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# EIT-Food Startup Guide Czech Republic





# Contact

EIT Food accelerates innovation to build a future-fit food system that produces healthy and sustainable food for all.

We believe inclusive systems innovation, which enables all people and places to participate and benefit, is essential to a strong food system that is better for everyone. With teams on the ground across Europe, we bridge the gap between countries and regions with low innovation capacity and those leading the way. And we put consumers at the heart of our work, helping build trust by reconnecting them to the origins of their food, directly involving them in the innovation process, and working with the food sector to increase transparency. Collaboration is central to all our work, which spans the whole food value chain, and is vital to meet the big challenges we face. Together with our community, we will build an innovative and resilient food system that in turn creates a healthier society and planet.

**This report was prepared by Enky Consulting  
for EIT Food CLC North-East Sp. z o.o.  
The project is co-financed by European Union funds.**



**Co-funded by  
the European Union**

**Disclaimer:** The guide is intended to help entrepreneurs and startups. However, it does not replace seeking professional advice and guidance. As such, although EIT Food has made every effort to ensure that the information in this book is useful, they do not assume any responsibility for the outcome of your business.



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## Welcome to the market!

We are pleased to hand over to you this very latest edition of the EIT-Food's startup guide. Doing business requires strength and resilience, but doing business in agriculture and in the food industry requires passion and willingness to overcome specific challenges. Some of those challenges are nature driven to which we may just need to be able to adapt and manage. The other group of challenges stem from complexity of the markets, regulatory environments or geographical differences. These we can address and that is precisely the aim of this guide. We want to help you in your business location decisions, whether you are at the start of your entrepreneurial journey or already plan to internationalize your business across Central & Eastern Europe.

As an entity building the EIT-Food network in Central & Eastern Europe (as well as in the Nordics region), our Co-Location Centre (North-East) implements a variety of programmes targeting the key challenges and priorities of agricultural and food system development. We are pleased to see your interest in making it happen through products and services brought to our market.

In current macroeconomic environment where supply chains remain volatile and market transparency is hampered, the access to information about the ecosystem is essential. That is why we focus in this guide on helping you quickly determine how a local ecosystem in Czech Republic in the ag-food sector works. In view of that we give you a picture of top regulators, policy makers and startup community developers. We hope the guide would serve as a reference for your entrepreneurial efforts all across the way from being technology developer to acting as a solid market player on the market.

Wishing you all the best for your ag-food business,

**Marja-Liisa Meurice**  
**Director of EIT-Food CLC North-East**

EIT-Food  
Startup Guide  
Czech  
Republic  
2022

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# EXECUTIVE SUMMARY

- Nominal GDP, current prices, **EUR213,660 mln** (2021)
- Registered unemployment rate, **2.3%** (Jan 2022)
- GDP per capita (current prices), **EUR19,444** (2021)
- Export/import of agricultural products, **EUR7,990/9,390 mln** (Jun 2021)
- **EUR5,318 mln** agricultural output (2020)
- The Czech Republic is the **9th** most advanced economy in the EU
- The Czech start-up ecosystem consists of more than **2,100 start-ups** and about 60 accelerators
- Over **20,000 students** studied at the Czech University of Life Sciences in 2018

According to the Global Peace Index, the Czech Republic is the **9th-safest** country to live in worldwide

Prague is a great place to run a business with its excellent transport connections and one of the **highest quality-of-life** standards in the world

There are several **first-rate** universities in Prague, ensuring a sufficient number of young educated people

The Czech Republic has a flat corporate tax of 19%, and a flat personal income tax of 15%, one of the **lowest tax** rates in Europe

The Czech Republic is the **second-richest** Eastern European country after Slovenia. The Czech GDP per capita (PPP) is similar to that in Portugal and Greece



# LOCAL AGRIFOOD MARKET INSIGHTS





## 1.1. Introduction

**There is a large space for sustainable investments in Czech agrisector. Mainly regional processing of organic food is largely missing and therefore producers are focusing only on several cash crops. Increase of regional processing would lead also to higher demand for organic food on Czech market, promoting sustainable soil management. New Strategic Plan of Common Agricultural policy will increase the support for organic agriculture. There is also a need for increase of independent and high-quality advisory services connected to higher sustainability demands. Investors from countries with good-quality advisory services could transfer the knowledge and experiences from their countries. The same applies for the pesticide reduction and organic and other sustainable alternatives to synthetic high-risk pesticides. Bans of many pesticides and goals for pesticides reduction on the one hand and farmers' complaints on the lack of alternatives create a space for increasing the market of such alternatives.**

Martin Rexa, Agriculture campaigner at Hnutí DUHA

The Czech Republic (also known as "Czechia") is one of the most stable and prosperous Western European countries and also has the lowest long-term unemployment rate in the EU. The COVID-19 waves had a significant impact on the Czech economy, but the situation is improving and actual figures are showing 4.6% y/y growth of GDP. Start-ups in Czechia are supported not only by private business but also through the state agency CzechInvest. About 31% of start-ups use acceleration programmes and 41% of start-ups focus on the European market. Based on the Visegrad Startup Report, the Czech Republic is a V4 leader in the Global Innovation Index and also has the highest number of registered patents.

