

# Deloitte News

November 2018, Deloitte in Slovakia

## Direct Taxes:

- **Draft Measure of the Ministry of Finance of the Slovak Republic Laying Down New Income Tax Return Forms**  
The Ministry of Finance of the Slovak Republic published a draft measure laying down new income tax return forms for 2018.
- **Information on the Deduction of R&D Expenses (Costs) under the Income Tax Act from 1 January 2018**  
The Financial Directorate of the Slovak Republic published information on the deduction of R&D expenses (costs), which contains definitions of terms related to R&D and illustrative examples.
- **Judgment of the Supreme Administrative Court of the Czech Republic on the Deduction of R&D Expenses**  
The Supreme Administrative Court of the Czech Republic annulled the Regional Court's judgment and returned the case for further proceedings. The substance of the dispute was non-acceptance for tax purposes of a deductible amount to support R&D and the subsequent tax assessment.
- **Methodological Instruction on the Application of a Tax Bonus for Interest Paid on Housing Loans**  
The Financial Directorate of the Slovak Republic published a methodological instruction on the application of a tax bonus for interest paid on mortgage loans, which may be applied for the first time in the 2018 taxation period.
- **Judgment of the Court of Justice of the EU of 24 October 2018 in Case C-602/17 Concerning Freedom of Movement for Workers and Right to Tax Income from Dependent Activities**  
The CJEU issued a ruling in the dispute concerning the criterion of physical presence when performing dependent activities in a state in which the taxpayer is not a resident, for exemption of income from this source in the state of residence.

## Indirect Taxes:

- **Members of Parliament's Amendment to the VAT Act**  
The President of the Slovak Republic signed an amendment to Act No. 222/2004 Coll. on Value Added Tax, as amended, according to which a reduced VAT rate will apply on all accommodation services from 1 January 2019.

- **Methodological Instruction on Special Application of VAT under Article 65 of the VAT Act**

The Financial Directorate of the Slovak Republic published a methodological instruction on special application of VAT for travel agencies and travel brokers.

- **EU Court of Justice – VAT**

***C 249/17 – Ryanair Ltd vs. The Revenue Commissioners (Tax Authority, Ireland) – Refusal to Grant the Company the Deduction of Input VAT Relating to Consultancy Services Provided to It in the Context of a Bid to Take Over Another Company.***

Council Directive 77/388/EEC on the harmonisation of the laws of the Member States relating to turnover taxes — Common System of VAT (hereinafter the “VAT Directive”) must be interpreted as conferring on a company which intends to acquire all the shares of another company in order to pursue an economic activity consisting in the provision of management services subject to VAT to that other company, the right to deduct, in full, input VAT paid on expenditure relating to consultancy services provided in the context of a takeover bid, even if ultimately such economic activity was not carried out, provided that the exclusive reason for that expenditure is to be found in the intended economic activity.

***C 153/17 Commissioners for Her Majesty’s Revenue and Customs (Tax and Customs Authority, UK) vs. Volkswagen Financial Services (UK) Ltd.– Method Applicable for Determining the Recoverable Part of the Paid Input VAT in the Context of Its Business Consisting Primarily in Offering Lease of Motor Vehicles***

Council Directive 2006/112/EC (hereinafter the “VAT Directive”) must be interpreted as meaning that, first, even where the general costs relating to supplies of moveable goods by lease, such as the supplies at issue in the main proceedings, are passed on not in the amount due by the customer in respect of the supply of the goods concerned, that is to say the taxable part of the transaction, but in the amount of the interest due in respect of the “finance” part of the transaction, that is to say the exempt part thereof, those general costs must nonetheless be considered, for VAT purposes, to be a component of the price of that supply and, second, Member States may not apply a method of apportionment which does not take account of the initial value of the goods concerned when they are supplied, since that method is not capable of ensuring a more precise apportionment than that which would arise from the application of the turnover-based allocation key.

## Legal:

- **Amendment to the Tourism Promotion Act**

The Amendment to Act No. 91/2010 Coll. on Tourism Promotion is to introduce promotion of tourism using holiday vouchers.

## Transfer Pricing:

- **OECD Published Statistics on the Mutual Agreement Procedure (MAP) for 2017**

On 10 October 2018, the OECD published statistics on the application of the mutual agreement procedure for 2017.

- **New Draft Guideline on the Determination of the Contents of Transfer Pricing Documentation**

The Ministry of Finance of the Slovak Republic issued a first draft of a new guideline on the determination of the contents of documentation pursuant to Article 18 (1) of Act No. 595/2003 Coll. on Income Tax, as amended.

## Tax Administration:

- **Draft Amendment to Act No. 563/2009 Coll. on Tax Administration (The Tax Code)**

The Ministry of Finance of the Slovak Republic is preparing an amendment to the Tax Administration Act, whose main objective is to modify the provisions of the Tax Code following amendments to the related acts, in particular the Bankruptcy and Restructuring Act.

## Others:

- **Insurance Tax as a New Form of Indirect Tax in Slovakia**

From 1 January 2019, the Slovak Republic will introduce an insurance tax on non-life insurance if the insured risk is located in Slovakia. The insurance tax rate is 8%. Taxable persons are primarily insurance companies, but in special cases, an entity other than an insurance company may also be a payer of this tax.

- **Self-Employed Persons with Deferred Tax Return Were Informed about the Amount of Social Insurance Payments**

The Social Insurance Agency sent a notice on the origination, termination or change to social insurance payments to self-employed persons with a deferred tax return for 2017.

- **The Social Insurance Agency Cancels a Number of Obligations of Self-Employed Persons**

The Social Insurance Agency informed that self-employed persons are no longer required to notify the Social Insurance Agency about the origination or termination of a trade licence.

## 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](http://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](mailto: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.

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- **Events of Deloitte in Slovakia** – <http://kalendar.deloitte.sk/>

**Tax Business Breakfast 2018 – Žilina**

5 December 2018

Villa Nečas, Pri celulózke 3494, 011 61 Žilina

[Registration](#) | [More Information](#)

**Tax Business Breakfast 2018 – Košice**

11 December 2018

Hotel Ambassador, Hlavná 101, 040 01 Košice

[Registration](#) | [More Information](#)

- **Planned Webcasts of Deloitte in Slovakia** – <http://kalendar.deloitte.sk>

**Customer Care Automation**

12 December 2018

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**Employee = Digital Ambassador**

23 January 2019

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Global Dbriefs

[website](#)

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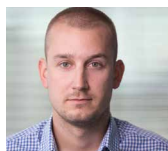
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