We would like to draw your attention to the Amendment to the Act on Accounting that will become effective in Slovakia as of 1.1.2015.

One of the main changes is a new classification of accounting entities.

As of January 1st, three different classes of accounting entities will be distinguished upon the operating size: so-called micro, small and big accounting entity. This classification will influence the extent of the financial statements as well, while it will be dependent on the fulfilment of the following conditions:

<table>
<thead>
<tr>
<th>Classification</th>
<th>Amount of total assets</th>
<th>Net turnover</th>
<th>Average number of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro accounting entity</td>
<td>Up to 350 000 EUR</td>
<td>Up to 700 000 EUR</td>
<td>Up to 10 employees (including)</td>
</tr>
<tr>
<td>Small accounting entity</td>
<td>350 000,01 - 4 000 000 EUR</td>
<td>700 000,01 - 8 000 000 EUR</td>
<td>10 - 50 employees</td>
</tr>
<tr>
<td>Big accounting entity</td>
<td>over 4 000 000 EUR</td>
<td>over 8 000 000 EUR</td>
<td>over 50 employees</td>
</tr>
</tbody>
</table>

The accounting unit has to meet at least two out of three above mentioned criteria while classifying, and this during the two subsequent accounting periods.

A new-established accounting entity (for example accounting unit that will be established in 2015) will be classified in one of the mentioned classes based on its own decision. Accounting entity that meets the conditions for micro-accounting entity can decide any time to proceed as the small accounting entity.

Existing accounting entities that use calendar year as an accounting period will proceed with the classification to the different size classes as of 1.1.2015, while they will take into consideration also the immediately preceding accounting period, i.e. the status to 31.12.2014. Accounting entities using fiscal year as an accounting period will proceed based on the new conditions starting from the fiscal period that starts during the year 2015, while they will consider the conditions fulfilment also for the day when the financial statements shall be prepared during the year 2015. Accounting entity that considered itself for the micro-accounting entity in 2014 will be considered to be micro-accounting entity pursuant to the wording effective as of 1.1.2015.

The amendment also expends the possibility to file the announcement on the date of financial statements approval in paper form.

In 2014, the announcement was possible only electronically or per repeated filing of the whole (already approved) financial statements. Starting from 2015, it will be possible also in paper form. The template of the announcement on the date of financial statements approval will be regulated by the Ministry.
the paper form shall be delivered to the Tax Office.

The amendment on the Accounting Act has also introduced a change in the functionality of the Register of Financial Statements.

The aim is to decrease the number of incorrect or incomplete submissions. The amendment authorises tax offices to call upon an accounting entity to correct or supplement the financial statements in case of incompleteness or incorrectness. The amendment also regulates that if an accounting entity does not eliminate the shortcomings upon the call, the delivery will be considered as undelivered, i.e. periods will begin only after the accurate and complete filing.

Experience from practice has shown that the accounting entities ask for copies of documents filed in the Register of the Financial Statements for different purposes and because of the poor accessibility, the places where the copies of these documents will be provided upon requests, will be expanded.

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