

## **Letter to the European Commission on Potential Conflict of Interests of Prime Minister of the Czech Republic**

**Mr. Andrej Babiš**

Honourable Commissioners,

Transparency International Czech Republic – a national chapter of the global Transparency International movement – is addressing you with a complaint against the Czech Prime Minister, Mr. Andrej Babiš, due to a potential conflict of interest arising from the Prime Ministers' substantial economic interests.

Andrej Babiš is a businessman, the Prime Minister of the Czech Republic and has been a member of national authorities since 2013. In 2013 he became a Member of Parliament and in 2014 he was appointed as the Minister of Finance and subsequently the Vice-Prime Minister of the Czech Republic. Following the general elections in October 2017, Andrej Babiš was appointed as the sitting Prime Minister. Some of these aforementioned functions (i.e. Minister of Finance and Vice-Prime Minister) allowed Mr Babiš to be involved in budget implementation, among other things.

Mr. Babiš was the sole shareholder of Agrofert a.s, originally an agrochemical company until 2017. The company started as a Czech enterprise but now operates in several continents and in different markets, including the EU. The company owns and controls subsidiary companies belonging to the Agrofert Group that maintains a dominant economic and media position in the Czech Republic. Agrofert a.s. is also a beneficiary of both EU and local funds, in particular national programmes (e.g. Rural Development Programme 2014-2020), which is financed by the European Agricultural Fund for Rural Development.

On 3rd of February 2017, Mr. Babiš entrusted 100 % of the shares of Agrofert, a.s. into two trusts (AB private trust I and AB private trust II), which were created two days prior. Andrej Babiš is also the beneficiary of these trusts, as shown from [data from the Slovakian Ministry of Justice](#).

Mr. Babiš was, and continues to be, involved in budget allocation and implementation decisions of EU funds, including the European Agricultural Fund for Rural Development, of which Agrofert is a beneficiary. According to Art. 61 (3) of New Financial Regulation<sup>1</sup> a conflict of interest exists where the impartial and objective exercise of the functions of persons involved in budget implementation, including other persons, is compromised, inter alia, for reasons involving economic interest. Therefore, we urge you to immediately take

---

<sup>1</sup> Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012

*"We survey the state of corruption in the Czech Republic and actively contribute to its restriction."*

appropriate measures to address this conflict of interest that clearly arise from Mr. Babiš's involvement in the Agrofert group.

We have an obligation to citizens of the EU to inform you of matters related to a sitting Prime Minister. It would also be an important signal coming from you to publically demonstrate that no person, particularly a leader of a Member State, is above EU law.

Yours faithfully,



David Ondráčka

Director of Transparency International Czech Republic

*Transparency International is a non-governmental, non-profit global civil society organisation that is leading the fight against corruption. Through more than 100 independent chapters worldwide, TI brings forward awareness of the negative effects of corruption and cooperates with numerous partners to develop and implement effective measures to combat it. More on [www.transparency.org](http://www.transparency.org)*