Its location in the centre of Europe has historically supported the trade activities in the territory and the attractiveness for investors. There is a long tradition of brewing beer, processing sugar and breeding freshwater fish. Since the 90s, the agrifood sector has changed in many ways, including the loss of farmland areas; on the other hand, yield per hectare has increased and now the digitalization of farming is increasing. About 75% of farmers are using some smart technology tools in their business. Together with the fact that almost 50% of start-ups focus on technologies, the agrifood sector undoubtedly has its potential. This guide describes the essential steps for starting a business to enable foreign investors to enter the Czech market smoothly.



## 1.2. Overview of the Czech agrifood industry

Agriculture in the Czech Republic is currently understood as one of the cultural and industrial sectors. Thanks to the natural conditions, many businesses and individuals farm by combining animal and plant production, but there are also farmers who specialize exclusively in plant production.

The fact is that only a very small proportion of all workers are employed in agriculture (2.7% – approximately 100,000 employees). However, the total value of production of the agricultural sector in the Czech Republic increased by 46% in 2020 compared to 2002. Plant production increased by 72% and animal production by 9%.

As of 2016, farmers managed 4,264,000 hectares of agricultural land, which represented 54% of the state's total area.

In the Czech Republic and in the European average, 2% of the active population participates in food production. Production and employment are dominated by medium to large processing companies. The largest number of employees can be found in the production of baked goods and confectionery. Almost 30,000 workers represent approximately one-third of all workers in the food industry – A quarter of the workers in the processing and canning of meat and the production of meat products and a fifth in the production of other food products.

The positive news for last year was the continuation of the increase in the export of agricultural and food products from the Czech Republic via the Atlantic Ocean. Recently published data from the Czech Statistical Office speak of exports to the USA to a total value of CZK937 mln for 2020, which is an increase of CZK108 mln compared to exports in 2019 (828 mln).

Czech manufacturers are becoming more and more popular in Europe and are able to assert themselves in the competition. In 2017, Czechia exported the products of 145 Czech manufacturers to 24 European countries with a total value of 5.5 billion crowns. In addition to Slovakia, Hungary, Poland and Romania, it is also celebrating its greatest success in Croatia, Slovenia, Lithuania and Belgium, but also in Germany, Spain and Great Britain.

Although the food and beverage industry in the Czech Republic was impacted by COVID-19, the total food consumption in the Czech Republic increased in 2020. The closure of restaurants had an effect on the decline in consumption of both non-alcoholic and alcoholic beverages. Beer consumption decreased year-on-year by 6 litres to 140 litres per inhabitant, and for wine by half a litre to less than 20 litres.



