

Deloitte News

December 2016, Deloitte in Slovakia

Direct Taxes:

- **Approved Amendment to Act No. 595/2003 Coll. on Income Tax, as amended (hereinafter the "ITA")**

On 23 November 2016, the National Council of the Slovak Republic approved an amendment to the ITA.

- **New Corporate Income Tax Return Form**

The Ministry of Finance of the Slovak Republic published a new corporate income tax return form and guidance for completing the tax return to be filed after 31 December 2016.

- **Ruling of the Supreme Administrative Court of the Czech Republic on the Tax Deductibility of Research and Development Project Costs**

The Supreme Administrative Court of the Czech Republic (hereinafter the "SAC") revoked a judgment of a regional court and a decision of an administrative authority, which disputed projects of a taxable person as R&D activities. The SAC ruled that the projects in question must be assessed from a technical perspective and that the tax authority does not have the necessary expertise. Given the above facts, the SAC considers that the first cassation appeal was well founded.

- **Ruling of the Supreme Administrative Court of the Czech Republic on the Application of Double Taxation Avoidance Treaty in Connection with the Assessment of the Existence of Costs and Their Tax Effect**

The SAC ruled in its judgment that the determination of the tax liability of a permanent establishment first requires a consideration of whether the disputed costs are costs incurred for acquiring, securing and maintaining taxable income and only then the application of the relevant article of the double taxation avoidance treaty, which governs profits of permanent establishments, and the provision of the Czech Income Tax Act governing arm's length prices.

- **Methodological Instruction on the Application of Tax Allowances under Article 11 of Act No. 595/2003 Coll. on Income Tax, as Amended**

The Financial Directorate of the Slovak Republic issued a methodological instruction on the application of tax allowances under Article 11 of the ITA.

- **Notices of the Ministry of Finance of the Slovak Republic Specifying Template Forms under the Income Tax Act with Respect to Income from Dependent Activities**

The Ministry of Finance of the Slovak Republic issued Notice No. MF/016561/2016-721 specifying template forms under Act No. 595/2003 Coll. on Income Tax, as amended (the "ITA") with respect to income from dependent activities.

The Ministry of Finance of the Slovak Republic also issued Notice No. MF/016563/2016-721, publishing recommended template forms with respect to income from dependent activities under Article 5 of the ITA.

Template forms annexed to the notice are also available from the website: www.finance.gov.sk.

Direct Taxes:

- **Measure of the Ministry of Finance of the Slovak Republic No. MF/15394/2016-721, Amending Measure of the Ministry of Finance of the Slovak Republic No. MF/16772/2015-721, Laying Down New Income Tax Return Forms**

The Ministry of Finance of the Slovak Republic laid down personal income tax return forms for the filing of tax returns for the 2016 taxation period. Personal income tax return forms A and B are annexed to the measure.

- **Notice of the Ministry of Finance of the Slovak Republic No. MF/020689/2016-721 Issuing Guidance for the Completion of Income Tax Returns and Notice of the Ministry of Finance of the Slovak Republic No. MF/020691/2016-721 Issuing Template Confirmations for the Filing of an Income Tax Return**

The Ministry of Finance of the Slovak Republic issued guidance on personal income tax returns A and B, which are a part of this notice, to ensure uniform completion of tax returns under Act No. 595/2003 Coll. on Income Tax, as amended.

The Ministry of Finance of the Slovak Republic recommends that taxable persons use template confirmations of the filing of a personal income tax return A or B, which are part of the notice, when filing a tax return to ensure uniform application of Article 13 (4) of Act No. 563/2009 Coll. on Tax Administration (The Tax Code) and on Amendments to and Supplementation of Certain Acts.

- **Judgment of the Court of Justice of the EU on Personal Income Tax C-548/15**

On 10 November 2016, the Court of Justice issued ruling C-548/15 in relation to the proceedings of a Dutch taxable person, J. J. de Lange, which examined the interpretation of the principle of non-discrimination on grounds of age and of Articles 3 (1) and 6 (1) of Council Directive 2000/78/EC of 27 November 2000 establishing a general framework for equal treatment in employment and occupation.

