



KLB LEGAL

# Foreign Investments

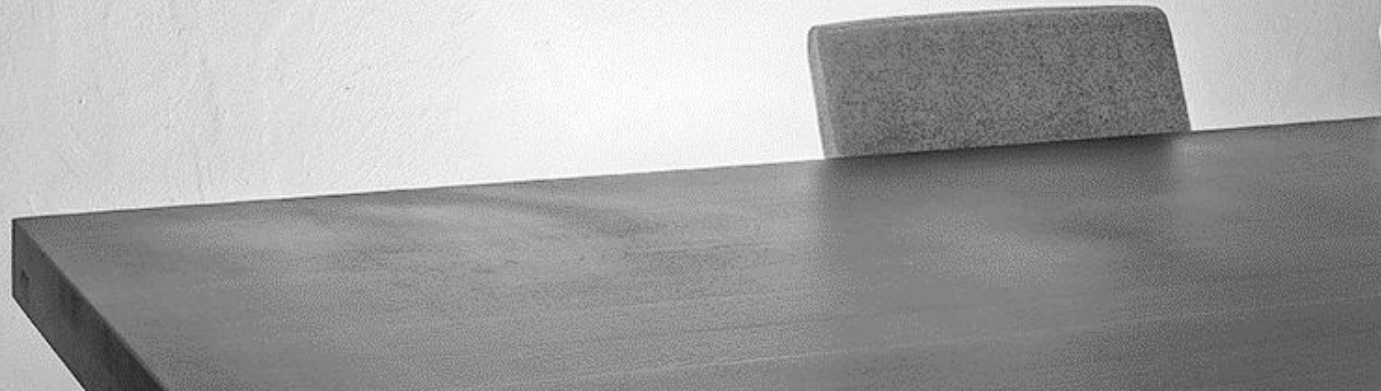
THE CZECH REPUBLIC

# KLB LEGAL

**Veronika Civinova**

Lawyer @ KLB Legal

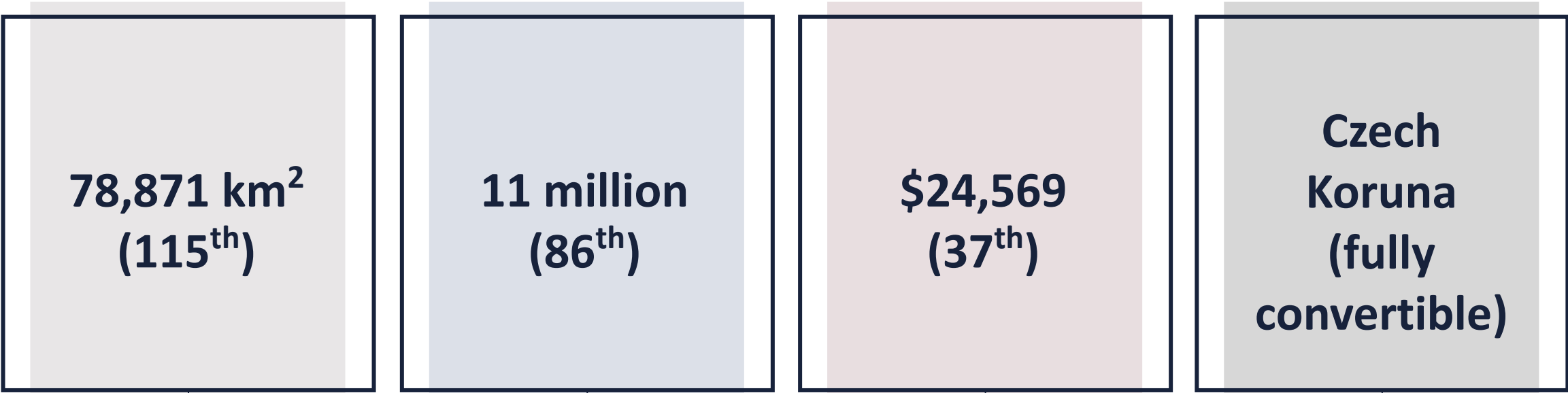
the Czech Republic (EU)





