



NEWSLETTER 2/2021

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1. Balance accounts accessible via Financial Administration web portal

With its new pro-client solution, the Financial Administration is now even closer to its users and achieving full digitisation. More specifically, the personal account of the tax entity, i.e. the balance account, has now been made accessible to taxpayers. Taxpayers will thus be able to view their personal account, anywhere and at any time, without the need for any communication with the Financial Administration, by accessing the Financial Administration’s web portal. On the one hand, taxpayers will have more effective control over their accounts, while on the other, the Financial Administration expects this solution to improve taxpayer compliance with their tax obligations.

The balance account will be accessible to all tax entities that communicate electronically with the Financial Administration. The balance account can be accessed both by users with limited access to the Financial Administration’s services as well as those with full access, with access to balance accounts being granted automatically in both cases. However, users with restricted access must first acquire designated authorisation to access the personal accounts. This authorisation is obtained in accordance with the standard rules governing access to the Financial Administration’s services, e.g. on the basis of legal status or power of attorney. Otherwise, i.e. where users do not have this right, they must first apply to the tax office for the right to view their balance account. Multiple authorised users can have access to a single balance account.

Users with access to a specific balance account will always have access to all of the data for the given account in a structured format. Examples of this data include those relating to prescriptions of advance payments, paid or unpaid tax obligations, unreimbursed excess deductions and overpayments, etc. This data will always be updated as of the day preceding the date of publication on the Financial Administration’s web portal.

We believe that this innovative project of the Financial Administration will not only benefit the Financial Administration itself, but will also be welcomed by the users themselves and help achieve the expected transparency and efficiency.



2. Draft amendment to the Tax Code from 1 January 2022

The Ministry of Finance of the Slovak Republic submitted a draft amendment to the Tax Administration Act (the "Tax Code") to the legislative process. The most significant proposed changes include:

1. Cancellation of registration certificates – Due to the reduction of the administrative burden, the tax administrator will not send registration certificates to taxpayers. The obligation to submit them to the tax administrator for the purpose of registering changes, as well as the obligation to return this certificate, is abolished.
2. Introduction of a public index of tax reliability as a transparent and objective rating of taxpayers based on the fulfillment of obligations toward the financial administration. In case of an excellent rating, taxpayers will be entitled to statutory benefits, e.g. reduction of the fee for a binding opinion or for issuing an advance pricing agreement decision, reduction of fines and longer deadlines for response to the tax administrator. Otherwise, the taxpayers will receive the so-called "malus", e.g. shortening the deadline for fulfilling obligations in the tax proceedings to 8 days. In case of a disagreement with the rating, the taxpayer will be entitled to file an objection.

Contrary to the current situation, details of the claims, criteria, conditions and principles that will be used as the basis for determination of taxpayer's tax reliability index, as well as the manner in which it will be determined, will be published on the website of the Financial Directorate of the Slovak Republic.

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3. Establishment of the institute of individual's exclusion – This institute will enable tax administrator to issue a decision on the individual's exclusion, who is the statutory body of a taxpayer and seriously violates the tax obligations. The consequence of the decision on the exclusion is that the excluded individual must not act as the statutory representative or be a member of the statutory body or the supervisory body in a company or a cooperative. The period for which the tax administrator may exclude an individual by a decision is up to three years from the validity of the decision on the exclusion, while the individual may appeal against the decision. The excluded individual will not be able to file a petition for review of the decision outside the appeal proceedings or a proposal to reopen the proceedings.

This provision is proposed in connection with the regulation of disqualification of persons in the Commercial Code, as well as in the Act on Courts.

4. Reduction of the fee for binding opinions - According to the draft amendment, the taxpayer will pay the amount of EUR 1,000, upon filing of the request for a binding opinion, while a highly reliable taxpayer will pay half of this amount.



3. Draft amendment of the VAT Act

On 26 April 2021, the Ministry of Finance of the Slovak Republic submitted a draft amendment, which among other things would introduce changes to the VAT Act. The purpose is to adopt a set of legislative measures aimed at improving VAT collection.

The proposed changes include:

- Introduction of a notification obligation on taxpayers, whereby they must submit to the Financial Directorate of the Slovak Republic details of the bank accounts used in their business activity that should be subject to VAT, including all changes or cancellations of the bank accounts in question. In the event that a taxpayer wishes to use a private bank account for business purposes, such changes must be announced in advance. In addition, any excess VAT deductions are to be refunded by the Tax Authority exclusively to the bank account submitted by the taxpayer. A list of the taxpayer bank accounts would be published on the website of the Financial Directorate of the Slovak Republic.
- Introduction of changes to the tax guarantee in situations where the taxpayer in receipt of a taxable supply in Slovakia should or may have known that the supplier (the VAT payer) would not pay all or part of the tax amount in question. The tax guarantee would also apply in cases where the consideration is paid to a bank account that does not feature on the list of bank accounts published by the Financial Directorate of the Slovak Republic or to the bank account of another person.
- Introduction of a new method for the payment of tax on the supply of goods or services by a VAT payer in Slovakia where the goods or services are subject to VAT. The purpose of this measure is to avoid application of the tax guarantee against a VAT payer who is in the position of customer and who at the time the tax becomes payable should or may have known that the supplier would not pay all or part of the tax amount stated on the invoice. In this case, the tax stated on the invoice will not be paid by the customer as part of the price of the taxable supply to its supplier, but the invoiced amount will be divided into the tax base to be paid to the supplier, with the tax being paid to the taxpayer's account for tax purposes.

The amendment proposes an obligation on taxpayers to notify the Financial Directorate of Slovak Republic of their bank accounts by 30 November 2021, with other changes effective from 1 January 2022.



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Best regards,

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