- **Amendment to Act No. 595/2003 Coll. on Income Tax, as amended**

The National Council of the Slovak Republic adopted the government bill amending and supplementing Act No. 595/2003 Coll. on Income Tax, as amended, and amending and supplementing certain acts.

Indirect Taxes:

- **Changes to the Value Added Tax Act**

Acts No. 297/2016 and 298/2016 amending Act No. 222/2004 Coll. on Value Added Tax, as amended (the "VAT Act") were published in the Collection of Acts of the Slovak Republic. Changes to the VAT Act will become effective from 1 January 2017, except for the provisions on the import of goods, which will become effective on 31 December 2016.

- **New Template and Guidance on the VAT Transactions Statement**

In connection with the approved amendment to the VAT Act, the Ministry of Finance of the Slovak Republic issued a new VAT transactions statement template and updated guidance on its completion. The new VAT transactions statement template must be used for the first time for the January 2017 taxation period, or for Q1 2017.

- **Court of Justice of the European Union – VAT**

C 24/15 Josef Plöckl vs. Finanzamt Schrobenhausen – Right to a VAT Exemption with regard to the Transfer of Goods of a Taxable Person Within the EU if the Taxable Person Fails to Comply with the Obligation to Provide a VAT ID of the Member State of Destination

The Member States are precluded from refusing to exempt a EU transfer of goods of a taxable person from VAT on the grounds that the taxable person did not provide a VAT ID issued by the Member State of destination if there is no specific indication of tax evasion, the goods were moved to another Member State and other conditions for VAT exemption were met.

Indirect Taxes:

C 432/15 Pavlína Bašťová vs. Odvolací finanční ředitelství ČR – A Taxable Person Providing a Horse to a Horse Race Organiser – Supply of Services for Consideration and Right to Deduct VAT from the Costs of Preparing Horses for Races

Provision of a racehorse by its owner to a horse race organiser for the purposes of the racehorse's participation in a race is not a supply of services for consideration, provided that no participation reward or other direct reward is paid for this provision and prizes for places, which may be set in advance, only go to the owners of horses that finished in a rewarded position in such a race.

A taxable person that breeds and trains their own racehorses and racehorses owned by other parties may deduct input VAT paid in transactions related to the preparation and participation of the horses that belong to the taxable person in horse races, as expenses associated with these transactions are included in general expenses related to the economic activity of the taxable person.

Comprehensive services including items such as training of horses, use of sports equipment, stabling of horses, feeding and other care for horses, is not subject to a reduced VAT rate if the training of the horses and the use of sports equipment form two equal components of this comprehensive supply, or if the training of horses is the main component of the comprehensive supply which, however, is subject to verification by the national court.

Legal:

- **Amendment to the Act on e-Government**

The amendment postpones mandatory activation of the electronic mailbox to 30 June 2017.

- **Amendment to the Act on Securities**

The amendment aligns the wording of the Act on Securities with EU legal acts and removes deficiencies resulting from application practice.

- **Deloitte Legal Dbriefs**

We invite you to explore our Deloitte Legal Dbriefs – live webcasts on current legal topics. You can explore past and upcoming Dbriefs at this link:

<http://www.deloitte.com/dbriefs/deloittelegal>

Accounting:

- **Adoption of IFRS in the EU**

The EU adopted new IFRS 9 Financial Instruments on 22 November 2016. It is a new standard that comprehensively addresses the classification, measurement and impairment of financial instruments and hedge accounting.

- **Effective Date of the Forthcoming IFRS 17**

The International Accounting Standards Board (IASB) approved that IFRS 17 Insurance Contracts will become effective on 1 January 2021.

Others:

- **Changes in Transfer Pricing**

The National Council of the Slovak Republic adopted an amendment to the Income Tax Act, which makes changes as regards transfer pricing relating to the definitions of key terms, fees for the approval of valuation methods and sanctions.

