

*accace*

# Value-added tax in Slovakia



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## VAT rates

### Basic and reduced VAT rates

**20%** is the basic VAT rate in Slovakia

**10%** is the reduced rate that is also applicable

Although the reduced rate applies to a longer list that may change, in general, it may be applicable to pharmaceuticals, some medical products, books, dairy or meat products and accommodation. In any case, the actual product or service should be reviewed individually.

Following the special measure, which was adopted at the end of 2022 as a reaction to the crisis on energy market and with the aim to support tourist business, the reduced 10% rate shall apply from January 1, 2023 until March 31, 2023 also to transport of persons by cable cars, ski lifts, access to indoor and outdoor sports facilities, admission to artificial swimming pools and restaurant and hospitality services.

### Export within and outside the European Union

The supply of goods to other EU member states are free from VAT, if delivered to a VAT payer registered in another EU member state and transported to such member state. The export of goods outside of EU is free from VAT but is subject to the confirmation of custom authorities on export from EU.

### Taxable amount

The taxable amount equals everything that is deemed to be received or shall be received for the delivery of goods or services. In case of the import of goods from third countries, the taxable amount is based on the value of customs.

# VAT registration of domestic taxable persons

## Voluntary and obligatory registration

Voluntary VAT registration in Slovakia is possible, but only for a taxable person, i.e. person (natural or legal person) pursuing economic activity. The turnover threshold for obligatory VAT registration is EUR 49,790 within any 12-month period.

The deadline for filing the obligatory VAT registration falls on the 20<sup>th</sup> day of the calendar month following the calendar month in which the turnover threshold has been reached. In some special situations there is a shorter period applicable.

Starting from January 1, 2023, domestic taxable persons who perform exclusively exempted activities such as financial, insurance services, delivery and rental of real estate are allowed to voluntarily decide whether to register for VAT purposes after the turnover threshold has been reached.

## Group registration for taxable entities

In Slovakia, group registration for VAT is possible.



Several taxable persons who have their seat, place of business or fixed establishment within the territory of the Slovak Republic and are financially, economically and organizationally connected, may participate in VAT group registration and as such be deemed as a single taxable person for VAT purposes.

## Other specifications of the VAT registration

In Slovakia, a taxable person may become a VAT payer by law without previous registration. It may concern cases of real estate sale, business acquisition or part of a business by purchase or otherwise.

Besides the obligatory registration, Slovak taxable persons must register for the purposes of service delivery to other EU member states, or for the purposes of acquiring goods or services from other EU member states. Registration shall be done in advance.

For those taxable persons that perform e-commerce, it would be worth mentioning that as from July 1, 2021, the rules implementing the Council Directive (EU) 2017/2455 and Council Directive (EU) 2019/1995 entered into force. [\*Further details are available here.\*](#)



## VAT registration of foreign taxable persons

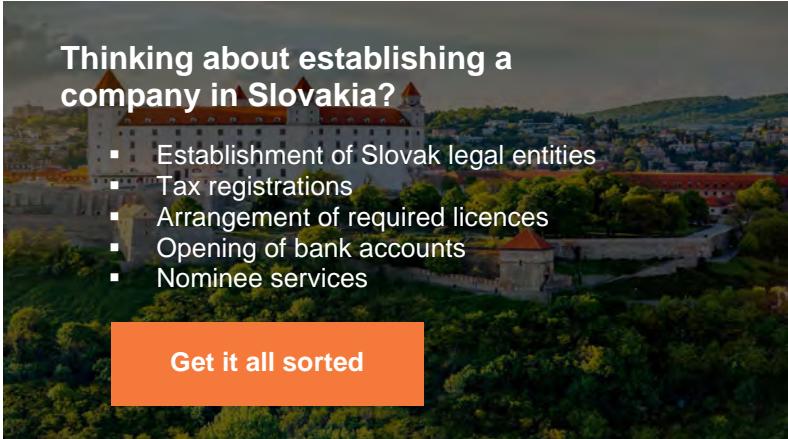
### Definition of foreign taxable persons

Foreign taxable persons are entities without seat, place of business or fixed establishment located in Slovakia. Otherwise, they are considered as domestic taxable persons, i.e., the same rules are applicable on foreign persons having a fixed establishment in Slovakia as on domestic taxable persons.

### Obligatory registration for foreign taxable persons

Foreign subjects in Slovakia are obliged to register for VAT before the commencement of an activity which is subject to VAT.

In the field of e-commerce, as from July 1, 2021, the rules implementing the Council Directive (EU) 2017/2455 and Council Directive (EU) 2019/1995 entered into force.



#### Thinking about establishing a company in Slovakia?

- Establishment of Slovak legal entities
- Tax registrations
- Arrangement of required licences
- Opening of bank accounts
- Nominee services

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# Communication with authorities

## Local statutory representation for VAT

In Slovakia, local representation by a tax advisor is not obligatory.



Foreign persons may need local representation in specific situations.

## Statutory language



Only Slovak language may be used for communication with the tax authorities.

## Communication with authorities

A taxable person shall communicate with the tax authorities in electronic format, via the data box of the tax administrator.



A qualified electronic signature is required for the electronic communication.

# VAT compliance and return filing

## Tax period and deadline for VAT return filing

In Slovakia, the calendar month is considered as a tax period. A later change to calendar quarter is possible, but it is subject to several conditions.



The VAT return shall be filed till the 25<sup>th</sup> day following the respective tax period.

