



**Ceskoslovenska  
obchodni banka, a.s.**

**The Czech Republic**

# **CSOB Custody Bulletin**

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Although the items of information in this Bulletin are from sources that CSOB regards as reliable, CSOB does not vouch for their accuracy; some terms may be incomplete or simplified. The view and conclusions presented in this publication are our opinions and are liable to change without notification. The data published in the Bulletin constitutes no legal obligation for CSOB.

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## DTT between Czech Republic and Botswana entered into force

On 26<sup>th</sup> November 2020, the Double Taxation Treaty between Czech Republic and Botswana, signed in Pretoria on 29<sup>th</sup> October 2019, entered into force.

The DTT will have impact on the taxation of income paid on or from 1<sup>st</sup> July 2021 in Botswana, and income paid on or from 1<sup>st</sup> January 2021 in the Czech Republic.

### Withholding Tax Rates

Dividends - 5%

Interest - 7.5%, with an exemption for interest arising in a Contracting State and beneficially owned by a resident of the other Contracting State if such interest is paid:

- in connection with the sale on credit of any merchandise or equipment;
- on any loan or credit of whatever kind granted by a bank;
- to the Government of the other Contracting State, including any political subdivision or local authority thereof;
- to the Central Bank of the other Contracting State;
- to any institution owned or controlled by the Government of the other Contracting State if the purpose of the existence of such an institution is the promotion of export; or
- in connection with any loan or credit guaranteed by the Government of the other Contracting State, by the Central Bank of the other Contracting State, or by any institution owned or controlled by the Government of the other Contracting State if the purpose of the existence of such an institution is the promotion of export.

### **Impact on foreign investors:**

Withholding tax rates will be applied in accordance with the new DTT between the Czech Republic and Botswana from January 2021 in the Czech Republic and from July 2021 in Botswana.

**Source:** Ministry of Finance of the Czech Republic, CSOB



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## DTT between Czech Republic and Kyrgyzstan entered into force

On 30<sup>th</sup> November 2020, the Double Taxation Treaty between Czech Republic and Kyrgyzstan, signed in Bishkek on 9<sup>th</sup> April 2019, entered into force.

The DTT will be applicable to withholding tax and income tax paid from income received starting 1<sup>st</sup> January 2021.

### Withholding Tax Rates

Dividends - 5%, if the beneficial owner is a company (other than a partnership) which holds directly at least 15% of the capital of the company paying the dividends;

10%, in all other cases.

Interest – 5%, with an exemption for interest arising in a Contracting State and beneficially owned by a resident of the other Contracting State if such interest is paid:

- in connection with indebtedness arising as a consequence of the sale on credit of any merchandise or equipment;
- to the Government of the other Contracting State, including any territorial-administrative subdivision or local authority thereof, to the Central Bank of the other Contracting State or to any institution owned or controlled by that Government if the purpose of the existence of such an institution is the promotion of export or investment;
- in connection with any loan or credit guaranteed by the Government of the other Contracting State, including any territorial-administrative subdivision or local authority thereof, by the Central Bank of the other Contracting State or by any institution owned or controlled by that Government if the purpose of the existence of such an institution is the promotion of export or investment.

### **Impact on foreign investors:**

Withholding tax rates will be applied in accordance with the new DTT between the Czech Republic and Kyrgyzstan from January 2021.

**Source:** Ministry of Finance of the Czech Republic, CSOB



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