English Summary
Tax Aspects of Financial Market
The increasing volatility of financial market and the rapid development of financial instruments combined with very frequent amendments to tax legislation give rise to a lot of issues in the area on which this paper focuses.
The objective of this paper was to introduce the approach to the taxation of common financial instruments and to show how the government influences the market economy by application of its tax policy. It focuses on the changes in tax legislation made in recent years and some observations about the purpose and effect of these changes on the financial markets and the economy as a whole are made.
As much as this is a legal thesis, given the overlaps with other fields, the accounting and overall economic points of view are taken into consideration as well. Although financial market instruments may theoretically trigger almost all kinds of taxes known to the Czech law, this paper focuses on the income taxes, both personal and corporate, and partly also on the value added tax. The financial instruments are divided into two main categories – equity instruments, such as shares in companies, and debt instruments, such as bonds, options or derivatives. For the purpose of income taxes, the income is divided into capital gains and current income, such as dividends or interest.
International aspects arising from cross-border involvement of parties or instruments are also included. The taxation of financial market instruments is influenced by international sources of law, namely by bilateral treaties on avoidance of double taxation and, since the Czech Republic joining the EU, also by community legislation, mainly in the form of directives.
The main discussed issues are the taxation of dividends, capital gains and interest, and also possible exemption from taxation. The thin capitalization is widely elaborated too. Several real-life examples are given to clarify more complicated calculations.