**The Czech Republic  
is a member state  
of the European  
Union**





**78,871 km<sup>2</sup>  
(115<sup>th</sup>)**

**AREA**

**11 million  
(86<sup>th</sup>)**

**POPULATION**

**\$24,569  
(37<sup>th</sup>)**

**GDP  
PER CAPITA**

**Czech  
Koruna  
(fully  
convertible)**

**CURRENCY**

# Why the Czech Republic?



**EU MEMBER**

funding, cross-border



**TECHNOLOGY**

„Golden Czech hands“



**SAFETY AND PEACE**

11th



**HUMAN CAPITAL**

14th



C&W: CR is best country for production in Europe (2021)

# Contents

1 EU & FI

2 CR & FI

3 Practical Information

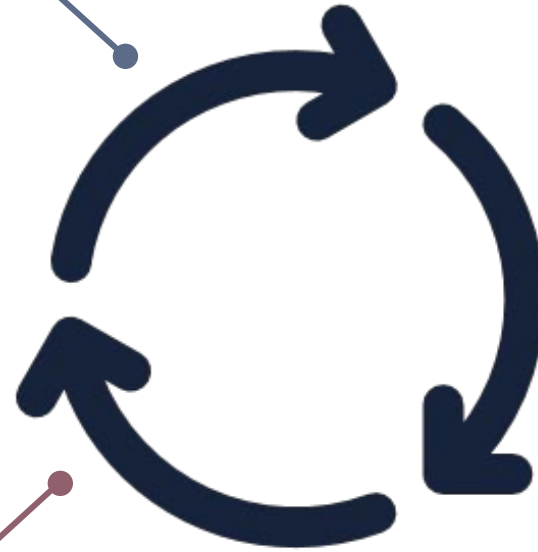
4 Figures

1 EU & FI

# EU & FI

## PUBLIC INTEREST

EU level  
National level



## SUPPORTED GOALS

Sustainable environment  
Social responsibility

## INTERNATIONAL AGREEMENTS

Predictable environment  
e.g. Vietnam



## 2 Czech Republic & FI

# Czech Republic & FI

- **LIBERAL APPROACH**

- **Free market**

- **Small number of limitations (no approval)**

- **Public interest** (arms and military, critical infrastructure)
- **International sanctions** (Iran, North Korea, Russia, ...)
- **Indirect limitations** (AML)

- **Real estate, setting-up companies – unlimited**

- **Government incentives – inventions, technology**

- **+ EU incentives and funding**

# 3 Practical Information

# Practical Information

- **Tax**
  - Corporate income tax 19 %
  - Double-Tax Treaties
- **Investor Protection** (santandertrade.com)

Country Comparison For the Protection of Investors	Czech Republic	Eastern Europe & Central Asia	United States	Germany
Index of Transaction Transparency*	2.0	7.0	7.4	5.0
Index of Manager's Responsibility**	6.0	5.0	8.6	5.0
Index of Shareholders' Power***	9.0	6.0	9.0	5.0

Source: Doing Business - Latest available data.

Note: \*The Greater the Index, the More Transparent the Conditions of Transactions. \*\*The Greater the Index, the More the Manager is Personally Responsible. \*\*\* The Greater the Index, the Easier it Will Be For Shareholders to Take Legal Action. \*\*\*\* The Greater the Index, the Higher the Level of Investor Protection.

4 Figures



# Figures

- **FDI volume**

- **inflow** approx. 10 billion USD / year
- **total stock** approx. 170 billion USD
- second largest recipient in Central Europe (after Poland)

- **FDI counterparties**

- **EU countries** (Netherlands, Luxembourg, Germany)
- **non-EU countries** (China, Korea, United States)

- **Sectors**

- **manufacturing (automotive, machinery, electronics)** 30 %
- **real estate** 10 %
- **wholesale and retail trade** 10 %

