

Multilateral Convention (MLI) – Czech Republic Publishes Details of Amendments to Czech Republic-Romania Tax Treaty

23 March 2023

Report from our correspondent Václav Zíka, Prague

On 23 March 2023, the Ministry of Finance of the Czech Republic published a document, in the Czech language, containing details of the amendments made to the [Czech Republic - Romania Income and Capital Tax Treaty \(1993\)](#) by the MLI.

The Czech Republic and Romania deposited their instruments of ratification of the MLI on, respectively, 13 May 2020 and 28 February 2022. The MLI therefore entered into force for the Czech Republic on 1 September 2020 and for Romania on 1 June 2022.

Romania deposited a notification confirming the completion of its internal procedures for the entry into effect of the MLI provisions pursuant to article 35(7)(b) of the MLI on 6 March 2023 (see [Multilateral Instrument \(MLI\) – Romania Deposits Notification of Completion of Internal Procedures Under Article 35\(7\)\(b\) with OECD \(8 March 2023\)](#)).

The amendments concern:

- the text of the preamble of the treaty;
- the text of paragraphs 1 and 2 of article 26 (Mutual Agreement Procedure) of the treaty; and
- application of the PPT rule.

Unless stated otherwise in the modifications document, the provisions of the MLI will have effect with respect to the [Czech Republic - Romania Income and Capital Tax Treaty \(1993\)](#) as follows:

In the Czech Republic:

- with respect to taxes withheld at source on amounts paid or credited to non-residents, where the event giving rise to such taxes occurs on or after 1 January 2024; and
- with respect to all other taxes, for taxes levied with respect to taxable periods beginning on or after 5 October 2023.

In Romania:

- with respect to taxes withheld at source on amounts paid or credited to non-residents, where the event giving rise to such taxes occurs on or after 1 January 2024; and
- with respect to all other taxes, for taxes levied with respect to taxable periods beginning on or after 1 January 2024.

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