- **Change in Meal Allowance Rates**

The meal allowance rates for domestic business trips, the value of meal vouchers, the amount of the employer's contribution to employees' meals and the amount of meal allowances for self-employed persons will change with effect from 1 December 2016.

- **Amendment to Act 580/2004 Coll. on Health Insurance**

The National Council of the Slovak Republic adopted a government bill amending and supplementing Act No. 580/2004 Coll. on Health Insurance, as amended, and amending and supplementing certain acts.

- **Amendment to the Act on the Special Levy on Business in Regulated Industries**

On 23 November 2016, the Government of the Slovak Republic adopted an amendment to Act No. 235/2012 Coll. on the Special Levy on Business in Regulated Industries, and on Amendments to and Supplementation of Certain Acts, as amended.

- **Amendment to the Insurance Act**

On 22 November 2016, the Government of the Slovak Republic adopted an amendment to Act No. 39/2015 Coll. on Insurance and on Amendments to and Supplementation of Certain Acts, as amended, amending and supplementing certain acts.

- **Amendment to the Act on Special Levy on Selected Financial Institutions**

An amendment to Act No. 384/2011 Coll. on the Special Levy on Selected Financial Institutions, and on Amendments to and Supplementation of Certain Acts, as amended, was published in the Collection of Acts on 20 October 2016.

- **Dbriefs**

We invite you to explore our Deloitte Dbriefs – live webcasts on current tax topics. You can explore past and upcoming Dbriefs at this link:

Dbriefs UK

www.ukdbriefs.com

Deloitte Europe

www.emeadbriefs.com

Global Dbriefs

[website](#)

Please contact your usual Deloitte contact person or any of the contact persons listed here if you would like our help.



Partner

Larry Human
lhuman@deloitteCE.com



Partner

Martin Rybár
mrybar@deloitteCE.com



Taxation of Companies

Jana Farkašová
jafarkasova@deloitteCE.com



Slovak accounting and IFRS

Ľudmila Buzgová
lbuzgova@deloitteCE.com



Taxation of Individuals

Ľubica Dumitrescu
ldumitrescu@deloitteCE.com



Korean Desk

Kyu-Mann Huh
kmhuh@deloittece.com



VAT and Customs

Ján Skorka
jskorka@deloitteCE.com



Deloitte Legal

Miroslava Terem Greštiaková
mgrestiakova@deloitteCE.com



Transfer Pricing

Martin Sabol
msabol@deloitteCE.com

Deloitte Tax s.r.o.
Digital Park II
Einsteinova 23
851 01 Bratislava
Slovenská republika
Tel.: +421 2 582 49 111
Fax: +421 2 582 49 222
www.deloitte.sk

Deloitte Legal s.r.o.
Digital Park II
Einsteinova 23
851 01 Bratislava
Slovenská republika
Tel.: +421 2 582 49 111
Fax: +421 2 582 49 222
www.deloittelegal.sk

Our Offices

Bratislava

Digital Park II
Einsteinova 23
851 01 Bratislava
Tel.: +421 2 582 49 111
Fax: +421 2 582 49 222

Žilina

Komenského 8854/19
010 01 Žilina
Tel.: +421 2 582 49 111
Fax: +421 2 582 49 222

Košice

Štúrova 28
040 01 Košice
Tel.: +421 55 728 1811
Fax: +421 55 728 1827

Deloitte SK | mobile application

Newsletters | Publications | Seminars | Alerts | Videos



This publication contains general information only, and none of Deloitte Touche Tohmatsu Limited, any of its member firms or any of the foregoing's affiliates (collectively the "Deloitte Network") are, by means of this publication, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This publication is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your finances or your business. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. No entity in the Deloitte Network shall be responsible for any loss whatsoever sustained by any person who relies on this publication.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/sk/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

Deloitte provides audit, tax, consulting, transaction advisory and legal services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 150 countries and territories, Deloitte brings world-class capabilities and high-quality service to clients, delivering the insights they need to address their most complex business challenges. Deloitte's approximately 225,000 professionals are committed to making an impact that matters.