

Transparency International EU

The global coalition against corruption

Andrej Babiš's potential conflict of interest

Alessandro · Wednesday, September 19th, 2018

Transparency International Czech Republic has sent a complaint to the European Commission on suspicion of a conflict of interest between the Prime Minister of the Czech Republic, Andrej Babiš, and his economic interests in relation to the Agrofert group.

The complaint concerns a potential breach of EU law, specifically, Article 57 of Regulation (EU, Euratom) No 966/2012 and Article 61 of Regulation (EU, Euratom) 2018/1046. These stipulate, among other things, that those involved in budget implementation (including national authorities) shall refrain from any action that could bring their interests into conflict with the EU's financial interests.

Basis of the complaint

Mr. Babiš was the sole shareholder of Agrofert a.s, originally an agrochemical company until 2017. The company is a beneficiary of both EU and local funds, for example The 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 and founder of these trusts, as shown in [data from the Slovakian Ministry of Justice](#).

In his current function, PM Babiš is involved in budget allocation and implementation decisions of EU funds, some of which Agrofert is a recipient of. Therefore, it cannot be ruled out that there has been and continues to be a conflict of interest between Andrej Babiš and the EU, which has impeded impartial and objective decisions on the allocation of EU funds at national level.

On the issues raised by the complaint, Carl Dolan, Director of Transparency International EU stated:

“Given these revelations around a potential conflict of interest involving a European Head of State being a beneficial owner of a company that received EU funds, the European Commission needs to immediately look into PM Babiš's ties to the Agrofert group and ensure current measures to avoid such conflicts are up to scratch.”

David Ondráčka, Director of TI CR and member of the Transparency International's global Board

of Directors also said:

“Whenever TI CZ has evidence of illegal behavior, we always initiate review of the institutions involved, no matter who is the subject of review. This case has European dimension, the conflict of interests of PM Babiš threatens the interests of Czech Republic in negotiations regarding EU budget.”

Further information

The full open letter is available [here](#).

A press release from Transparency International Czech Republic is available [on their website](#).

This entry was posted on Wednesday, September 19th, 2018 at 2:33 pm