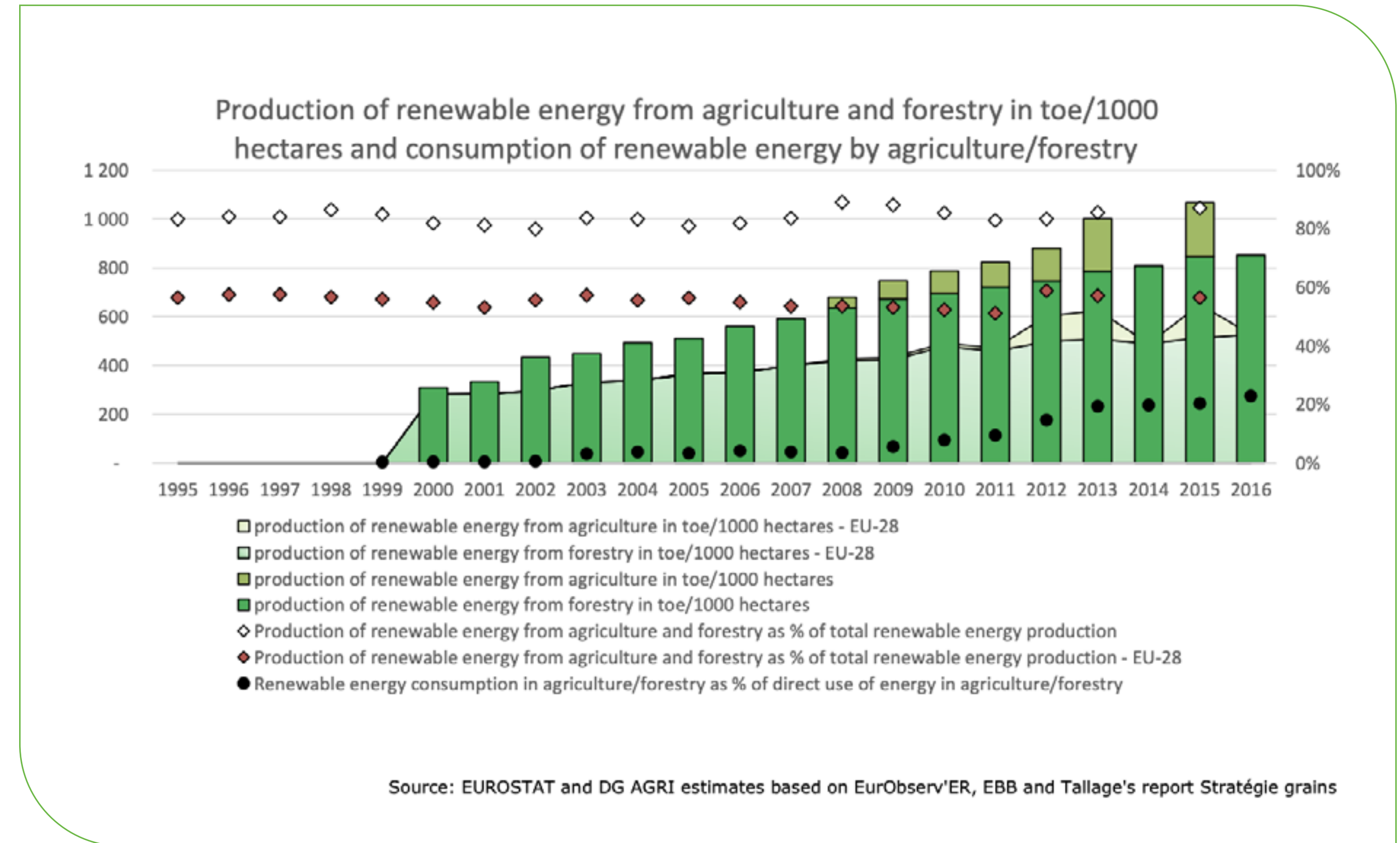


The eating habits of Czechs have changed a lot in the last ten years – and definitely for the better. Today, the situation has reversed, in that according to a survey in which 25,000 people took part, today only a quarter of Czechs ask for a large portion for lunch in restaurants, while 44% of people ask for lighter meals. Another increasing trend is veganism and vegetarianism. Czechia is the third most vegan-friendly country in Europe. There are 21.6 vegetarian or vegan restaurants per million Czechs. This also highlights the fact that the overall number of vegans in the Czech Republic is growing.

Czech agriculture is going to change. It is to become more ecological. The popularity of fruits and vegetables among the Czech population continues to grow. The average annual consumption has increased for all selected fruits except apples, where it decreased by 2.9 kg between 1993 and 2020. Potato consumption decreased by 18.9 kg over the same period.

Better food, more sustainable behaviour towards the soil, reducing support for industrial agriculture – this is the basis of the European agricultural reform that is now being implemented in the Czech Republic through the new leadership of the Ministry of Agriculture.

The Czech Republic shows an upward trend in the production of RE from agriculture and forestry per hectare, which lies above the EU average. The share of production of RE from agriculture and forestry is higher than the EU average. Finally, the use of RE in agriculture and forestry in the Czech Republic increased to 23% in 2016, after contracting sharply in 2020.



As a small country, the Czech Republic can be proud of a number of typical things that not only tourists from all over the world go for. The European Union already protects 16 Czech specialities, for example: Pardubický perník, Štramberké uši, Třeboňský kapr and České pivo. Another smelly product that is to be discussed to get this protection is Olomoucké tvarůžky.



**MAIN  
STAKEHOLDERS IN  
THE LOCAL AGRIFOOD  
INDUSTRY**

**2**





## 2.1. Food producers

Agriculture and food processing belong to the key industry sectors in the Czech Republic. Nowadays the majority of the biggest brands (both goods and retailers) present on the market belong to the international players (e.g. Nestlé), however there are still Czech companies present as well. Usually they have a very long history or were founded shortly after the Velvet Revolution in 1989.

Company Name	Business description	Net profit, mln CZK
<a href="#">Olma</a>	Olma is a dairy business with a long presence and strong position in the Czech market. It is owned by the Agrofert holding. It produces a range of desserts, fermented drinks, yogurt, milk, cream and the famous ice cream “Míša”, and now offers vegan products as well.	<b>206.9 in 2020</b>
<a href="#">United Bakeries</a>	United Bakeries was established in 2006 following the merger of two traditional companies – Delta and Odkolek. Those brands were kept and together with Toasttip can be seen in almost all grocery stores throughout the Czech Republic. They offer a wide range of pastries baked in five bakeries in the Czech Republic. It is owned by the Penam group (part of Agrofert holding).	<b>Data unavailable</b>
<a href="#">Agrofert</a>	The largest subject of Czech and Slovak agriculture and food processing, Agrofert was founded in 1993 with only four employees. Since then, the company has grown to a group with more than 250 subsidiaries of several lines: chemical industry, agriculture, food processing, forestry and timbering, ground technologies, technology and transportation, renewable energy sources and media. The Agrofert group is currently one of the largest private employers in the Czech Republic (almost 33,000 employees based in 18 countries worldwide).	<b>3,760 in 2020</b>
<a href="#">Emco</a>	Emco is a family business founded in 1990 and a leader in the segment of cereals on the Czech market. It offers a wide range of muesli, oat flakes and granolas, nut bars and dry mixtures for porridge.	<b>35.6 in 2018</b>



**Madeta**

Madeta is the largest milk processor in the Czech Republic with a tradition going back to 1837.

**311.4 in 2021**

**MP Krásno**

MP Krásno is a family-owned business founded in 1993, but the original roots go back to the 19th century. It is one of the top five meat processing companies on the Czech market, offering a wide range of standard meat products and specialities.

**0.099 in 2020**

**LE & CO**

LE & CO is a family business founded in 1990 and is another strong player in the processed meat industry, offering products for both retail and also the gastronomy segment.

**0.618 in 2019**





## 2.2. Public institutions

Understanding the importance of the agrifood sector, the Czech government supports both existing and new businesses via different channels.

### Ministry of Agriculture of the Czech Republic

[www.eagri.cz](http://www.eagri.cz)

As the name suggests, this is the key player covering the whole sector. The Ministry is in charge of implementing the government policy and developing a long-term strategy for the sector.

