

Deloitte News

February 2018, Deloitte in Slovakia

Direct Taxes:

- **Publication of Electronic Corporate Income Tax Return Form for 2017**
Electronic corporate income tax return forms for 2017 were published on the official website of the Financial Administration of the Slovak Republic on 6 February 2018.
- **Ruling of Regional Court of the Czech Republic in the Case AZETKO vs. OFŘ**
The Regional Court of the Czech Republic ruled on a dispute on an additional assessment of corporate income tax due to a failure to apply transfer pricing and incorrect inclusion of expenses in the tax base.
- **Ruling of the Regional Court of the Czech Republic in the Case FIERA on Income from Lease to a Related Party**
The Regional Court of the Czech Republic ruled on a dispute on an additional assessment of corporate income tax due to incorrect application of tax depreciation from leased real estate.
- **Ruling of ECJ C-504/16 and C613/16 Deister holding AG and Juhler Holding A/S**
The European Court of Justice ruled on the application of withholding tax on profits distributed to a non-resident parent holding company and its exemption.
- **Double Taxation Avoidance Treaty Between the Slovak Republic and Ethiopia**

Indirect Taxes:

- **Methodological Instruction on the Tax Base Assessment under Article 22 of Act No. 222/2004 Coll. on VAT, as Amended**
The Financial Directorate of the Slovak Republic issued a new methodological instruction on the tax base assessment when goods and services are supplied with the place of supply in the Slovak Republic.
- **Methodological Instruction on the Special Regulation of VAT Application Based on Received Payments for the Supply of Goods or Services Pursuant to Article 68d of the VAT Act**
In connection with the amendment to the VAT Act effective from 1 January 2018, the Financial Directorate of the Slovak Republic published an updated methodological **instruction on the special regulation of VAT application based on received payments for the supply of goods or services.**

- **Information on the Obligation to Submit a EC Sales List by Persons Registered for Tax under Article 7 or 7a of the VAT Act if They Participated in a Triangular Transaction in the Position of the First Customer and on the Reporting of this Transaction in the VAT Tax Return**

The Financial Directorate of the Slovak Republic published information on how to report a triangular transaction in a VAT return by a person registered under Article 7 or 7a of the VAT Act if it participated in a triangular transaction in the position of the first customer.

- **Information on the Obligations of a Person Registered for Tax under Article 7a of the VAT Act**

The Financial Directorate of the Slovak Republic published information for persons registered under Article 7a of the VAT Act, which summarises all significant obligations of such persons under the VAT Act.

- **Notice of the Ministry of Finance of the Slovak Republic No. MF/008522/2018-731 with Guidance for the Completion of the EC Sales List**

The Ministry of Finance of the Slovak Republic published updated guidance for the completion of the EC Sales List.

- **EU Court of Justice – VAT**

- ***C 500/16 Caterpillar Financial Services sp. z o.o. vs. Polish Tax Authorities – Refund of an Overpayment of VAT after the Expiry of the Limitation Period***

EU Member States may refuse a request for a refund of an overpayment of value added tax where that request was submitted by the taxable person after the expiry of the five-year limitation period, although it follows from a judgment of the Court of Justice of the EU, delivered after the expiry of that period, that the VAT which is the subject of that request for a refund was paid on no legal grounds.

- ***C 308/16 Kozuba Premium Selection sp. z o.o. vs. Polish Tax Authorities – Conditions for VAT Exemption of the Sale of a Building***

Article 12 (1) and (2) and 135 (1) (j) of Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax (the "VAT Directive") must be interpreted as precluding a national law, which makes the VAT exemption on the supply of buildings subject to the condition that the first occupation thereof arises in the context of a taxable transaction. The same provisions do not preclude a national law from making that VAT exemption on the supply of buildings subject to the condition, in the case of the 'upgrade' of an existing building, that the costs incurred have not exceeded 30% of the initial value thereof, provided that that concept of 'upgrade' is interpreted in the same way as that of 'conversion' in Article 12 (2) of the VAT Directive, namely as meaning that the building concerned must have been subject to substantial modifications intended to modify the use or alter considerably the conditions of occupation.

- ***C 374/16 RGEX and C 375/16 Igor Butin – Right to Deduct Input VAT – Compulsory Content of Invoices***

Article 168 (a) and Article 178 (a) of the VAT Directive, read in conjunction with Article 226 (5) thereof, must be interpreted as precluding national legislation, which makes the exercise of the right to deduct input VAT subject to the condition that the address where the issuer of an invoice carries out its economic activity must be indicated on the invoice.

Legal:

- **Act on the Enforcement of a Decision to Freeze Assets and on the Administration of Frozen Assets**

The new Act is intended to increase the efficiency of freezing and administering assets in criminal proceedings.

- **Amendment to the Criminal Code**

The amendment introduces a new concept, forfeiture of a portion of assets, and expands the scope of the crime of obstruction of tax administration.

- **Amendment to the Criminal Procedure Code**

The amendment introduces new freezing concepts, such as freezing of real estate, freezing of an ownership interest and freezing of other property values.

- **Amendment to the Labour Code**

The amendment is intended to improve employees' working conditions.

Accounting – IFRS:

- **IASB Issued Amendments to IAS 19**

On 7 February 2018, the International Accounting Standards Board (IASB) issued amendments to IAS 19 Employee Benefits: Plan Amendment, Curtailment or Settlement. These amendments are effective for annual periods beginning on or after 1 January 2019. These amendments have not yet been endorsed by the EU.

