners reported to the Register of Beneficial Owners.

Registration process

Typical time to register a company in the Czech Republic (2026): often a few days when a notary files directly. [1] **The usual steps are:**

1. Choose the company form and check that the name is available.
2. Sign the articles of association before a notary.
3. File the registration with the Commercial Register (obchodní rejstřík).

4. Receive the company's registration number, and pay in the share capital where required.
5. Register for corporate tax and VAT or sales tax with the Financial Administration (Finanční správa).

Taxation

The corporate tax rate in the Czech Republic in 2026 is 21%. [2] **Standard VAT or sales tax: 21%.** [2]

Tax	Rate and notes
Corporate income tax	21%
VAT / indirect tax	21%
Withholding tax on dividends to non-resident companies	15%

Ongoing compliance

Annual compliance in the Czech Republic: Companies file annual financial statements in the Commercial Register's collection of deeds, an annual corporate tax return, and VAT returns. [1]

Double tax treaties

The Czech Republic has a network of double tax treaties. A double tax treaty decides which country may tax cross-border income and usually caps the withholding tax the paying country can charge.

Domestic withholding tax on payments to non-resident companies

Dividends	Interest	Royalties
15%	15%	15%

35% applies to residents of non-EU/EEA countries without a tax treaty or information-exchange agreement.

Within the EU, the Parent-Subsidiary and Interest and Royalties Directives can reduce these rates to 0% for qualifying group payments.

The reduced rate for each partner country is set by the treaty concerned; PwC's withholding tax summary for the Czech Republic lists them.

Domestic rates from the PwC Worldwide Tax Summaries withholding tax quick chart (November 2026). Treaty benefits require proof of tax residence and are subject to anti-abuse rules.

Frequently asked questions

How long does it take to register a company in the Czech Republic?

Typical registration time in the Czech Republic: often a few days when a notary files directly (as of November 2026), once all documents are ready. Opening a bank account and tax registrations can take longer.

What is the minimum share capital for a company in the Czech Republic?

Minimum share capital in the Czech Republic: CZK 1 per shareholder (as of November 2026).

What is the corporate tax rate in the Czech Republic in 2026?

The corporate tax rate in the Czech Republic in 2026 is 21%. See the Taxation section for reduced rates and other taxes.

Can a foreigner own 100% of a company in the Czech Republic?

Yes. There is no nationality requirement for shareholders. Local director rule in the Czech Republic: not required.

What withholding tax applies to dividends paid from the Czech Republic?

The Czech Republic withholds 15% on dividends paid to non-resident companies under domestic law, often reduced by a tax treaty or the EU Parent-Subsidiary Directive. See the Double tax treaties section.

Official registries and resources

- Commercial Register (obchodní rejstřík)
- Financial Administration (Finanční správa)

Figures as of November 2026. Rates, thresholds and procedures change; confirm with the official registry, the tax authority or a local adviser before filing.

See also

- Comparison of company formation by country
- Company formation in the United Kingdom
- Company formation in Germany
- Company formation in Poland
- Company formation in Ireland
- All countries

References

Entries marked **Official** are the registry, government and tax authority sources for this country; footnote numbers in the infobox point to them.

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2. Official Financial Administration (Finanční správa) . Government of the Czech Republic. Accessed November 2026.
3. Czech Republic: Corporate – Taxes on corporate income (reviewed 27 July 2026) . PwC Worldwide Tax Summaries. Accessed November 2026.
4. Quick charts: Corporate income tax (CIT) rates . PwC Worldwide Tax Summaries. Accessed November 2026.
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