### State Agricultural Intervention Fund

[www.szif.cz](http://www.szif.cz)

This Fund is the accredited paying agency/intermediary of the financial support from both EU and national resources. It administers and audits direct payments, payments from the rural development programme and others.

### Czech Academy of Agricultural Sciences

[www.cazv.cz](http://www.cazv.cz)

The Czech Academy of Agricultural Sciences is a state-funded institution. It is a scientific advisory body to the Minister of Agriculture of the Czech Republic.

### State Veterinary Administration

[www.svscr.cz](http://www.svscr.cz)

The purpose of the SVA is primarily the protection of consumers from products of animal origin likely to be harmful to human health, along with the monitoring of animal health situations in the Czech Republic, animal welfare and animal protection.

#### Universities

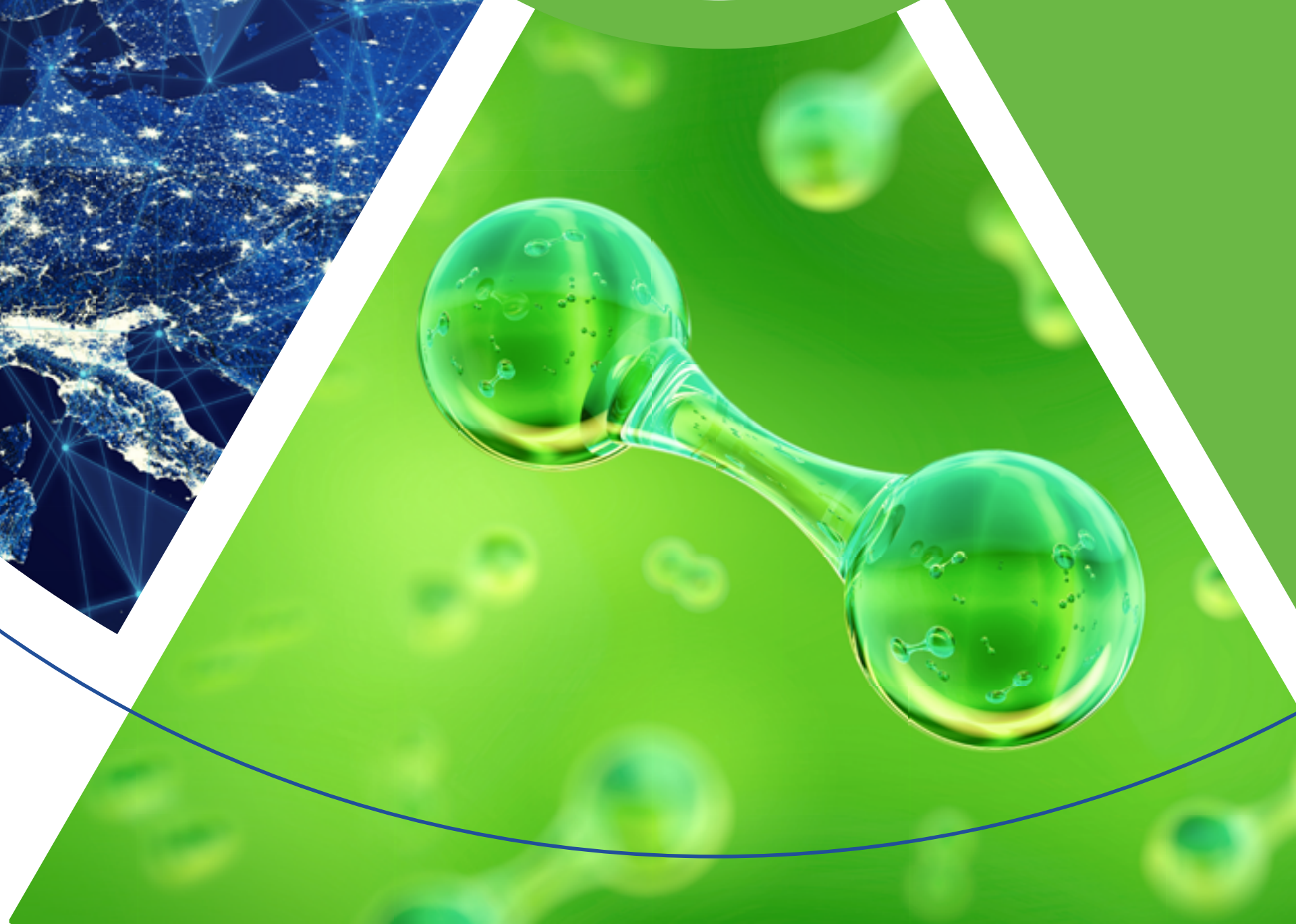
- Czech University of Agriculture, Prague, Faculty of Agrobiolgy, Food and Natural Resources  
[www.af.czu.cz](http://www.af.czu.cz)
- University of South Bohemia in České Budějovice, Faculty of Agriculture  
[www.zf.jcu.cz](http://www.zf.jcu.cz)
- Mendel University in Brno, Faculty of Agronomy  
[www.af.mendelu.cz](http://www.af.mendelu.cz)
- University of Veterinary and Pharmaceutical Sciences Brno  
[www.vfu.cz](http://www.vfu.cz)
- University of Chemistry and Technology, Prague  
<https://www.vscht.cz/>