## EC sales list and other documents

The EC sales list shall be filed till the 25<sup>th</sup> day following the respective period, which is in general the calendar month. The EC sales list may be filed for a period of calendar quarter if the value of delivered goods to other EU member states does not exceed the threshold of EUR 50,000 within a calendar quarter nor within the 4 previous calendar quarters.

Besides the VAT return, the control statement listing information from issued and received invoices must be filed as well.

## Extra notification duties of bank accounts

Starting from November 15, 2021, all registered VAT payers are obliged to report to Slovak tax administrator the numbers of all own bank accounts (payment, deposit), which the VAT payer will use for business that is a subject to tax under the Slovak VAT Act. This obligation applies both to bank accounts held with a domestic payment service provider and to accounts held with foreign payment service providers.

Newly registered VAT payers will be required to comply with the reporting obligation immediately from the date on which they became VAT payers or immediately from the date on which they set up such an account after they have been registered as VAT payers by the tax office.

VAT payers will be obliged to notify also any subsequent change, addition, or cancellation of notified bank accounts without delay.

The purpose of this measure is to publish, starting from January 1, 2022, the list of VAT payers' bank accounts on the website of the Financial Directorate on a daily basis. Payment of the supplier's invoice to a bank account which was not listed at the time of payment may lead to the application of the tax



guaranteeing institute. Therefore, customers should pay increased attention to the supplier's bank accounts, to which they will make the payment of invoices.

It also applies that tax office return the excess deduction only to one of the bank accounts notified to it by the VAT payer as part of the mentioned special notification obligation.

## Extra notification duties of payment service providers

The payment service providers should prepare for new notification duties starting from January 1, 2024 and this following the transposition of the Council Directive (EU) 2020/284 into Slovak VAT legislation with effect from January 1, 2024.

Domestic payment service providers will be required to keep records of payees and cross-border payments in connection with the payment services they provide for each calendar quarter, and at the same time to make these records available to the Financial Directorate of the Slovak Republic. These records will then be sent by each member state to the Central European Payment System (so-called CESOP), where they will then be cross-checked and evaluated.

The aim of this is to combat tax avoidance in the field of cross-border e-commerce, as well as to check the correctness of the amount of tax declared.



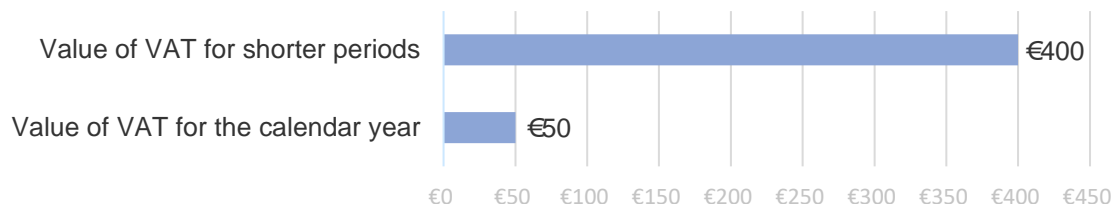
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# VAT refund to EU member states

## Minimum amount and applicable period

The value of requested VAT must be at least EUR 50 for the respective calendar year.

The VAT refund may be requested also for shorter periods than a whole calendar year, however such period shall not be shorter than 3 calendar months and the value of VAT must be at least EUR 400.



## Deadline and place of filing for VAT refund

The deadline for filing a VAT refund request is September 30 of the subsequent calendar year. The request for VAT refund shall be filed at the local tax authority in the other EU member state. The deadline for VAT return is 10 working days after laps of period for delivery of the decision made on the VAT refund, which may be between 4 to 8 months since filing VAT refund request.

## Refund for foreign taxable persons

Upon the fulfilment of specific conditions. VAT refund for a foreign taxable person is possible.

# VAT refund to third countries

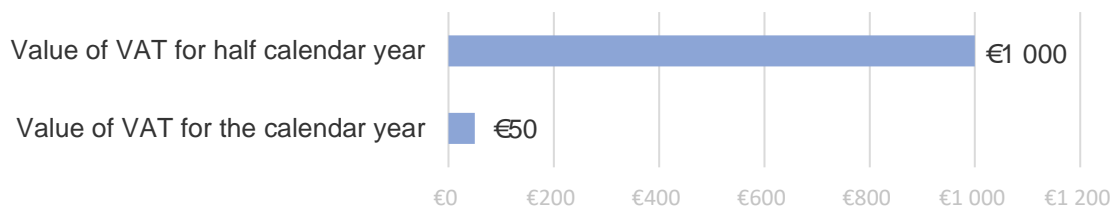
## VAT refund conditions

VAT refund to third countries is possible only upon the fulfilment of specific conditions, including reciprocity.

## Minimum amount and applicable period for VAT refund

The value of requested VAT must be at least EUR 50 for the respective calendar year.

The VAT refund may be requested for the whole calendar year or for half calendar year. However, in case of the later, the value of the requested VAT has to exceed EUR 1,000.



## Deadline and place of filing for VAT refund

The deadline for filing a VAT refund request falls on June 30 of the subsequent calendar year. The request for VAT refund shall be filed at the Tax office in Bratislava, Slovakia. The deadline for VAT return is 6 months after filing the refund request.



## Penalties for VAT non-compliance

Depending on the nature of breach of the law, penalty for non-compliance can be imposed in form of fine, based on situation and severity:

**EUR 32,000** is the maximum amount, or

**10 % p.a.** is the maximum amount of interest.

**15 % p.a.** is the delay interest for late payment.

### Disclaimer

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