

# News Flash

June 1<sup>st</sup>, 2015



**So-called partial tax audit protocol  
will become effective as of July 1<sup>st</sup>,  
2015 in Slovakia**

## Partial tax audit protocol

We would like to inform you that so-called institute of partial tax audit protocol will become effective as of July 1st, 2015 in Slovakia. Based on this institute the Slovak Tax Office will be entitled to issue the partial protocol and repay a part of the excess deduction to the tax payer even before the tax audit will be completed.

### Changes as of July 1<sup>st</sup>, 2015

According to the current wording of the Act on VAT, if the tax office initiates a tax audit within the period for repayment of the excess VAT deduction, the excess deduction will be repaid within 10 days of the termination of the tax audit.

As of July 1st, 2015 it will be possible to repay the part of the excess deduction even before the completion of the tax audit.

However, whether the tax office issues the partial tax audit protocol or not will be based solely on its decision, **i.e. the tax office will have possibility to use the institute of so-called partial protocol and to repay the excess deduction, however the tax office will not be obliged to apply it.**

### Conditions to be met

The part of the excess deduction can not be repaid only to tax payers:

- who are included in the so-called black list of tax payers,
- who breach their VAT obligations regularly,
- or in case the audit is executed based on a request by prosecuting authorities.

The institute of the partial protocol can be applied in all **tax audits that starts as of July 1<sup>st</sup> 2015 as well as in tax audits that have started before this date if these will not be completed till July 1<sup>st</sup> 2015.**

The part of the excess deduction will be repaid within 10 days after the partial protocol will be sent, i.e. the date of the delivery of the partial protocol is not crucial.

### Partial protocol in praxis

The aim of this provision is to ensure the repayment of the excess deductions in case the tax office finds out and recognizes the legitimacy of the excess deduction during the tax audit and there will be no purpose to hold the part till the completion of the tax audit.

However, we suppose that the appliance of this provision in praxis will not be real because until **the tax office does not terminate the tax audit it can not be sure, what amount of the excess deduction shall be repaid.**

As it is only a facultative provision and the tax office can be sure what amount of the excess deduction shall be repaid only after the completion of the tax audit, we suppose that employees of the tax office will decide to issue the partial protocol only in exceptional cases.

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