#### Food research organizations

- Institute of Agricultural Economics and Information  
[www.uzei.cz](http://www.uzei.cz)
- Research Institute of Plant Production, v.v.i.  
[www.vurv.cz](http://www.vurv.cz)
- SELTON Research Centre, s.r.o.  
[www.selton.cz](http://www.selton.cz)
- Česká Vegánska Společnost – ProVeg Czechia  
<https://proveg.com/cz/>



# AGRIFOOD ECOSYSTEM





## 3.1. Funding opportunities for agrifood start-ups

Name of opportunity/ investor/ organisation	Type of support (venture capital [VC] funding, angel investors, government funding, EU funding, startup loans, incubator/accelerator funding, competition with prize money, etc.)	Short description of opportunity, target group (vertical and stage), eligibility requirement, and funding amount or average ticket size	URL	Timeline (application deadline, important dates, etc.)
<b>State Agricultural Intervention Fund</b>	subsidy	This Fund is the accredited paying agency/intermediary of the financial support from both EU and national resources in the frame of the EU Common Agricultural Policy. It administers provisions within the joint market organization framework.	<a href="https://www.szif.cz/cs/jednotna-zadostjednotna-zadostjednotna-zadost">https://www.szif.cz/cs/jednotna-zadostjednotna-zadostjednotna-zadost</a>	May 16th for 2022
<b>eAGRI</b>	subsidy	The module for applicants is a web application within the eAGRI portal intended for the electronic processing of applications for subsidies provided from the budget of the Ministry of Agriculture.	<a href="https://eagri.cz/public/app/MpZ/Gui#f=hpblok">https://eagri.cz/public/app/MpZ/Gui#f=hpblok</a>	Continuous applications
<b>Leasing of Česká spořitelna</b>	rental/credit	An extensive portfolio of credit products, the possibility of using subsidies from the support and guarantee agricultural and forestry fund and the State Agricultural Intervention Fund. Financing of agricultural machinery and forestry equipment, financing of agricultural land.	<a href="https://leasingcs.cz/financovani-zemedelskych-stroju-a-lesnicke-techniky/">https://leasingcs.cz/financovani-zemedelskych-stroju-a-lesnicke-techniky/</a>	Continuous applications
<b>RSBC</b>	venture capital	Within the Agro division, the RSBC group focuses primarily on investments in the agricultural industry, supply companies and related services. We are also looking for companies that are a significant supplier to agriculture and the agricultural industry and have already established a strong position within the wider region.	<a href="https://www.rsbcgroup.com/cz/investice/zemedelsky-prumysl">https://www.rsbcgroup.com/cz/investice/zemedelsky-prumysl</a>	Continuous applications



**Leasing company of the Soci t  G n rale Equipment Finance  R**

rental/credit

Financing of agricultural machinery. Subsidy programmes combinable with agro loans.

<https://equipmentfinance.societegenerale.cz/cz/produkty-sluzby/financovane-komodity/financovani-zemedelske-techniky/>

Continuous applications

**Climaccelerator – EIT Climate-KIC**

incubator/accelerator

Participants will get a mentor and professional advice, but also new foreign contacts and a greater chance of financial support. Intended for projects dealing with the causes or effects of climate change or environmental topics.

<https://climaccelerator.impacthub.cz/>

Deadline July 29th 2022

**PointOne**

incubator/accelerator

Business incubator at the Czech University of Life Sciences in Prague. As part of several comprehensive incubation programmes, we offer professional consultations, workshops, mentoring and quality facilities for beginning entrepreneurs.

<https://www.pointone.czu.cz/>

Data not available at the moment

**RSJ Investments**

venture capital

Focusing on the acquisition and subsequent long-term operation of agricultural enterprises oriented towards conventional agricultural production – specifically, cereal production and animal production in the form of beef cattle production, both in conventional and eco mode. Emphasis on the use of modern agricultural practices that are gentle on the soil and prevent its erosion.

<https://www.rsj.com/cz/investments/investice/agro>

Continuous applications

**Genesis Capita**

private equity

Genesis Capital offers support and advice for the development capital to European small and medium-sized companies

<https://www.genesis.cz/private-equity>

Continuous applications

**Czech Private Equity & Venture Capital**

private equity

The Czech Private Equity and Venture Capital Association offers alternative sources of financing for innovative projects and businesses. It focuses on innovative projects with the potential for high future growth, especially technological projects.

<https://cvca.cz/>

Continuous applications



## 3.2. Contact details for the hub organisation

EIT Food Hub Czech Republic  
Impact Hub Prague, Drtinova 10, Prague

Barbora Puchlová, Programme Manager  
Email: [barbora.puchlova@impacthub.cz](mailto:barbora.puchlova@impacthub.cz)  
Tel: +420 774 630 261, +421 903 570 263





# HOW TO SET UP A COMPANY IN THE CZECH REPUBLIC



4





## 4.1. Setting up a legal entity

We decided to develop a startup in the Czech Republic because they have specialized human capital and a friendly legal environment that facilitates the development of an innovative enterprise. The Czech Republic is also an exemplary place for logistical reasons when you run a company that sells products all over Europe. Logistics and Fulfilment companies present a great and modern approach to the customer, which greatly facilitates operability, especially at the start of operations. Nevertheless, it is important to spend extra time in the beginning when choosing an accounting company, because personal contact with the tax office can be challenging. Establishing a business is straightforward because the hubs in the CEE group, with the leading role of Czech Republic, actively cooperate in order to strengthen the ongoing trend of facilitating running a business in the V4 group.

