

Abstract

This thesis deals with international taxation, which is becoming an increasingly important issue due to the globalization of world economy in recent decades. International taxation is a broad topic including a variety of problems concerning it. Among the most important recognized phenomena are International double taxation and tax evasion. The conclusion of bilateral tax treaties seems to be the most efficient instrument for their solutions so far. Model Tax Conventions have been prepared by international organizations for the purposes of coordination of structure, wording and interpretation of numerous bilateral agreements. The OECD Model Treaty and the UN Model Treaty are widespread worldwide, being legally non-binding models for negotiations of bilateral agreements. In addition to those, the proposal of a new multilateral European Union Treaty has appeared. It should be signed by all members of the European Union, and it would replace all bilateral agreements concluded between the EU member states.

Within the global community of other states and nations, the Czech Republic has an open and liberal economy. Therefore, it is necessary for the Czech Republic to have all international tax issues ensured with each economic partner. Over the past twenty years, the Czech Republic has concluded 67 out of 77 international agreements on avoidance of double taxation currently in force and effective.

This thesis analyses how deeply the Czech Republic was inspired by the wordings of the model treaties when concluding bilateral contracts. The extent to which the practical application of the interpretation of contracts in the Czech Republic differs from the official commentary to the model contracts was also considered. I focused on the selected contract articles in which the highest level of variations was expected. Subsequently, articles Resident, Permanent Establishment, Dividends, Interests and Royalties were analysed.

Generally speaking, the contracts concluded by the Czech Republic are based on the OECD Model Tax Convention, taking into consideration that in some ways these contracts contains variations which are closer to the UN Model Tax Convention. The recent European Union legislation also plays an important role nowadays.