


Why Babiš did it that way



Agrofert is a profitable company that had [retained earnings](#) as of the end of 2020 of Kč 89.3bn. As of 2009, the figure was Kč 24.7bn. That's money that had been taxed on the corporate level but not distributed to Andrej Babiš as the shareholder. If Babiš ordered Agrofert to pay out a dividend to him, the tax would be 15%, but Babiš likes to boast about never having done this. [Industry Min. Karel Havlíček](#) said on Czech TV last night that the Kč 400m Babiš used in 2009 to buy property in France had been taxed but that Babiš might not have wanted to be seen buying the property. This leads us to the conclusion that Babiš probably took a personal loan from Agrofert to avoid the dividend tax and used it to buy the property. If [Finance Min. Miroslav Kalousek](#) had followed through a few years later with his plan to abolish the 15% dividend tax, Babiš could have repaid the loan with tax-free dividends. But the dividend tax was never abolished, and Babiš is now paying the political price.

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