Jakub Zelenovic, CEO of Metrio Internation s.r.o., B2B e-commerce platform for accessories and ingredients for speciality coffee

The right of everyone to do business and run an economic activity, as well as the right to own property, is enshrined in Article 26 of the Charter of Fundamental Rights and Freedoms, which is part of the constitutional order of the Czech Republic. According to this article, everyone has the right to do business and run other economic activities.

Many foreigners come to the Czech Republic for the purpose of running a business. According to data from the Ministry of Labour and Social Affairs, three-quarters of the foreigners are originally from Ukraine, Slovakia, Vietnam and the Russian Federation.

There are two groups of foreigners to consider when setting up a business in the Czech Republic.

- Citizens of a member state of the European Union or another contracting state of the Agreement on the European Economic Area or citizens of the Swiss Confederation
- Citizens from third countries

Both groups can do business almost under the same conditions as Czech citizens. Foreigners can do business in the Czech Republic if they have a valid residence permit and meet the same conditions for starting a business as Czech citizens (i.e. self-determination, integrity and absence of obstacles – e.g. declaration of bankruptcy).

Moreover, citizens of third countries need to apply for a so-called “long-term visa” for the purpose of doing business through the embassy in their home country. They will have to prove that they have the means to stay for the purpose of a long-term visa in the Czech Republic. In the Czech Republic, business is conducted in two ways – as a natural person (trade licence) or as a legal entity. More detailed information can be found in individual chapters.

The Czech Republic officially recognizes several forms/types of legal entities.

**Limited liability company (s.r.o.)** – an s.r.o. is the second most common company type established in the Czech Republic.

- **Joint-Stock Company (a.s.)**
- **General Commercial Partnership (v.o.s.)**
- **Limited Partnership (k.s.)**
- **Joint Venture**
- **Branch Office**

Since the most common forms are **trade licence** and limited **liability companies (s.r.o.)**, we will elaborate in more detail on how to establish these two forms.



## 4.2. Setting up a trade licence for foreigners in the Czech Republic

When setting up a trade licence, a foreigner needs to be over 18 years old and provide the following documents:

- passport (ID card)
- criminal record – or the office will check by itself
- proof of legal residence in the Czech Republic (visa, decision or residence permit card) – this only applies to foreigners from countries outside the European Economic Area
- proof of professional competence for other than self-employed businesses (or designation of a responsible representative)
- proof of payment of the administrative fee in the amount of CZK1,000

The process of setting up a trade licence for foreigners is then relatively simple – you just need to fill in the registration form (jednotný registrační formulář). It can be filed in person at any trade office or central registration point (list of trade offices), or sent to this office by post or electronically (with a guaranteed electronic signature or to the data box of this office). It is also possible to submit the form in person through the contact point of the public administration (Czech POINT – list of Czech POINTS).

### Advantage:

Through the unified registration form it is easy to register directly for the social security administration, the health insurance company and the labour office. At the same time, you can also fill out and submit an application to the tax office for registration for income tax or road tax at the trade office, without having to deal with anything else and go around the authorities.

### Duration:

The trade office is obliged to make the entry in the trade register within five working days from the date of delivery of the notification and issue a statement to the entrepreneur if the notifier meets the conditions set by law.

### Summing up:

Setting up a trade licence is quick and cheap, but at the same time carries with it a risk in the case of financial problems, because the entrepreneur guarantees all their assets. Even so, this method is very popular and over 100,000 foreigners do business this way in the Czech Republic.

Professional help with setting up a trade licence can be provided by the consulting **company Jake&James** – more info below:

**Web page:** <https://www.jake-james.cz/>

**Tel:** +420 226 224 724

**E-mail:** [info@jake-james.cz](mailto:info@jake-james.cz)



## 4.3. Setting up a limited liability (s.r.o.) company for foreigners in the Czech Republic

The advantages of a limited liability company are the simple registration, basically no minimum capital requirement, the simple structure of the company and no personal liability of members for the limited liability company's obligations.

**Good advice:** Foreigners can buy or establish a company in exactly the same way as citizens of the Czech Republic. Everyone, whether a Czech or a foreign national, must go through the same administrative process. In addition, the employees of most offices usually do not speak much English. Therefore, we recommend that anyone who does not speak Czech very well should be accompanied by an interpreter into the office/notary.

### STEP 1

**Drafting an article of association is the first step in establishing a limited liability company.**

**This document must be signed by all partners and must be notarized. The templates that can help to smooth the process can be found [here](#). Articles of association must contain the details listed below:**

- business name of the company
- headquarters – you must state the registered office of the company; in order to do so, you will need the written consent of the property owner, which must be notarized
- scope of business
- the exact number of partners and their way of acting on behalf of the company, including details of name and residence
- the amount of share capital and the form of repayment of the capital
- the amount of individual partners' contributions
- non-cash deposits
- information on executives and members of the supervisory board, including information on name and residence
- who the deposit manager is
- costs associated with establishing a company





## STEP 2

The establishment of a company with limited liability on its own takes place at the **notary office** in several basic steps:

- submission of the article of association
- submission of an extract from the criminal record of the executive in the Czech Republic
- submission of an extract from the executive's criminal record from the place of permanent residence
- drawing up a notarial entry
- establishing a trade certificate at the trade office or at a notary office – described below
- composition of share capital (in cash at notary office, over CZK20,000 must be deposited into a bank account)
- company registration in the commercial register – described below
- VAT registration, vehicle registration – described below

**Notary fee:** The price for drawing up the article of association depends on the amount of the share capital. The notary's remuneration is calculated according to the decree at a percentage rate, with the minimum amount being CZK4,000 (CZK4,840 with VAT).

