

Remuneration of Athletes in the Czech Republic: most common models and what to watch out for

In practice, athletes often combine different types of income (remuneration for performance, bonuses, marketing and licensing income, etc.). The correct setup matters not only for income tax, but also for health and social insurance and, in some cases, VAT.

Most common cooperation models

- Employment (employment contract / agreement): the club withholds and pays income tax advances and social and health insurance.
- Self-employment / invoicing (trade licence or another independent regime): the athlete taxes the income and settles insurance contributions on their own.
- Licensing and marketing income (image rights, advertising, sponsorship): contracts must be set correctly and may have VAT implications.

Employment: when it makes sense

- Payroll, tax and insurance are handled by the employer (the club).
- For foreign athletes, verify residence and work authorisations (especially for non-EU/EEA nationals).
- Beware of “disguised employment” when invoicing – if the characteristics of dependent work are met, reclassification may occur.

Self-employment / trade licence: practical summary

- For a general trade licence, professional qualification is usually not required; in some cases a regulated trade may be relevant – always depending on the specific activity.
- Registration is typically submitted via the Single Registration Form (JRF) at the Trade Licensing Office / Czech POINT or electronically.
- The entry fee is typically CZK 1,000; registration in the Trade Register is usually completed within 5 working days (if conditions are met).

What to watch out for with foreign athletes

- Tax residency and the double taxation treaty (where the income is taxed and how foreign tax paid is treated).
- Withholding tax for non-residents: in some cases the payer may be obliged to withhold and remit tax.
- Insurance: EU/EEA/Switzerland (A1), the USA (Totalization Agreement) and other countries under international treaties.
- VAT: advertising and marketing services from abroad often lead to VAT identification; turnover may trigger VAT payer status.
- Documentation: contracts, certificate of tax residency, records of stay and payments.

Quick checklist for a club before signing

- Clarify the type of contract and the source of income (performance vs. marketing/licensing) – these are often two different regimes.
- Verify residency and stay (days in the Czech Republic, address, certificate of residency).
- Resolve insurance (A1 / proof of insurance / commercial insurance) before the start date.
- Check whether withholding tax or VAT obligations arise (VAT identification / VAT payer).
- Set up documents and reporting (invoices, payslips, documents for the tax return).

Recommendation: before signing the contract, have the setup reviewed – “customary practice” often differs from what Czech regulations require.

Note: The information is general and does not replace individual tax advice. If you need a quick check, contact us via the website form.