


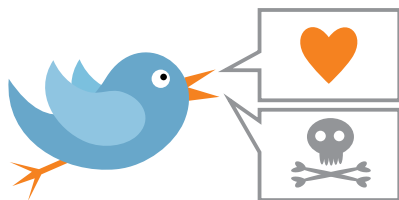
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More about Babiš's tax-free bonds



At the end of 2012, when Miroslav Kalousek was finance minister, transfer pricing and other types of related-party transactions weren't the issue they are today. No one was paying much attention yet to the work of the [OECD](#). During Dec. 2012, a total of [485 corporate bonds](#) with a nominal value of Kč 1 each were issued in the CR, compared to only 26 bonds in the first half of 2016. The result is a slew of instruments paying as much as 15% tax-free to company owners. (Some variable-rate bonds might yield even more.) Alas, related-party transactions are now a big deal, and [Andrej Babiš boasts](#) about how he is cracking down. One test of the fairness of a related-party transaction, as Babiš knows, is whether the same price would be offered to an unrelated party. Would Babiš, for example, sell [6.00% tax-free Agrofert bonds](#) to someone else? He never did, which suggests the bonds weren't priced fairly. Perhaps the tax office should take a look.

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