The prices for other notary services are permanent and set by law; below you can find the prices for:

- drawing up a notarial entry about the establishment of an s.r.o.: CZK2,000
- notarization of the certificate for registration in the commercial register: CZK1,000
- fee for registration in the commercial register: CZK300
- extract from the criminal record: CZK100
- official verification of the signature on the consent to the location of the headquarters: CZK70
- extract from the real estate register: CZK100
- official verification of the signature on the executive's statement: CZK70



## STEP 3

### Obtaining trade licence

**Before entering the commercial register itself, it is necessary to obtain a trade licence for the company. In this case, your steps will lead to the trade office, where you will document:**

- consent of the property owner to the location of the company's future headquarters (if the company's headquarters will be in your own property, the office will verify the ownership in the cadastre itself)
- notarial record of the establishment of the company (the article of association)
- in the case of free trade, you do not need anything else; if you want to do business in the field of craft, bonded or licensed trades and you do not meet the conditions for expertise, prepare the name and nationality of the responsible representative.

**Costs:** You will pay an administrative fee of CZK1,000 at the office.

## STEP 4

### Opening a bank account

As of January 1, 2021, it is no longer necessary to set up your own bank account for making cash deposits to a limited liability company in cases where the amount of all cash deposits (share capital) does not exceed CZK20,000 in total.

In practice, it is thus possible to imagine a situation where, during a single visit to the notary, an s.r.o. will be established and registered in the commercial register. Now, instead of establishing it, for example, a written statement about repayment of the deposit (capital) in cash will suffice for the bank. This will save you time and money.

In general, when opening bank accounts for foreigners, banks generally require an ID card or passport (if they are not a citizen of an EU member state) and a residence permit, as well as other information, such as a contact address in the Czech Republic. The needed documents may vary depending on the bank.

**Good advice:** For foreigners from non-EU countries, opening an account is more complicated. Therefore we recommend approaching larger banks such as Komerční banka, Česká spořitelna, Československá obchodní banka, etc. because they are usually more lenient. Opening a bank account in big cities such as Prague, Brno, Ostrava, etc. is more comfortable since the employees speak English. Moreover, most of the banks have English-speaking call centre staff.

**Costs:** Usually free of charge, depending on the bank.

List of most banks in the Czech Republic [here](#).



## STEP 5

### Entry in the Commercial Register

In order for a company to be registered in the Commercial Register, a proposal for registration must first be submitted to the Court Register or this can be done by a notary. The proposal must be officially verified and signed by all executives.

An s.r.o. is then created by entry in the Commercial Register, which also entails an obligation to keep accounts.

Before registration, the company does not yet have a legal personality and is therefore not allowed to carry out certain legal activities. However, it can, for example, sign a lease or open a company bank account in its name.

To register you need:

- the completed form "Proposal for registration in the Commercial Register"
- the article of association
- trade licence (you do not have to carry it printed, the court or notary will check it in the trade register)
- documents on the repayment of the share capital if it is higher than CZK20,000 (declaration of the deposit manager/bank confirmation)

**Duration:** How long it takes to enrol in the Commercial Register depends on which path you choose. Express registration can take place within 48 hours; the standard one takes about a week.



## **STEP 6** Registration with the tax office

One of the responsibilities of a newly established company is the initial financial income at the local personal tax office.

Once your company is in the Commercial Register, register it for corporate income tax at the tax office within 15 days. If you have employees, you must register them with the [Czech social security administration](#) within eight days of their employment.

If you establish a business in the Czech Republic, you can expect to pay two or three kinds of taxes:

1. Corporate tax – currently 19%
2. VAT – the standard VAT rate is 21%, however some products may be taxed at a reduced rate of 15% (mostly foodstuffs) or 10% (infant nutrition, medicine, books)
3. Road tax – applicable only if you plan to use a motor vehicle in your business. Road tax rates are variable, but fall between CZK1,000 and 5,000 annually.

**The last step:** The last thing you need to do for your s.r.o. to function without problems and legally is the registration of the so-called “real owner” of the company. This is the person who has the greatest influence on the running of the company, on a legal or factual level.

**Duration of the whole process:** The whole process of setting up a limited liability company usually takes between two and six weeks, but in some cases this time can be longer. In cooperation with experts, an s.r.o. can be set up within seven days, as they will perform most of the administrative tasks for you and help you avoid procedural delays.

**Consulting company:** Professional help by setting up a trade licence or s.r.o. can be provided by consulting company Jake&James – more info below:

**Web page:** <https://www.jake-james.cz/>

**Tel:** +420 226 224 724

**E-mail:** [info@jake-james.cz](mailto:info@jake-james.cz)



## 4.4. Required permits for agrifood businesses

Business in agricultural fields is governed by Act No. 252/1997 Coll., on agriculture. At the very beginning, it is necessary to realize that there is no need at all to arrange a trade licence for some activities. It is enough to be registered in the [Register of Agricultural Entrepreneurs](#) (Evidence zemědělského podnikatele), whose administrator is the Ministry of Agriculture. Anyone who intends to engage in agriculture, i.e. to carry out agricultural production independently, at their own expense and under his own responsibility, for profit (not just for their own use) must register in the Register of Agricultural Entrepreneurs and obtain a certificate of registration. Those who only carry out small-scale cultivation and breeding or sell unprocessed plant and animal products do not need to be registered in the Register of Agricultural Entrepreneurs. The place of registration is the competent municipality. Competence is determined by the permanent residence of a natural person or the place of business of a legal person.