- **Adoption of IFRS in the EU**

On 7 February 2018, the EU adopted amendments to three standards (IFRS 1, IFRS 12 and IAS 28) under the annual IFRS improvement project (Annual Improvements to IFRSs 2014–2016 Cycle).

Tax Administration:

- **Court of Justice of the EU - C-298/16 Mr and Mrs Ispas vs. Directorate-General of Public Finances, Romania – Right to Access Information in an Administrative File**

The Court of Justice ruled that an individual is to have the opportunity to have communicated to him, at his request, the information and documents in the administrative file and considered by the public authority when it adopted its decision.

- **Judgment of the Supreme Administrative Court of the Czech Republic - 10 Afs 122/2017 – 50 ELEKTRA PV, s.r.o. vs. Financial Authority for South Bohemian Region – Unlawful Intervention, Manner of Enforcement**

The Supreme Administrative Court ruled that all acts of a tax enforcement officer in tax enforcement proceedings must have only one objective: recovery of tax arrears. Therefore, tax enforcement officers should act in tax enforcement proceedings so that the taxable person is able to maintain its economic existence until there is a final decision on tax liability.

Transfer Pricing:

- **Jurisdictions Finalise Regulations for the First Country-by-Country Reporting (CbC Reports)**

In connection with the BEPS Action Plan 13, additional agreements on the automatic exchange of information obtained through CbC reports were updated on 21 December 2017. More than 1 400 bilateral agreements are currently in force.

- **Pilot Programme of Selected Countries that Are Parties to the Free Trade Agreement (FTA)**

A pilot programme "International Compliance Assurance Programme" (ICAP), launched on 23 January 2018, addresses risk assessment of multinational groups and aims to increase tax certainty for multinational companies and tax administrations.

- **Methodological Guidance of the Ministry of Finance of the Slovak Republic No. MF/020525/2017-724 on the Mutual Agreement Procedure Was Submitted for Inter-Ministerial Circulation of Comments**

The Ministry of Finance of the Slovak Republic submitted Methodological Guidance No. MF/020525/2017-724 on the Mutual Agreement Procedure for inter-ministerial circulation of comments. The circulation of comments ended on 5 February 2018.

Others:

- **Change to the Deadline for Submitting a Pension Insurance Record by Employers**
- **From 1 January 2018, the Social Insurance Agency Grants a Compensatory Allowance to Insured Persons Who Were Granted Early Retirement Pension**
- **Self-Employed Persons Pay the Insurance Premium as at 8 January Using the Old Method**
- **The Social Insurance Agency Does Not Require Documentation of Sickness During the First 10 Days**
- **Change to the Amount of Insurance Premium for Persons with a Minimum Assessment Base**
- **Cancellation of the Employer's Deductible Item for Health Insurance**

Deloitte News:

- **taxCube™**

taxCube™ is a dedicated software developed by Deloitte to substantially increase the efficiency of the preparation of regular and additional VAT returns, VAT transactions statements and EC sales lists. taxCube™ simplifies and automates the preparation of VAT reports, reduces costs the risk of errors, and shortens the time needed for the preparation of VAT reports from days to hours.

taxCube™ performs a wide range of checks on imported data. taxCube™ is compatible with the IT environment and accounting procedures and methods that you use (use of exchange rates and credit notes, setup of tax codes, etc). Deloitte professionals will tailor the software to your needs.

More informations at www.taxcube.sk.

- **Deloitte VAT Analytics**

Deloitte has developed a tool enabling an aggregated review of the entire set of documents that are reflected in the VAT return, EC Sales List and VAT Transactions Statement. An input for VAT Analytics is a data file from an accounting system containing detailed information about accounting documents.

A Deloitte team of VAT specialists has prepared more than 70 tests which after uploading a data file check whether VAT rules have been applied correctly and identify specific accounting documents that could be incorrect. For more informations, please contact **Ján Skorka** at jskorka@deloittece.com.

- **Maják – Automated solution to check business partners**

Experience with tax audits shows that the best defence against inadvertent involvement in tax fraud is timely and effective prevention. However, Deloitte's survey has shown that companies are not very cautious in this respect. As a result, Deloitte has developed a proprietary application, Maják, which regularly checks public registers and performs comprehensive tests of selected suppliers and customers.

Please contact **Peter Takács** at ptakacs@deloittece.com for more information.

- **Excel Academy - Pre-intermediate, Intermediate**

Excel Academy teaching principle is based on practical examples that provide the best overview of the given matter.

We offer our clients two alternatives – a half-day or full-day training session.

Each training session can be tailored to client needs and organised at the venue they select. Thus, our clients incur no unnecessary costs associated with the transport of its employees to training sessions and other related expenses.

For more informations, please contact **Milan Kravárik** at mkravarik@deloittece.com.

- **Events of Deloitte in Slovakia - March, April 2018 - <http://kalendar.deloitte.sk/>**

VAT Seminar – Tax Audits – Bratislava

13 March 2018

Digital Park II, Einsteinova 23, Bratislava

[Registration](#)

Deloitte Vat Academy 2018 - 5 moduls

27 April and 4., 11., 18., 25. May 2018

Bratislava, Einsteinova 23

[Registration](#)

- **Planned Webcasts of Deloitte in Slovakia - March, April 2018**

TOP 10 Changes to the Income Tax Act effective from 1 January 2018

15 March 2018

[Registration](#)

R&D Tax Relief; Patent Box

10 April 2018

[Registration](#)

- **Deloitte Legal Dbriefs**

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- **Dbriefs**

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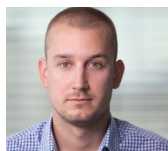
Taxation of Individuals

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