Documents needed for registration:

- an identity card
- in the case of a legal entity also a document proving the existence of a legal entity (e.g. an extract from a commercial register)
- a power of attorney
- a completed application form (can be filled out in advance or directly at the relevant office) with an administrative fee of CZK1,000

**What are the next steps?** If the applicant meets the conditions, the authority will issue a certificate of registration to the Register of Agricultural Entrepreneurs within 30 days. This certificate replaces the trade licence certificate for entrepreneurs under the Trade Licensing Act. Any changes to the information entered in the register shall be made by the agricultural entrepreneurs who must notify the municipal authority within 15 days at the latest.

Applicants choose their own focus on agricultural production and may choose more than one branch, or all of them at the same time, thus avoiding paying the administrative fee again in the future. A natural or legal person who carries out agricultural production in accordance with the Agriculture Act without being registered as an agricultural entrepreneur is liable to a fine of up to CZK50,000.

Professional help in setting up a trade licence or s.r.o. can be provided by Havel and Partners – a company that provides law services in the agrifood industry; more info below:

Web page: <https://www.havelpartners.cz/en/industry-sectors/agriculture-food-and-forestry>

Tel.: +420 255 000 111

Email: [office@havelpartners.cz](mailto:office@havelpartners.cz)

Another hands-on experience on how to start animal and plant production can be provided by Ekofarma Valaška; more information here. Contact details below:

Name: Jiří a Nika Krpešovi

Tel.: 774 020 544

Email: [jiri.krpes@gmail.com](mailto:jiri.krpes@gmail.com)



All obligations begin with registration in the Register of Agricultural Entrepreneurs. The documents needed for starting the animal/plant production vary. You can find manuals on the web that deal with starting a business in agriculture (for example, the Ministry of Agriculture has published its own manual, *How to Start a Business in Agriculture*), but nowhere can you find anything comprehensive and practical that would prepare you for the bureaucratic reality. We strongly recommend consulting the necessary steps with Havel and Partners, contact authorities, agencies or associations mentioned in Section 1.6. Other institutions that you need to deal with are the State Veterinary Administration, the State Agricultural and Food Inspection and the Regional Hygiene Station, depending on the type of activity you plan.

### **The State Veterinary Administration**

If you are not planning purely plant-based production, you cannot avoid registration with the State Veterinary Administration. You download the registration form on the website, fill it in and deliver it to the relevant Regional Veterinary Administration. If everything goes smoothly, you will receive a registration number and, if the production operation is approved, an approval number.

### **Czech Agriculture and Food Inspection Authority**

Do you prepare jams, sweets or other plant products? If so, it will be enough for you to notify the State Agricultural and Food Inspection Authority. You can find the form for notification of the start of activity and other additional information [here](#).

### **Regional hygiene station**

Contacting the relevant regional hygiene station will always concern you when you want to operate catering services or start a new production activity in an existing building.





## 3.6. Organizations providing support in setting up a company

For your convenience, you can see a list of contacts that you can approach when preparing your business below.

### **CzechInvest**

One of CzechInvest's main objectives is to transform the Czech Republic into an innovation leader of Europe. The agency's unique combination of regional, central and international operations ensures the integrity of services and the ability to connect global trends with regional conditions in the Czech Republic.

### **CzechStartups.org**

Czechstartups.org is the official website about the Czech start-up scene, which brings everything important from the start-up world into one place. Its goal is to offer a comprehensive overview of the Czech start-up ecosystem, not only to budding entrepreneurs, but also to all start-up enthusiasts and the general public.

### **Business and Innovation Centre – Podnikatelské a inovační centrum**

The goal of the BIC is to support budding entrepreneurs in Prague, provide consulting services and help transfer innovations and knowledge from science and research, and urban development, into practice.

### **Authorities and agencies**

- Ministry of Agriculture of the Czech Republic: [www.eagri.cz](http://www.eagri.cz)
- State Agricultural Intervention Fund [www.szif.cz](http://www.szif.cz)
- State Veterinary Administration [www.svscr.cz](http://www.svscr.cz)
- Czech Academy of Agricultural Sciences [www.cazv.cz](http://www.cazv.cz)

### **Trade unions and associations**

- Czech Beekeeping Association [www.vcelarstvi.cz](http://www.vcelarstvi.cz)
- Fruit Growers Union of the Czech Republic [www.ovocnarska-unie.cz/sispo](http://www.ovocnarska-unie.cz/sispo)
- Vegetable Growers Union of Bohemia and Moravia [www.zucm.cz](http://www.zucm.cz)
- Central Potato Growers Association of the Czech Republic [www.ubscr.cz](http://www.ubscr.cz)
- Association of bio farmers: <https://pro-bio.cz/>

### **Agricultural advisors**

- Accredited agricultural advisors [www.agroporadenstvi.cz/registr/](http://www.agroporadenstvi.cz/registr/)
- Agrarian chamber <http://www.akcr.cz/>